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DIAGNOSTIC ANALYSIS OF REASONS FOR BANK FRAUDS: A CASE OF NIGERIA DEPOSIT MONEY BANKS (1997 – 2018)

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ABSTRACT

This study set out to critically analyze the core reasons why fraud occurs in banks. It discussed the nature, causes, impacts, and prevention and detection mechanisms for bank frauds in Nigeria. The study employed the primary source of data collection, which was done with the assistance of questionnaires, in which 100 questionnaires were administered to selected banks staff in the Federal Capital Territory, Abuja; out of which 96 questionnaires were completed and returned. Also, this paper makes use of Nigerian Deposit Insurance Cooperation (NDIC) annual reports for data relating to total amount involved in frauds and frequencies between 1997 – 2018. The paper concludes that in the fight against bank frauds, the society and Government ought to assist the Banks by devising preventive, controlling and counter measures to check the activities of fraudsters. It was recommended amongst others that there should be inter and intra collaboration against Banks financial frauds in Nigeria.

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1. INTRODUCTION

Several studies have enumerated with facts that the term fraud is not a strange concept as it appears to be synonymous with the human nature. Olaoye and Dada (2014) posited that in spite of the control measures put in place by the Banks, fraud has continued to occur in the industry. Fraud in the present day Nigerian banking industry has assumed an epidemic dimension. Collaborating the view, Oseni (2006) in Ogbeide (2018) reported that the continuous occurrence of frauds perpetuated by fraudsters in the Nigerian banking sector is quite alarming and worrisome to its stakeholders; and it has even affected the confidence of the investors. In addition, Oseni and Idolo (2010), explained that the level of fraud in Nigeria banking industry in recent times has become a source of shame to the country as evident in all efforts put in place by the anti-graft agencies to track down the perpetrators. Nwanko (1991) opined that fraud is the biggest foe to any business entity; and that no entity on earth is protected from it. Usman and Shah (2013) are also of the view that the growing level of fraud in Nigerian financial institutions in the last few years is a source of great problems for the growth, stability and survival of these financial institutions. Furthermore, Akinyomi (2012) is of the opinion that if financial fraud is not nipped in the bud, it is capable of leading to a huge financial loss of funds to the banks and their stakeholders. Several studies in this subject have enumerated the fact that frauds in banks occur in different forms. These include: Theft of inventory assets, misuse of expense account, false invoicing, cheque cloning, fake financial statement, electronic fraud etc. However, it is important to note that in whatever manner it occurs, banks remain the eventual victims of the act. This study is designed among others to critically examine the reason for fraud in the Nigerian banking sector.

2. CONCEPTUAL FRAMEWORK

2.1 Concept of Fraud

The legal definition of fraud varies from country to country (Akeola, 2012). For example, the United States Supreme Court in 1888 explained that fraud occurs when a defendant knowingly makes representation concerning a material fact that is false and the complainant act on this false representation believing it to be true. In the Unites Kingdom, the fraud Act of (2006) described fraud as being committed in three ways: by false representation, through failing to disclose information and by using position of authority to abuse power. Furthermore, the Federal Bureau for Investigation (FBI) is of the view that fraud is an illegal act which is characterized by deceit, concealment or violation of truth. Back home in Nigeria, Fagbemi(1989) define fraud as an act of depriving somebody dishonestly of something which is his or something to which he is or would but for the perpetration of the deceitful act be entitled.

Albrecet and Zinbelman(2009) defined fraud as a representation of a material fact that is false, made intentionally or badly, which is accepted and acted upon by the victim to his or her detriment. It can also be described as an act of deception that makes an individual or organization to lose its properties or other lawful rights.Ruchita and Urvi(2017) specifically define banks fraud as intentional misrepresentation, to obtain illegitimate money or any other possession, which is originally owned by the financial institutions fraudulently. Furthermore, they opined that according to the criminal law, an intentional attempt made to obtain financial benefits, for personal gain by damaging a financial entity. Hence Banks frauds are totally different from other theft or banks thefts, since those responsible for the act silently commit the fraud both within and outside the bank large financial gain, knowing fully well that their deceitful act would go unnoticed. May be this is the reason why crimes of this nature are called white collar crimes.

2.2 Types of Banks Fraud

There are different ways through which fraud is perpetrated in the Nigerian banking industry. However, for the sake of this study, we shall consider the three major ways which are (i) Internal fraud (ii) External fraud; and (iii) Combination of internal and external frauds.

2.2.1 Internal Frauds

This is a fraud made against an organization by an insider. These include (a) Management Fraud and (b) Employees frauds.

2.2.1.1 Management Fraud

Management Fraud is usually committed by a Management staff of the bank. The categories of staff in this include the Directors, General Managers etc. The victims of the fraud are usually the investors, creditors. This is carried out when resources are pooled out from both the existing or potential shareholders of the banks. The main characteristics of Management frauds are –intentional, improper representation or valuation of transaction, assets or income. Intentional improper related party transaction in which one of the party receives some benefits not obtainable in the long run of the transaction. Intentional failure to record or disclose significant information to improve the financial picture of the organization to outsiders, Tax Fraud and Illegal business transactions, especially transactions that violates government regulations (Fakunle, 2006 in Olaoye and Dada (2014).

2.2.1.2 Employees Frauds

This fraud is the type committed by the staff of the bank other than the Management staff. According to the OCPS, the Internal Audit Department". This fraud is committed to the disadvantage of the organization mainly for the direct or indirect advantages of the employees. These includes acceptance of bribes, diverting a business meant for the organization to personal transaction, forgeries of customers signatures, cash theft, funds diversion, forged cheques to withdraw money, opening and operating fictitious accounts, cash theft from the tills, false balance crediting, taping of funds from interest in suspense etc.

2.2.2 External Frauds

These are frauds committed by customers and non-customers to the disadvantage of the banks. This category of fraud includes the following:

i) ATM withdrawal
ii) Printing of Banks Statement
iii) Over-Invoicing of services to the banks
iv) Computer fraud
v) Tellering Fraud
vi) Fraudulent Withdrawals
vii) Foreign Exchange Fraud
viii) Loan Fraud
ix) Forged Cheque
x) Advanced Fee Fraud
xi) Cheque Killing
xii) Account Opening Fraud
xiii) Cheque Cloning
xiv) Counterfeit Financial Securities
xv) Money Transfer Fraud
xvi) Letter of Credit Fraud
xvii) Duplicating or skimming card data, copying magnetic stripe information of a card for duplication.

2.2.3 Internal/External frauds

This type of frauds brings together the characteristic of both the internal and external fraud perpetrators. In other words, it is a fraud committed by outsiders with the assistance of the banks employees. It evidently known that for this type of fraud to be successful, there must be an insider providing the outsider with the necessary information and other logistics in a secret form.

2.3 Major Cause of Banks frauds

According to Benson and Edwards (2006), Nwaeze (2009) and Adebisi (2009) in Iyodo, Agbaji and Abu (2016), there are several causes of banks frauds depending on the environment that enables or encourage it to occur. However, in the view of Alashi (1994) in Olaoye (2014), fraud in the banks are instigated by two major factors. These are the institutional factors and the environmental factors respectively.

2.3.1 The Institutional Factors

According to Ojo (2008) in Olaoye (2014), institutional factors are those factors that can be connected to the internal environment of the victim bank. Accordingly, the list of the institutional factors include:

a) Poor personnel policy
b) Poor subordinate supervision
c) Weak Internal control and or poor accounting system
d) Lack of proper data management technique
e) Poor workers remuneration
f) Lack of sanctions when employees refuse to obey laid down rules.
g) Infrastructure deficit-These includes poor communication system and power failure, resulting to the filling up of unbalanced postings, overcrowded banking hall.
h) Lack of Training and Retraining of banks staff
i) Lack of physical security on the banks premises
j) Employment/Engagement of bank staff with no experience in detecting actions that could lead to frauds.

2.3.2 Environmental /External Factors

Just as the name implies external factors are factors that are out of the control of bank which inevitably can encourage the perpetrators of fraud. Some of these factors include:

a) General unemployment level in Nigeria: It is clear that despite the fact that Nigeria is one of the richest nations in sub-Saharan Africa, it is still been bedeviled by high youth unemployment. These idle youths must survive and a hand full of them believe that fraud is the easiest way to make it to the top in Nigeria.

b) Poor Legal System: In Nigeria, criminals are arrested on daily basis. However, the main problem lies in efficient prosecution of culprits by the law enforcement. Thus, there is need for the reformation of the Nigerian criminal Law System.

c) Malfunctioned Society: In Nigeria, you can defraud an institution and display the ill-gotten wealth without been questioned. This is a major societal ill that has fueled the get rich quick syndrome pervading the Nigerian nation today.

d) Fear of negative publicity: Financials institutions fear for negative media publicity is partly responsible for low reportage of fraud cases in their domain.

2.4 The Extent of Frauds in the Nigerian banking System

The regulatory authority in our banking institution have continued to show strong concern about the high level of fraud in the Nigerian banking industry. Accordingly, sections 35 and 36 of Nigerian Deposit Insurance Corporation (NDIC) Act of 2006, makes it compulsory for banks to render monthly report of frauds and frequencies committed in the various branches of their banks. Included in these sections is the report of any staff or employee who have been dismissed or appointment terminated on accounts of frauds and frequencies in financial inequalities. Below is a table showing fraud and frequency cases and amount of money lost by Nigerian banks between 1997 – 2018.

Table 1
Fraud and forgery cases and amount of money lost by Nigerian banks 1997 - 2018

Year	No. of fraud and forgery cases reported	Amount involved (N) Billions	Loss to Banks (N) Billions	No. of fraud cases that led to losses	Proportion of expected loss to amount involved (%)
1997	487	3.78	228	123	60.03%
1998	573	3.2	692	127	21.65%
1999	195	7.4	2.73	72	36.87%
2000	403	2.85	1.08	153	37.92%
2001	943	11.24	906	76	8.06%
2002	796	12.92	1.3	77	10.06%
2003	850	9.38	857	85	9.13%
2004	1,175	11.75	2.61	309	22.21%
2005	1,229	10.61	5.6	651	52.82%
2006	1,193	4.83	2.77	680	57.29%
2007	1,553	10.01	2.87	420	27.67%
2008	2,007	53.52	17.54	663	12.89%
2009	1,764	41.2	7.5	746	11.62%
2010	1,532	21.3	11.6	656	16.43%
2011	2,352	28.4	4.07	357	14.33%
2012	3,380	17.97	4.52	498	19.94%
2013	3,786	21.8	5.76	591	26.26%
2014	10,612	25.61	6.22	482	17.50%
2015	12,279	18.02	3.17	513	17.59%
2016	19,531	4.37	2.19	308	50.11%
2017	25,043	5.59	2.15	410	38.46%
2018	38,852	6.39	2.08	746	32.55%
Total	**130,535**	**332.14**	**88.585**	**8,743**	**26.67%**

Source: NDIC Annual Report for the Years 1997 -2018

2.5 Impacts of Banks Frauds and Forgeries on Banks Activities

From table 2.4 above, it was discovered that between1997-2018, the Nigerian banking industry reported a total of 130,535 cases of frauds forgeries.The amount involved with these fraud cases is N332.14 Billion, and Banks in Nigeria lost a total N88.6 Billion with about 8,743 cases involved in the loss within the period under review. It is however, important to note that this loss undoubtedly results to a decline in productivity resources available to the bank. To add to this, Adewunmi (1986) identified a quite number of impact frauds and forgeries can have on the activities of banks. These are:

a. Fraud is capable of placing emotional and psychological burdens on the fraud victims.
b. Frauds reduces banks profitability
c. Frauds water down the trust and understanding among staff.
d. It is also capable of destroying banks reputation
e. Fraud discourages banking habit among the banking public
f. The bank will be unable to meet up with staff welfare
g. Bank will be unable to compete favorably with its competitors

More so, Adewumi (1996) re-emphasized that financial frauds in banks is capable of leading to unease in operating expenses, reduced operational efficiency damage to banks credibility, banks public criticism and endangers banks plans and strategies (Adewumi 1986)

2.6 Strategies for controlling frauds and forgeries in banking industry

Effective management control system: Part of effective internal control system which is "the whole system of controls financial or otherwise, established by management in other to carry out the business of the enterprise in an orderly and efficient manner, ensure adherence to management policies, safeguard the asset and secure as far as possible the competences and accuracy of the records. The management is to further ensure that internal control does not end at the installation and maintenance level alone. Management is expected to show their concern through effective control by actions with a view to motivating their personnel to take responsibility for the control of affairs within their environments. However, according to Shoguotola (1994) in Olaoye and Bada (2014) other forms of control aimed at forestalling frauds and forgeries in the banks include.

a. **Personal control**: These includes having a sound personnel recruitments policy which enforces the procedures for employment, disengagement, placement, posting, job rotation and training programs procedures.
b. **Administrative Controls**: This has to do with underline policies that pertains to segregation of duties, security policies etc.
c. **Accounting controls**: Here, policies that has to do with data validation prompt account posting of transactions, balancing of accounts and account reconciliation.
d. **Financial Control**: A banks policy that stipulates the cash limits to be handled by an employee ought to be in place.

e. **Inventory Control**: This involves constant physical checks of assets, stock count, bin cards, stock receipts, notes and stock issued.
f. **Process control**: This has to do with the inputs and output, including validation control etc.

3. THEORETICAL FRAMEWORK

In examining the reasons for frauds in the Nigerian banking industry, this study relies on the greed theory of fraud, fraud triangle, differential association fraud theory, fraud scale theory, fraud diamond theory and self-control theory. These theories are so selected for this study in that they will enable the researcher make a vivid evaluation of fraud, how it is perpetrated, why it is perpetrated, it effects and implications for the survival of the Nigerian banking industry. According to El-Haddan and Almaheed (1999) in Nwankwo (2013) the greed theory of fraud states that banks have become constant targets of fraudsters mainly as a result of the assumption that they are the richest organization in any country. They further disclosed that the character of fraudulent behavior can be traced to early childhood when moral behavior begins. In his book "theory of moral development" Kohbe (2008) posited that the conventional level of morality of a child develops between the ages of 10 – 16 years.

Donald Cressey in 1971 came up with the fraud triangle theory. The theory states that there are basically three (3) factors that encourage one to commit fraud. These factors are perceived pressure, perceived opportunity and perceived rationalization. According to the core ingredients of this theory, every fraudster is pushed by perceived pressures which could be parents, work or family related. The perceived pressure acts as a motivating factor for the perpetrator to carry out the fraud with the aim of solving the problem that led him to perpetrate the fraud. Going by psychological reasoning, the person perpetrating the fraud believes that he will not be caught in the very act. In addition, Donald Cressey (1971) theory of fraud explained that individuals who perpetrate fraud in corporate entities do so because they see opportunity or loopholes for it and therefore take advantage of it. The fraud triangle theory holds the view that fraud can be significantly minimized when the perceive opportunities and rationalization of individuals are taken care of. While it is certain that this theory explains the core reason why people perpetrate fraud, it has failed to enumerate the external and/or internal factors/traits that could engender the desire for one to commit fraud. This obvious gap gave reason for the introduction of differential association theory as developed by a renowned criminology scholar, Edwin Sutherland in 1974. Sutherland's fraud theory states that individuals learn how to commit fraud through the association with other experienced fraudsters. The obvious gap in this theory is that while it clearly shows how individuals easily learn how to be criminals, it fails to explain how they easily become criminals.

Abrecht, Howe and Romney (1984) while re-examining the fraud triangle theory came up with the fraud scale theory. This theory was developed by these scholars based on the vacuum discovered in the fraud triangle theory which failed to inculcate personal integrity instead of rationalization. According to Onwujuba (2013) this theory is practically viewed in financial reporting fraud where analyst forecast management earnings, history of sales and earnings growth. In addition to the above theories, Wolfe and Hermanson (2004) developed the fraud diamond theory. This theory only added individual capability to the three factors enumerated in Cressey (1971) fraud triangle theory. This theory strongly supports the fact that an individual's personal abilities and that innate trait play vital role in determining whether or not fraud may actually take place within an organization. This theory further believes that weak internal control in the organization creates the avenue for fraud to occur; and if there is a right person with the right knowledge and capability fraud may occur. However, one of the short fall of this theory is its inability to realize the adverse implication of lack of self-control and discipline at reducing the occurrence of fraud. It is this shortfall that led Gohfredson and Hirchi (1990) to develop the self-control theory. This theory is of the view that people with low level of self-control are more likely to perpetrate a wide variety of crime and fraud. The theory further related that individuals with low-self-control are usually impulsive insensitive, physical as against taking mental risks. They are also often short-sighted and non-verbal; and this behavior is learned from childhood. Conclusively, it is imperative to understand that the knowledge of these theories will help unravel the real causes of fraud and how leaders of various organizations can apply this knowledge with a view knowing how to nip it in bud.

4. PRIOR STUDIES

Olaoye and Dada (2014) in a study assessed the nature causes effects, detection and prevention measures for banks fraud in Nigeria. The study employed the primary data collection methods for data collection and made use of Nigerian Deposit Insurance Corporation (NDIC) annual reports for data relating to total amount incurred in fraud and forgeries. The study concluded that in the fight for the prevention of fraud, banks ought to put in place sound and effective and internal control mechanisms, checks and balances and provide adequate remuneration and reward for excellence and good conduct to employees. Furthermore, Ogbade (2018) empirically assessed the impact of fraud on financial performance of banking sector in Nigeria between1993 to 2016. The study employed co-integration and error correction mechanism in the analysis of data. Findings from the estimation shared that a three period lag of number of frauds cases has negative effect on bank sector references. The study recommended that banks should strengthen their internal control system in order to minimize the occurrences of fraud in our society.

Nwankwo (2013) examined the implications of fraud on commercial banks performance in Nigeria. The study was set out to ascertain the relationship between ATM fraud, forged cheque, clearing cheque fraud and bank performance. The study employed regression analysis in analyzing the data and findings revealed that there is a significant impact of fraud on performance of commercial banks in Nigeria. The study recommended that there is an urgent need for effective monitoring of banks fraud through the use of ATM to allow for the growth of Nigerian commercial banks

Ajoyi (2014) evaluated the impact of frauds on the financial performance of banks in Nigeria using multiple regression method. The result showed that a causal relationship exist between the total amounts, number of cases, number of fraudulent staff, fraud and forgery activity and bank performance. Chiezey and Onu (2013) examined how fraud and fraudulent practices affect the performance of banks in Nigeria for the period 2001 – 2011. They used data from 24 commercial banks in Nigeria. The connection between fraud cases and other variables were estimated with the aid of Pearson product movement Correlation, and multiple regression analysis was used to examine the impact fraud and fraudulent practices have on banks performance. The findings from the study revealed that due to the stringent measures put in place by the banks regulatory bodies to tackle the menace of fraud, there was a significant decree between 2006 and 2011. Furthermore, Adeniran and Olugbenga (2010) examined the impact of fraud on banks performance in Nigeria using multiple regression method. They discovered that fraud cases amount and losses do not significantly impact on banks financial performance.

5. METHODOLOGY

The primary data employed for this study was obtained through the administration of questionnaire to respondents. The questionnaire has a total of fourteen (14) quality questions aimed at eliciting responses from the respondent on the reasons why fraud occurs in the bank. Applying convenience sampling methodology, the questions was handed to respondents in Abuja, Nigeria. The respondents were members of staff of selected bank in Abuja, Nigeria, 100 questions were administered while 96 questionnaires were returned yielding a 96percent response level.

Table 2
Data Analysis

S/N	Variables/Questions	SA	A	U	D	SD
1.	Do you believe that financial frauds actually occur in banks?	47 (48.62%)	15 (15.62%)	20 (20.83%)	12 (12.50%)	2 (2.08%)
2.	Is there commercial between bank staff and outsiders to commit fraud?	15 (15.63%)	42 (43.75%)	18 (18.75%)	12 (12.50%)	9 (9.38%)
3.	Do you believe that fraud impact on the capital base of banks?	39 940.63%)	26 (27.98%)	6 (6.25%)	21 (21.88%)	4 (4.17%)
4.	Does training and retraining of staff enhance detection of fraud?	52 (54.17%)	18 (18.75%)	7 (7.29%)	11 (11.46%)	8 (8.33%)
5.	Management fraud has more impact on banks than others?	54 (56.25%)	11 (11.45%)	2 (2.08%)	23 (23.95%)	6 (6.25%)
6.	Do regulatory bodies like NDIC help in fraud fighting policies?	69 (71.88%)	17 (17.71%)	-	7 (7.29%)	3 (3.12%)
7.	Reducing staff by way of downsizing in banks can increase fraud?	79 (82.29%)	14 (14.58%)	-	2 (2.08%)	1 (1.04%)
8.	Are there proper fraud prosecution methods in banks?	31 (32.29%)	25 (26.04%)	30 (31.25%)	6 (6.25%)	4 (4.17%)
9.	Effective internal control is efficient in controlling fraud?	21 (21.86%)	41 (42.71%)	13 (13.54%)	16 (16.67%)	5 (5.21%)
10.	Staff sitting arrangement according to units in all branches can reduce the level of fraud?	23 (23.95%)	28 (29.17%)	10 (10.41%)	20 (20.83%)	15 (15.62%)
11.	Is there any sign of inter-banks collaboration against fraud?	11 (11.45%)	9 (9.38%)	50 (52.08%)	12 (12.50%)	8 (8.33%)
12.	Whistleblowing effective in fighting fraud in our banks?	27 (28.12%)	35 (36.45%)	2 (2.08%)	10 (10.42%)	2 (2.08%)
13.	Can proper staff recruitment procedure reduce frauds in banks?	45 (46.88%)	39 (40.62%)	2 (2.08%)	8 (8.33%)	2 (2.08%)
14.	Increase in salary of banks staff will reduce fraud?	27 (28.12%)	21 (21.86%)	12 (12.50%)	23 (23.95%)	12 (12.50%)

6. DISCUSSION OF FINDINGS

From the above analysis table, the following results are explained:

- That financial fraud occurs in Nigerian banking industry.
- It was agreed that for fraud to occur successfully, there must be connivance with some unfaithful employees of the bank.

- Banks fraud do impact on banks' capital base negatively 40.63% respondents agreed.
- 54.17% of the respondents strongly agree that training and retraining of bank staff will enhance detection of fraud.
- Management frauds have more impact 56.25% on the activities and operations of the Nigerian banking industry.
- It has also been affirmed by respondents that regulatory bodies like NDIC can assist in enacting fraud fighting policies in Nigeria (71.88%)
- Downsizing of experience bank staffs enhance fraud perpetration 82.29% in banks.
- Only 32.29% of the respondents strongly agree that there are strong fraud prosecution methods in banks.
- It was also agreed 42.71% that effective internal control could assist in curbing banks fraud.
- Staff sitting arrangement has no impact on fraud reduction
- Only 11.45% of the respondents strongly agree that there is strong interbank collaborations against financial frauds.
- 36.45% of the respondents agree that whistleblowing policy will likely reduce banks financial frauds.
- It was strongly agree with 46.88% that staff recruitment procedures in banks will reduce drastically, the perpetration of fraud, if strictly adhered to.
- Increase in staff salary will reduce the number of banks staff perpetrating fraud 28.12% respondents strongly agree to it.

7. CONCLUSION AND RECOMMENDATION

7.1 Conclusion

In view of the fact that the society today have the tendency to celebrate ill-gotten wealth, coupled with the general decadence in morals and the unfriendly economic environment in Nigeria, frauds of great magnitude are on the rise and the banks who are at the receiving end are losing humongous amount of money running into billions of naira to fraudsters. It is also imperative to state that as banks device new means to curb the menace, fraudsters are also studying these new models with a view to break through and commit their nefarious acts of frauds. Thus, the fraudsters are always ten times ahead of the banks. Furthermore, the society and the government should in like manner help the bank by devising preventive, controlling and counter measures to check the activities of fraudsters. Thus, harm to the banks is harm to the society.

7.2 Recommendation

In view of the above conclusion, the following recommendations are hereby made:

- No bank in Nigeria no matter how sophisticated should think that it is immune to fraud. Therefore, it is advisable that there should be inter and intra-bank collaboration against financial frauds. Banks should endeavor to compare notes on various adopted measures of fighting frauds.
- It is also recommended that banks regulatory agencies like the Nigeria Deposit Insurance Corporation (NDIC) should play crucial role in fighting frauds in the banks. This can be done through continuous training and retraining of banks executives on newly devised measures for curbing banks fraud.
- It is hereby recommended for banks to have stringent human resource policy. The tenets of this policy will ensure that banks employees are recruited strictly based on recommendation by men/women of high reputation and integrity in the society. Also, the policy must make provisions for the assessment of the employees previous job, why he/she left and pre-employment lifestyle etc. Thus, staff must be properly screened before employment.
- It is further recommended that management should evolve the act of rotating employees from one station to another. This would reduce the act of staff who are too conversant with the workings of a particular unit/department from taking advantage of existing loopholes to commit fraud against the bank.
- It is recommended that bank management contact the printing of their stationeries to reputable contractors. This is to avoid the placement of banks important documents including letterhead papers in many hands. If banks documents are forged, they could be used to defraud the bank.
- It has been observed that increase in employee's salary cannot in itself reduce fraud. Employee's welfare should be looked into; and employees should get the orientation that the progress of the bank is theirs too. Reward system of all the staff should be encouraged. This will to a great extent minimize the extent of frauds in the bank.
- Finally, it is recommended that management ensure special training and retraining of banks employees constantly, the accepted and up to date techniques of fraud detection and prevention. Thus, making them professional in fraud detection and prevention

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