

Studying the Issues Faced in Commercial Bank Branch Operational Related Fraud Management

NS Akurugoda

Faculty of Graduate Studies, General Sir John Kotelawala Defence University, Sri Lanka
nilantha.akurugoda@gmail.com

Bank Branch Operational Related Frauds are common to any Commercial Bank. This study therefore focused on studying the issues faced in Branch Operational Related Frauds with special reference to Internal Controls, Operational Risk Management, Internal Audit Methodologies, and Staff Ethical Behaviour / EOHR. Accordingly, the study has been conceptualized by identifying the Branch Operational Related Fraud Management as the Dependent Variable and four independent variables as Internal Controls, Operational Risk Management, Internal Audit Methodologies, and Staff Ethical Behaviour / EOHRM. Further, this study adopted a mixed method approach with quantitative and qualitative analysis. Under the quantitative chapter, univariate, bivariate, factor, reliability, sample adequacy and parameter analyses were done. The macro view of the Parameter estimate established that the Operational Risk Management is the most Significant Independent Variable to the Dependent Variable of Branch Operational Frauds. Also the macro level second most Independent Variable to the Dependent variable is Staff Ethical behaviour and EOHR. Besides, the micro view of the parameter findings established that RCSA process and HR Efforts are the most significant indicators which could minimize Frauds. On the other hand, the bivariate analysis has evidenced that the relationships between the Branch Operational Related Fraud Management have a negative significant relationship with all the Independent Variables. To establish reliability, the Cronbach's Alpha coefficient values were analysed, and it states that there is an internal consistency among the variables, and the KMO test states the sample size is adequate. The qualitative analysis of the study was a thematic analysis and these findings were able to back the quantitative findings.

Keywords: *frauds, controls, risk, audit, HR*