# ABSTRACT

The purpose of this topic evaluation of fraud control measures in Nigerian banking sector [a case study of central bank of Nigeria, Kaduna branch] is to aimed at finding practical means of eliminating, reducing the incidence of fraud in our banking industries and researcher used both primary and secondary source. Questionnaire and order interview were administered on a population of 350 person made up of both staff of central bank and management, the findings derives from respondents indicate that poor internet system not greed is the main cause of fraud in the Nigerian banking and recommendation and solution of fraud is a means of segregation of duties, were officer that past entry should not be responsible for checking with compulsory annual holiday for all member of the staffs and organization procedure, development of a good organization structure and career opportunity for staff so as to have dedicated loyal staff and contented with force and good training programme is important for staff at all levels.

Title page Approval Page Dedication Acknowledgement Abstract



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# CHAPTER ONE

* 1. Introduction

Fraud is an intentional deception made for personal gain or to damage another individual. Fraud is a crime and a civil law violation. Defrauding people of money is presumably the most common type of fraud.

Customers of banks are currently experiencing increase in fraud schemes. Scams to get a customer personal information can occur through many different means such as e-mail and telephone

Bank fraud is the use of fraudulent means to obtain money, assets, or other property owned or held by a financial institution. In many instances, bank fraud is a criminal offence, while the specific element of a particular banking fraud law varies between jurisdictions; the term bank fraud applies to actions that employ a scheme as opposed to bank robbery or theft.

Controlling bank fraud in the financial sector is a major task for all the stake holders in the sector. Every year, banks lose billions of naira to fraud which comes in all size and shapes both from external perpetrators and internal employees.

# BACKGROUND OF THE STUDY

In its broadest terms, fraud means obtaining of something of value through deception. If fraud were described as an industry it would clearly be one of the fastest growing areas of the economy. One hundred criminals who serve several periods of imprisonment for armed robbery offence were recently reported that he wished he had understood earlier in his criminal career how easy it was to commit fraud. He now considers that fraud involves less traumas, the reward, are far greater and the penalties substantially fewer than in other form of crime. This study will address those forms of fraud that target the financial service sector and how the industry has responded with some measure successful in controlling this ever increasing problems and other measure that can be geared towards achieving further results.

# STATEMENT OF THE PROBLEM

As earlier mentioned, the Nigerian banking industry, the back bone of Nigeria economy is one of the most profitable of higher performance and could achieved better result in output and obligation to the society. To realize this, the banking industry will have to perform lending role that can reinstate the economy.

The low level of the performance of the Nigerian banking industry is due to an array of problems, one of which is the issue of fraud which is one of the most intractable and monumental problem facing the industry.

The problem of accountability is traceable to the root cause of fraud which results from poor record keeping misappropriation forging, poor internal control, excess power given to the executive or management etc.

# OBJECTIVE OF THE STUDY

The primary objective of the research is to evaluate the fraud control measures in the Nigerian Banks practical means of reducing the incidence of fraud in our bank to achieve these objectives, the following secondary objective have been specified.

1. To identify the causes of fraud perpetrated in bank
2. To ascertain the effectiveness of various fraud control measures adopted by banks.
3. To determine the effects of fraud in the banking industry and the economy in general.

By so doing, customer is better informed on the nature, type modes and various operations of the various frauds and so placed in a better position to prevent and detect any fraud led activity.

# RESEARCH QUESTIONS

1. What are the causes of fraud perpetrated in banks?
2. How effective is the various fraud control measures adopted in Nigerian Bank in the prevention and detection of fraud.
3. What are the effects of fraud practices in the Nigerian banking indu

# STATEMENT OF HYPOTHESIS

HO: There is no significant effect of fraud in the banking industry and the economy in general.

HI: There is no significant relation between greed by bank staff and fraud perpetrated in banks.

HO: There is no significant relationship between the effectiveness of fraud control measures instituted by banks and the level of fraud committed in the banks.

HI: There is no significant relationship between fraud committed in the banks and distress experienced in Nigerian banks.

HO: There is no significant cause of fraud perpetrated in banks. HI: There is a significant causes of fraud perpetrated in banks.

# SIGNIFICANCE OF THE STUDY

The significance of the research study is hinged on the fact that the fate of the Nigerian economy is inevitably tied to the structure, direction and survival of the banking and financial system, it follows therefore that any serious destruction in the system will not only affect the system alone but the Nigerian economy and the

public in general and the consequences which could leave the economy in jeopardy. Therefore, the remediation will help take the problem of fraud thereby reducing bank failures and stabilize the industry.

The research study will go a long way to show the effect of fraud in banks, its implication on the industry and possible remedies. It also shows the impact of those remedy on the economy and society in general. Banks and other financial institutions are expected to gain double from this study. First the study will highlight operations, lapses and others that give room for fraudulent activities in the banks and secondly will also stimulate self assessments by banks the research work will also go a long way in increasing the knowledge of students of banking financial management accounting, administration and other related discipline.

# SCOPE OF STUDY

The scope of this study research will however be limited to only banking using central bank of Nigeria (CBN) as a case study.

The study is primarily concerned with the investigation and evaluation of fraud control measure in the Nigerian banking sector with regard to central bank of Nigeria (CBN).

# DEFINITION OF TERM Fraud:

Fraud is an act of or course of deception deliberately practiced to gain unlawful or unfair advantage deception directed to the detriment of another.

# Financial Services Sectors:

This involves all financial institutions such as banks, insurance company etc.

**Bank:** Is an establishment saddled with keeping money and valuable safely, the money being paid out of the customer order?

# LIMITATION OF THE STUDY

The following are the constrains faced by the research in the course of carrying out the work.

1. Finance was a major problem since the researcher is a student and because of the sample size which is attributed to transportation, photocopying, typesetting etc.
2. Time constraint is another major problem faced as the researcher has to carry out the work within a short time given by the school for the submission. Time would have spent in personal observation but time was a problem in spite of the foregoing, the

researcher was still able to carry out the necessary research and got useful date and information.

# CHAPTER TWO

**REVIEW OF RELATED LITERATURE**

1.0 INTRODUCTION

Fraud is a global phenomenon; it is not unique to any selection of the Nigerian economy. The Nigerian society since after the civil war has been plagued with desire to get rich quick.

An ugly aspect of this scenario is the frequencies, complexities and magnitude of these frauds. As business and society became more enlightened and complex, method of perpetrating fraud become more sophisticate.

Bank fraud is the use of fraudulent mean to obtain money assets, or other property owned or helps by a financial institution.

In many instances, bank fraud is a criminal offense while elements of a particular banking fraud law very between jurisdictions, the term bank fraud applies to actions that employ a scheme or article, as opposed to bank robbery or thief for this reason, bank fraud is sometimes considered a while – collar crime.

* 1. DEFINITION, CONCEPT AND THEORIES OF FRAUD.

Fraud is very comprehensive field of crime under which exist a range of different activities, fraud is diverse in nature and as such getting a comprehensive definition is somewhat difficult.

Redzinowing and Wolgan [1989] classify fraud together with white collar crime and defined them as illegal acts characterize by quit, deceit and concealment and are not dependent upon the application of physical force or violence threats there of Adewunmi, 1987, Ojibede 1987, in their definition, they agree that fraud is an action which involves the use of deceit and trick to after the truth so as to deprive a person of something which is or something to which he might be entitled.

Fraud is an international deceitful act for gain with the concept of concealment. As such it is more than theft defalcation is thief by person in position of trust. Fraud may be perpetrated by one person and working differently and indifferent position and between a manager and someone, reporting or between an insider and outsider.

Babatunde [1996] has propounded that the motivation of fraudulent behaviors derives from a number of causes, these could be pathological greed, the desire to be with juices extreme want often characterized as dire need, culture demands or the cultivating of taste among others criminal motivation with particular reference to fraud is said to be pathological when the taste of mind of the criminal dispose and impels him to commit fraud, even though he is not in dire need of the resources.

Adewunmi [1987 ] in his explanation of fraud indentifies socio – economic lapse in society such as misplacement of social valves in the source of wealth and the using of society expectation from bank staff and the subsequent desire of the staff to live up to such expectations as contributory factor to fraud.

Another theory of fraud states that banks have become persistent targets of men of underworld mainly because banks are seen as the richest organization in any country.

Ojigbede [1986] like Adewunmi [1987 ] said the main cause of fraud in bank in Nigerian is traceable to the general dishonesty in the society. Since there is corruption in all facet of the Nigerian life, banks cannot be an exception. He also mentioned other factor such is lack of call over system, lack of regular and non – notified relation, clerks doing more than job which are incompatible and many more.

# MECHANICS OF FRAUD

SOURCES

* + 1. Bell Alexis [2010] mortgage fraud and the illegal property flipping scheme, A case study of united state quinterolopez
    2. Jpmorganchase. Com
    3. Federal deposit insurance corporation, electronic funds transfers[requlation –E ]
    4. Order of china banking regulatory commission, the measures governing electronic banking
    5. China daily new 2012-7-17 shiyingying man wins full pay out in bank card fraud.
    6. ATM deposit automated, ATM processing envelops free deposits.

Rogue traders.

A rogue traders is highly placed inside nominally authorized to invest sizeable funds on behalf of the bank, this trader secretly make progressively more aggressive and risky investment using the bank money, when one investment goes bad, the rogue trader engages in further market speculation in the hoe of quick profit which hide or cover the loss unfortunately when one investment loss is paid on to another cost the bank can running to hundreds of millions of naira there have even been cases in which a bank goes and of business due to market investment losses.

Some of the largest bank frauds ever detected was perpetrated by currency frauds, john rusnak and nick lesson, Jerome kervell, allegedly detrauded society general of 4.9 billion euro and 7.1billion while trading stock derivation.

# Fraudulent loans

One way to remove from a bank is to take out a loan, a practice bankers would be more than willing to encourage if they know that the money will be repaid in full with interest. A fraudulent loan, however, is one in which the borrower is a business entity control by a dishonest bank officer or an accomplice, the borrower the dealers bankruptcy or an vanishes and the money is gone the borrower may even be a non – existent entity and the loan merely an artifice to conceal a large sum of money from the bank.

# Wire fraud

Wire transfer network such as the international swift inter bank fraud transfer system are temptation as targets as a transfer once made, is difficult or impossible to reverse. As these network are used by banks to settle account with each other rapid or overnight wire transfer of large amount of money are common place! While bank have put checks and balances in place, there is no risk that insider may attempt to use fraudulent or forged document which claim to request a bank depositor‟s money be wired to another bank, often an offshore account in some distant foreign country.

# Forged or Fraudulent Documents

Forged documents are often used to conceal other thefts, banks tend to curt their money meticulously so every penny must be accounted for a document claiming that a sum of money has been borrowed as a loan, withdrawn by an individual depositor or transferred or trusted can therefore be valuable to a theft who wishes to conceal the minor detail that the bank‟s money has in fact been stolen and is now gone.

# Uninsured deposits

There are a number of cases each year where the bank itself turns out to be uninsured or not licensed to operate at all the objective is usually to solicit for deposits to this uninsured “bank” although some may also sell stock representing ownership of the “bank” sometimes the names appear very official or very similar to those of legitimate bank. For instance, the chase “trust” bank of Washington DC appeared in 2002 with no license and no affiliation to its seemingly apparent namesake, the real chase Manhattan bank in New York.

There is very high risk of fraud when dealing with unknown or uninsured institutions.

The risk is greater when dealing with offshore or internal bank (as this allows selection of countries with fax banking regulation) but not by any means limited to these institutions.

# Demand Draft Fraud

Demand draft fraud is usually done by one or more dishonest bank employees, they remove few demand leaves or demand broker from stock and write them like a regular demand. Since they are insiders, they know the coding, punching of a demand draft these demand draft will be issued payable at distant to win/city without debiting an account. Then it will be cashed at the payable branch. For the paying branch it is just another demand. This kind of fraud will be discovered only when the head office does the branch wise reconciliation, which normally will take six months by that time the money is unrecoverable.

# Forgery and altered cheques

Thieves have altered cheques to change the name (in order to deposit cheque intended for payment to someone else) or the amount on the face of a cheque (a few strokes often can change #100.00 to #100,000,000 although such large figure may raise some eyebrows.

Instead of tampering with a real cheque, some fraudsters will attempt to forge a depositor‟s signature on a blank cheque or even print their own cheques drawn on accounts owned by other non-existent account or even alleged accounts owned by a non-existent depositors. The cheques will then be deposited to another bank and the money withdrawn before the cheque can be returned as invalid or for non-sufficient funds.

# Accounting Fraud

In order to hide serious financial problems, some businesses have been known to use fraudulent bookkeeping to over stage sale and income, inflate the worth of the company is operating at a loss. These tempered records are then used to seek investment in the company‟s bond or security issues or to make fraudulent loan application in final attempt to obtain more money to delay the inevitable collapse of an unprofitable or mismanaged firm.

Accounting fraud has also been used to conceal other theft taking place within a company.

# Bill discounting Fraud

Essentially a confidence trick, a fraudster use a company at their disposal to gain confidence with a bank, by appearing as a genuine, profitable customer to give the illusion of being a desired customer, the company regularly and repeatedly uses the bank to get payment from one or more of it. Customers of these payments are always made, as the customer in question are part of the fraud activity paying any and all bills raised by the bank after time after the bank is happy with the company again, business continues as normal for the fraudulent company, its fraudulent customers and unwilling bank. Only when the outstanding balance between the bank and the

company is sufficiently large, the company takes the payment from the bank and the company and its customers disappear, leaving no one to pay the bills issued by the bank.

# Cheque kiting

Cheque kitting exploits, a system in which, when a cheque is deposited to the bank account the money Is made available immediately even though it is not removed from the account on which the cheue is drawn until the cheque is actually clears deposit and #1000 in one bank, write a cheque on that amount and deposit it to your account in another bank, you now have #2000 until the cheques clears.

In transit or non-existent cash industries briefly recorded in multiple accounts. A cheque is cash and before, the bank receives any money by clearing the cheque, the money is deposited into some other account or withdraws by writing more cheques in many cases, the original deposited cheques turns out to be a forged cheque.

Some perpetrators have swapped checks between various banks on daily basis using each to cover the short fall for a precious cheque.

# Payment card fraud

Credit card fraud is wide spread and as a means of stealing from bank, merchants and clients.

# Booster cheques

A booster cheque is a fraudulent or bad cheques used to make a payment to a credit card account in order to “bust out” or raise the amount of available credit on otherwise legitimate credit cards. The amount is made even though the cheque is yet to be cleared.

Before the bad cheque is discovered, the perpetrator goes on a spending spree or obtains cash advances until the newly “raised” available unit on the card is reached. The original cheque then bounces, but by then it is already too late.

# Stolen payment cards

Often, the first indication that a victim‟s wallet has been stolen is a phone call from a credit card issuer asking if the person has gone on a spending spree, the simplest form of this theft involves stealing the care itself and changing a number of high ticked items to it in the first few minutes or hours before I reported as stolen.

A variant of this is to copy just the credit card number (instead of drawing attention by stealing the card itself in order to use the number in online frauds.

# Duplication or skimming of card information

this takes a number of firm ranging from a dishonest merchant copying clients credits‟ number for later misuse (or they use cardboard copies from old mechanical card imprint, machines to steal the information) to the use of tampered credit or debit card readers to credit or debit card readers to magnet strips from a payment card while a hidden camera captures the numbers of the face of the card.

Some thieves leave sumptuously added to publicity accessible automatic tellers machine, a fraudulent car stripe reader would capture the contents of the magnetic strip while a hidden camera could sneak a peek at the user‟s pin, the fraudulent equipment would then be removed and the data used to produce duplicate cards that could be used to make ATM withdrawals from the victim‟s account.

# Causes of bank fraud

The causes of fraud are grouped into two major classes, institutional factors and environmental or societal factors. The institution factors are those traceable to the internal environment of the bank, while environmental or societal factors are those which result from the influence of the environment or society on the banking industry.

The common institutional causes of fraud as identified by different authors are summarized as follows:

* + 1. **Volume of work:** The amount of work done by an official could be so heavy that fraud could be easily pass undetected by such officials.
    2. **Nature of services:** Fraud may be caused where document of value and liquid assets are exposed to an undisciplined staff or unauthorized persons for example customer.
    3. **Number of staff:** Where a senior official supervises quite a large number of staff, there is a high tendency that fraud could go undetected.
    4. **Poor management:** Bank with poor management record high incidence of all sorts of frauds than those with small effective and efficient management team with unsullied character.
    5. **Banking experience of staff:** Frauds in banks occur with higher frequency among staff with little experience and knowledge in financial practice.
    6. **Delays in procuring documents:** Delays create opportunities for hatching in bank and other financial institution thus making prevention and detection difficult.
    7. **Inadequate infrastructure:** Poor communication systems and power failure result to back long of unbalanced postings congested office space etc encourage the perpetration of fraud in banks.

The environment or society factors are identified as follows.

* + - 1. **Societal value:** When the possession of wealth determines the reputation ascribed to a person, that society is bound to witness unnecessary competition for acquisition of wealth.
      2. **Lack of effective punishment:** This is a moot point because it is argued in some quarters that lack of effective deterrent such as heavy punishment could be a factor that contributes to the high perpetration of frauds in financial institutions.

# Effect of fraud in Banks

Frauds deplete shareholders‟ funds and lead to loss of money belonging to customers. This loss invariable result in reduction of the available resources, which could lead to the collapse of the deprived of honest applicants who might be unwilling to apply for fear of being associated with fraud. Fraud causes dismissals and retrenchment of staff who may not be fraudsters, resulting in losing experienced staff.

Staff welfare may also be adversely affected in a bank with persistent fraudulent practices. No staff will have the courage to fight for staff welfare matters such as promotion, increased salaries and improvement in general working condition.

Bank frauds erode public confidence in the banking system. This constitutes a serious setback to the efforts eared at promoting bank habit in a country where many people prefer to keep their money at home.

Frauds can destroy the economy of a nation and its sovereignty. We are all living witnesses to how Nigerian sovereignty was called into question and its international trade threatened when a foreign power issued an ultimatum to its (Nigerian) national assembly to pass bill on financial malpractice. Had the national assembly failed to pass the bill, the country would have faced international sanctions.

The effect of fraud in bank are far reaching and include among others huge financial loses to both bank and their customers, the depletion of shareholders fund and bank capital base is a source of extreme embarrassment to book management and loss of confidence in our bank. The time energy and money that would have been expended in improving customer services are being expended in setting up fraud control and prevention system. All these lead to the bank, indeed, it is on record that fraud has led the closure of some bank in other parts of the world and this may not be impossible in Nigeria if the current trend is not stemmed.

Banking statement is normally prompted by the perceived effect of fraud on banks and the desire to find the means of curbing such adverse effect. Attempts have therefore been made by many authors to identify the effect of fraud on banks. All the authors agreed that fraud leads to lass of money which reduced the level of resources available and which could force a closedown if frequent size is high.

# Measures for controlling fraud in bank

In view of the gravity of the effect of fraud on banks, management has employed many measure aimed at controlling fraud however fraud has continued on the upward despite these measure and this has called the effectiveness in to question. A number of author [musa Sydney and sanusi among other] have been identified some management control systems that have been devised by bank to proven fraud. Sydney[1986] defines management control system as the whole system of control financial and other wise Establishment by the management in order to carry on the business of company in an orderly manner to safeguard its asset and secure as far as possible the accuracy and reliability of the record.

Internal management control systems were classified in to two major groups‟ internal check and internal audit. Internal checks are the operational controls which are build in to the banking system to simplify the processing of entries in order to secure prompt services to help in minimizing clerical errors and to act as insurance against collusion internal audit or inspection involves review of operation and records undertaken within a business by specifically assigning staff, the role of the inspectorate department are to serve as watch – dog on public funds and properties to ensure expenditure and revenue are duly authorized and accounted for to periodically inspect account brokers and to investigate malpractices like funds forgeries and theft of bank money and property.

Sanusi [1986] classifies existing system those aimed at detection measure aimed at fraud prevention include dual control operational manual, graduated limits of authority, lending limit, reporting system, micro filming, close circuit television establishment of inspection units time clock, devises, general personnel policies, segregation of duties, verification of signature, control photographs, close watch on the life – style of staff and coding decoding and testing of cable and tele message measures aimed at fraud detection include checking cashiers call- over reconciliation and balancing of accountings at branch, inter- branch and head offices revels, periodical submission statement of account, stock

taking of security items and cash in the vaults and inspection by bank inspector.

In addition to management control measures, the author suggested means of controlling fraud in bank which are statutory requirement of an external auditor and the examination of banks book by central bank of Nigeria CBN as regulatory authority.

Sanusi attributed to ineffective of these to weakness in staff policy and operational procedure and the attitude of management. In contract some other author argued that the course of fraud in bank is not that of lack of management control system but that if moral weakness of man‟s mind owing to his acquisitive instinct.

Other preventions that are use to bank are;

1. Personal controls; we have proper recruitment and disengagement procedures positing and placement job rotation annual vacations and training programme
2. Administrative controls; segregations of duty security devices regiscope cameras password etc and franking machines
3. Accounting control; we have vital validation prompt posting of transactions balancing of account reconciliation and proper identification and authorizations and approval
4. Financial control; we have cash limit signing power and specialization station
5. Inventory control; we have physical checks and count and bin card stock receipt note, stock issue voucher.
6. under process control we have input and validation and programme control.

**Note**: Don‟t open email from senders you don‟t know.

Don‟t respond to personal sensitive data to respond the email, do monitor your account actively, closely and watch for unusual activity.

If you have any doubt about the authentically of an email don‟t respond call the sender.

Because of email offering a price of discount and asking to chose a password

# CHAPTER 3 RESEARCH METHODOLOGY

* 1. : **introduction**

The chapter deals with the systematic and planned process of collecting data for the purpose arriving to a dependable solution.

In these chapter all techniques of carrying out research to be discussed, such things are sources of data collect, technique of data analyzing and many more data to be used to test fraud to see if it will agree with the theory. In the end justification will be giving to the method used

# RESEARCH DESIGN

In carrying out the study, the descriptive research was employed to the researcher. Descriptive research design is concerned with the collection, presentation, analysis and interpretation of data for the purpose of describing vividly existing conditions prevailing practical belief attitude on going processes etc. its objective are to get details and factual information about issue event problems and describe it as there are.

The researcher also employ the survey descriptive research design in gathering information .survey descriptive design is a method of gathering information about human population in which the direct contact is made with the unit of study through the means of instrument such as questionnaire, interview and guides.

# population and sample size

Population-population according to osuals(1993)is the number of people living in a group whether geographic area and specialize group. The population one group a people or object is similar to one or more ways and from and it is the subject of the study in particular survey research work has been deliberately carried out. The branch has 150 senior staff and 200 junior staff and total population of Kaduna branch is 350 staff.

Sample size: the sampling means the whole portion of the entire population so as to ensure conclusion about the population in an attempt to bring out accurate information concerning the research work, the researcher endeavour to conduct these study on thirty (30) people (official) of CBN.

# sample techniques and design:

however ,the research has use the most suitable sampling method on the thirty(30) respondent, it‟s called the random sampling in these case, each and every employer and staff with difference are all recorded for final analysis.

This method is made possible due to the limited number staff available for research study the researcher is using random sampling so as to obtain valuable information from staff.

# SOURCE AND METHOD OF DATA COLLECTION

Basically, the researcher uses the two methods of data collection primary and secondary sources of data collection.

# Primary source:

They are regarded as first hand information. The main advantage of obtainable such data is that the correct information needed is obtainable term as carefully defined so that as far as possible misunderstanding is avoided, the primary source of data collection used by the researcher includes.

* + 1. **Personal interviews**: this is a very popular method of collection data in social research. It is similar in nature and purpose to questionnaire. This involve face to face interaction with some of the official of the central bank of Nigeria (CBN)
    2. **Questionnaires**: the research in relied heavily on this method. This method involves series of questions relating to historical background of fraud in banking industry. Hence, the researcher design questionnaire to be answered by the staff of CBN. This questionnaire permitted coverage of minimum expense, both in money and effort.

Replies were obtained which enable the researcher to consider various answers upon which further analysis was made.

# Secondary sources:

The secondary sources of data are those from which the information has been obtained. This source of data include

-brochure

* Journals **Formatted:** Left
* Organization manuals
* Magazines etc

# Techniques of data analysis.

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There are different techniques that can be used in the analysis of data. In this case, the researcher used sample percentage ratio with tore for the of analyzing the different answer obtained in the questionnaire.

A parametric statistical testing tool Z- test is used to test hypothesis about the different between means of the groups. The formula for Z- test statistical tool used is as thus stated below.

Z =







Where;

X *1 and X2* are means of two groups of sample.

*SD1 =* Standard deviation of population 1 *SD2 =* Standard deviation of population 2 *N1 =* Size of sample from population 1

*N 2* = Size of sample from population 2

A four scale was used to award point to each specific question responded by the respondents. The favorable statements are stated as follows.

Strongly agreed (SA) Agreed (A) Disagreed (D)

Strongly Disagreed (SD)

# JUSTIFICATION FOR THE CHOICE

Research method is an important tool in analysis and collection date, it provides the basis for which data could be assembled, analyzed and documented. As a result, various methods were considered so as to follow and given a concise description of the research method used. The method of research use in this research work is a description research. This is also because the nature of the topic clearly calls for a thorough description.

This, the data collected in the course of this research work are mainly on reports, journals publications, document, interviews and questionnaires as the contain and provide vital information needs.

# CHAPTER FOUR

**DATA PRESENTATION AND ANALYSIS**

**4.1** Introduction

Analysis of data particularly primary data and the finding is the core of any meaningful research done.

The extent of application of the research depends on careful presentation and analysis of the data collection for the study.

The analysis would be represented on simple table and percentage. The researcher distributed about hundred (100) questionnaires to the respondent and collected (75).

The analysis of the questionnaire distributed is stated below.

# TABLE 4.1 DISTRIBUTIONS AND RETURN OF QUESTIONNAIRE

|  |  |  |  |
| --- | --- | --- | --- |
| Section of population | Number of  questionnaire distribution | Number returned | Percentage (%) |
| Accountant | 43 | 26 | 45 |
| Auditor | 37 | 36 | 33 |
| Shareholders | 20 | 13 | 21 |
| Total | 100 | 75 | 100 |

Source Field summary 2013..

# TABLE 4.2.1 ANALYSIS OF DATE SECTION A.

Question 1: Did you attend any professional courses in relation to your job?

|  |  |  |
| --- | --- | --- |
| Response option | Number of response | Percentage (%) |
| Female | 45 | 60 |
| Male | 30 | 40 |
| Total | 75 | 100 |

Source: field summary 2013

All the respondents 60% representing (47) number were female while 40% representing (28) number were male

Question 2: What is your age?

|  |  |  |
| --- | --- | --- |
| Response option | Number of response | Percentage |
| 20-30 years | 17 | 24 |
| 30-40 years | 28 | 40 |
| 40-50 years | 25 | 28 |
| 50-60 years | 5 | 8 |
| Total | 75 | 100 |

The age categories distributed as really show that the ranges from 20-30 years are fully completed and returned questionnaires with number of 17 representing 24%, 30-40 years returned 28 representing 40%, 40-50 years returned 25 representing

28%, 50-60 above returned 5 representing 8%

Question 3: What is your background education qualification?

|  |  |  |
| --- | --- | --- |
| Response option | Number of response | Percentage (%) |
| O‟Level WASSCE | 21 | 0 |
| OND polytechnic | 5 | 6 |
| HND/B.SC | 19 | 24 |
| MBA/M.SC | 35 | 41 |
| ACCA/ACA | 15 | 29 |
| OTHER |  |  |
| TOTAL | 75 | 100 |

The above analysis of data on academic qualification of respondent shows that there were no WASSCE holder OND return of 5 represented 6% and HND/B.SC returned

19 representing 24% while MBA/M.SC returned 35 representing 41 and ACCA/ACA returned 15 represented 29%

# QUESTION 4: YEARS IN SERVICE/JOB EXPERIENCE?

|  |  |  |
| --- | --- | --- |
| Response options | Number of response | Percentage (%) |
| 1-10 years | 10 | 12 |
| 10-20 years | 40 | 45 |
| 20-30 years | 21 | 37 |
| 30-40 years | 4 | 6 |
| Total | 75 | 100 |

Job experience within 1-10 years is 10 represented 12% 10-20 years, 40 representing

45%

20-30 years is 30 representing 37% and 21 above is 4 representing 6%

# Section B

Findings and Decisions

The research carefully selected some particular vital question in relations to the objectives of the research response from respondents have been represented by use of table and single percentage. Analysis and interpretation have followed respectively.

Question 1: Greed by bank staff is the main reason for the involvement in fraud. Table 1:

|  |  |  |
| --- | --- | --- |
| Responses | Number of Respondents | Percentage (%) |
| Strongly Agreed | 40 | 53 |
| Agreed | 28 | 37 |
| Disagreed | 5 | 7 |
| Strongly Disagreed | 2 | 3 |
| Total | 75 | 100 |

The table show that response and indicate that 53 strongly agreed, 37% agreed and 7% disagreed while 3% were strongly disagreed.

|  |  |  |
| --- | --- | --- |
| Question 2: Poor internal control system not greed is the main course of fraud in Nigerian banks.  **Table 2**  The table shows that the number of respondents who agree that poor internal control system is the problem of Nigerian bank greed.  Question 3: Do you think that is the duty of external auditor to detect and prevent fraud in bank.  **Table 3.**  The table 3 above, show that 39 respondent are of the view that is the duty of external auditor to detect and prevent fraud in bank.  Question 4. Collaboration with bank customer by fraudulent bank staff is the major cause of fraud in Nigeria bank.  Table 4 | | |
| Responses | Number of respondent | Percentage |
| Strongly Agreed | 35 | 47 |
| Agreed | 15 | 20 |
| Disagreed | 10 | 13 |
| Strongly disagreed | 15 | 20 |
| Total | 75 | 100 |
|  |  |  |
|  | | |

|  |  |  |
| --- | --- | --- |
| Response | Number of respondents | Percentage (%) |
| Strongly Agreed (SA) | 34 | 45 |
| Agreed (A) | 28 | 37 |
| Disagreed (D) | 3 | 4 |
| Strongly Disagreed (SD) | 10 | 14 |
| Total | 75 | 100 |

|  |  |  |
| --- | --- | --- |
| Responses | Number of respondent | Percentage |
| Strongly agreed | 28 | 37 |
| Agreed | 32 | 43 |
| Disagreed | 7 | 9 |
| Strongly disagreed | 8 | 11 |
| Total | 75 | 100 |

|  |  |  |
| --- | --- | --- |
| Base on the question that collaboration with bank customer by fraudulent bank staff is the major cause of fraud in Nigerian bank, the responses show that 47 strongly agreed and 20 say nothing, 13 disagreed with 20 which strongly disagreed of it.  Question 5. Distress in Nigeria banks result mainly from fraudulent practice perpetrated.  Table 5. | | |
| Respondent | Number of respondent | Percentages |
| Strongly agreed | 15 | 20 |
| Agreed | 38 | 51 |
| Disagreed | 10 | 13 |
| Strongly disagreed | 12 | 16 |
| Total | 75 | 100 |
| From the table above, research survey has really show that distress in Nigeria bank result mainly from fraudulent practice perpetrated due to the answer and reply give from the Questionnaire, when 20 strongly agreed 51 agreed, 13 disagreed and 16 strongly disagrees.  Question 6, poor quality of audit in Nigerian banks makes detection and preventing of fraud impossible.  Table 6 | | |
| Respondent | Number of respondent | Percentages |
| Strongly agreed | 45 | 60 |
| Agreed | 18 | 24 |
| Disagreed | 9 | 12 |
| Strongly disagreed | 3 | 4 |
| Total | 75 | 100 |
| The table show answer to question asked on weather poor quality of audit in Nigerian bank make detection and prevention of fraud impossible, while response the true‟s response on which 68 strongly agreed, 24 agreed,12 disagreed and 4 strongly disagreed to the Question. | | |

|  |  |  |
| --- | --- | --- |
| Question 7. Dose inability of law enforcement agency to prosecute fraudsters encourages fraud in banking industries.  Table 7 | | |
| Respondent | Number of respondent | Percentages |
| Strongly agreed | 30 | 40 |
| Agreed | 21 | 28 |
| Disagreed | 8 | 11 |
| Strongly disagreed | 16 | 21 |
| Total | 75 | 100 |
| The response strongly agreed that inability of law enforcement agency to prosecute fraudsters encourage more to banking industries and 40 percent strongly agreed to that.  Question 8. bank distress results mainly from poor protection not from fraudulent practices in banks.  Table 8 | | |
| Response | Number of respondent | Percentages |
| Strongly agreed | 38 | 51 |
| Agreed | 22 | 29 |
| Disagreed | 5 | 7 |
| Strongly disagreed | 4 | 13 |
| Total | 75 | 100 |
| The above table show that the proposing respondent strongly agreed 51 and agreed, disagreed are 29, 7.respectively and also 13 strongly disagreed.  Question 9. Does fraud have any negative effect in the financial statement of banks? Table 9 | | |
| Response | Number of respondent | Percentage |
| Strongly agreed | 32 | 43 |
| Agreed | 20 | 27 |
| Disagreed | 14 | 18 |
| Strongly disagreed | 9 | 12 |
| Total | 75 | 100 |
| 43 favored the question while 12 strongly disagreed the opinion. | | |

|  |  |  |
| --- | --- | --- |
| Question 10. Computerized accounting will help fraud control in Nigeria banking sector.  Table 10 | | |
| Respondent | Number of responses | Percentage |
| Strongly agreed | 43 | 57 |
| Agreed | 15 | 57 |
| Disagreed | 8 | 20 |
| Strongly disagreed | 9 | 11 |
| Total | 75 | 100 |
| 57 were strongly agreed that computerized accounting will help fraud control in Nigeria banking sector.  Question 11. Distress experience in Nigerian bank is cause by fraud committed in bank.  Table. 11 | | |
| Responses | Number of responses | Percentage |
| Strongly agreed | 31 | 41 |
| Agreed | 28 | 37 |
| Disagreed | 7 | 9 |
| Strongly disagreed | 9 | 12 |
| Total | 75 | 100 |
| 13 representing 41 are of the opinion while 9 disagreed.  Question 12. Did margin in Nigerian bank reduce fraud in banking industries? Table 12. | | |
| Response | Number of response | Percentage |
| Strongly agreed | 37 | 49 |
| Agreed | 16 | 21 |
| Disagreed | 5 | 7 |
| Strongly disagreed | 17 | 23 |
| Total | 75 | 100 |
|  | | |

|  |  |  |
| --- | --- | --- |
| Question 13. Does perpetration of fraud in Nigeria banking industries arise from the and not outside?  Table 13. | | |
| Response | Number of respondent | Percentage |
| Strongly agreed | 16 | 21 |
| Agreed | 39 | 52 |
| Disagreed | 17 | 23 |
| Strongly disagreed | 3 | 4 |
| Total | 75 | 100 |
| 16 representing 21 strongly agreed while 3 representing 4 strongly disagreed.  Question 14. Fraud control will help Nigerian banking industries and allowed them operate internationally.  Table 14. | | |
| Response | Number of respondent | Percentage |
| Strongly agreed | 26 | 35 |
| Agreed | 22 | 30 |
| Disagreed | 15 | 20 |
| Strongly disagreed | 11 | 15 |
| Total | 75 | 100 |
| Question 15. Control of interest between external and internal auditor make it difficult to control fraud.  Table 15. | | |
| Response | Number of responses | Percentage |
| Strongly agreed | 32 | 43 |
| Agreed | 28 | 37 |
| Disagreed | 5 | 7 |
| Strongly disagreed | 10 | 13 |
| Total | 75 | 100 |
| The response above indicate that 32 respondent representing 43 strongly agreed and 28 of 37 agreed and while 5 of 7 were disagreed. | | |

|  |  |  |  |
| --- | --- | --- | --- |
| * 1. **test of hypotheses**   The hypotheses are to be tested using the z- test for correction of data. Z =  Where;  Z = test statistics  = means of sample 1  = means of sample 2  *SD1* = standard deviation for sample 1 *SD2* = standard deviation for sample 2 *N1* = sample size for sample 1  *N2* = sample size for sample 2   * + 1. Test of hypothesis one   For the purpose of clarity the hypothesis are here by represented thus  H0. There is no significant effect of fraud in the banking industry and the economy in generals.  H1. There is significant relationship between the effectiveness of fraud control measure instituted by bank and fraud committed in the bank.  Analyzing the date in sector 13, table 13 using z- test model thus.    Table 4.3.1 | | | |
| Section | No of respondent | Group agreed [sa] | D/ 50] |
| Accountant | 26 | [] 18 | [] 2 |
| Auditor | 36 | 34 | 1 |
| Shareholder | 13 | 19 | 6 |
| Total | 75 | 71 | 9 |
| 1. To determine the means for the two groups [i.e. x1 and x2]    1. For x1 [i.e. the group that agreed/ strongly agreed]       For x2 [i.2 the groups that disagreed/ strongly disagreed | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| B] Is determine the standard deviation of x1 in [i.e. that disagreed/strongly disagreed | | | | | |
| Group that | agreed | Strongly  agreed | Group that | disagreed | Strongly  disagreed |
| X1 | X1-x2 | [x- x1]2 | X2 | X2 –x2 | [x2 –x2]2 |
| 18 | -5.7 | 32.49 | 2 | -1 | 1 |
| 34 | 10.3 | 106.1 | 1 | -2 | 4 |
| 19 | -4.7 | 22.1 | 6 | 3 | 9 |
| 71 |  | 160.69 | 9 |  | 14 |
| c.) Now the Z test formula will be applied      Where          Note = the level of significant is o.o5  [1] decision rule stated that the Ho null hypothesis should be accepted of the z  – test calculated is last that the z – critical values of [ 1.96] and the alternative hypothesis should be rejected it is greater than critical value of [1.96] | | | | | |



[iii] The [1.96] is the critical values of 2 for a two tasted test at 0.05 level of significance.

# Solution















 





1. To computer the critical value and computer value Critical value = [ 1.96]

Computer value = 4.55 Computer value = critical value

1. Decision of the acceptance / rejection of H0 and since the cal – culled value of Z is greater than critical value, we shall reject the null hypothesis and up hold the alternative hypothesis.
2. Conclusion H1: There is significant relationship between the effectiveness of fraud control measure instituted by bank and fraud committed on the bank.

4.3.1 **Test of Hypothesis two**

It will be necessary restated the hypothesis two which is:

Ho: There is no significant relationship between the effectiveness of fraud control measure instituted by banks and fraud committed by bank.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Hi: there is significant relationship between fraud committed in the bank and distress experienced in Nigerian bank.  Analysis: the data in section B table 11 using Z-test module thus.    **Table 4.3.2** | | | | | | | | | | | |
| Section | | Number  respondent | |  | of | Strongly  (*x1*) | Agreed | | Strongly disagreed  (*x2*) | | |
| Accountant | | 20 | | | | 20 | | | 0 | | |
| Auditor | | 35 | | | | 33 | | | 2 | | |
| Shareholder | | 25 | | | | 17 | | | 6 | | |
| Total | | 80 | | | | 12 | | | 8 | | |
| A.) To determine the means of the two groups (i.e. *x1* and *x2*) 1] For *x1* (i.e. the group that agreed)    II] For *x2* (the group that disagreed)    B) To determine the standard deviation of *x1* and *x2* group that agreed (strongly agreed) group that disagreed (strongly disagreed) | | | | | | | | | | | |
| *x1* | *x1 -* | | (*x1 –* | *2* |  | *x2* | | *x2 -* | | (*x2 -* | *2* |
| 20 | -4 | | 16 | | | 2 | | -0.7 | | 0.49 | |
| 33 | 9 | | 81 | | | 5 | | 2.3 | | 5.29 | |
| 25 | 1 | | 1 | | | 1 | | -1.7 | | 2.89 | |
|  |  | | 98 | | | 8 | |  | | 2.67 | |
|  | | | | | | | | | | | |



 







C) Now the Z-test formula will be applied





Where s







Substitute =



























|  |  |  |  |
| --- | --- | --- | --- |
| 1. To complete the critical value and computed value.   Critical value = (±1.96) Computed value = 5.07 Computed value = Critical   1. Decision in the acceptance/rejection of „Ho‟ and since the calculated value of 2 is greater than the critical values, we uphold the alternative hypothesis. 2. Conclusion: there is a significant relationship between the effectiveness of fraud control measures institution by bank and fraud committed on the bank.   4.3.3 **Test of hypothesis three (3)**  For the purpose of clarity, the hypotheses there are hereby related thus: Ho: there is no significant causes of fraud perpetrated banks.  Hi: there is a significant causes of fraud perpetrated in banks. Analyzing the data in section B, the table 5, uses Z-test model thus: | | | |
| Section | Number of respondent | Group that agreed (strongly agreed) *x1* | Group that  disagreed (strongly disagreed) *x2* |
| Accountant | 20 | 18 | 2 |
| Auditor | 35 | 34 | 1 |



|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | | | |
| Shareholder | | 25 | | | | 23 | | 2 | |
| Total | | 80 | | | | 75 | | 5 | |
| 1. To determine the means of the two groups (i.e. *x1 and x2*)    1. For *x1* (i.e. the group that agreed [strongly agreed])      * 1. For *x2* (i.e. the group that disagreed [strongly disagreed])     (b) To determine the standard deviation of *x1* and *x2* | | | | | | | | | |
| Group that strongly agreed | | |  |  | **|** | Group that strongly disagreed | | | |
| *x1* | *x1* | | (*x1* | 2 |  | *x2* | *x2* | | (*x1* 2 |
| 18 | -7 | | 49 | | | 2 | 0.3 | | 0.09 |
| 34 | 9 | | 81 | | | 1 | -0.7 | | 0.49 |
| 23 | -2 | | 4 | | | 2 | 0.3 | | 0.09 |
| 75 |  | | 134 | | | 5 |  | | 0.67 |
| ± | | | | | | | | | |





   

Now the Z- test for formulas will be apply.





Where

 









Substitution



























To compute the critical value and computed value Critical value = [±1.96]

Computed value = 4.96 Computed value = critical value

1. Decision in the acceptance / rejection of H0 and since the calculated value of 2 is greater than critical values, we uphold the alternative hypothesis.
2. Conclusion = there is significant relationship between fraud committed in the bank and distress experienced in Nigerian banks.

# RESEARCH FINDINGS

Every financial institution whether individual or family owned, small or big government owned, have now come to realize that fraud prevention in to effective internal control. In the process of executing this study new finding were discovered by the researcher.

Therefore from the result of this study and from the responses obtained and also analysis in this chapter, the followings.

* + 1. The bank operation some measure of effective internal control that easily detects frauds.
    2. The system of internal control has been in operation for over eight

years.

* + 1. The bank segregates, duties among employees which serve as check and balance among the staff.
    2. Necessary banking books are reconciled after twelve months.

# SUMMARY

This chapter contains the presentation and analysis of finding from the data collected from the study, the finding was earned out with the use of table mean, statistics, percentages and Z- test.

The finding shows the impact of in banking industry and its means of prevention and control. The impact of fraud is said to be either in the positive direction to the individual perpetrating fraud as the accuracy move within the possession and on the negative direction to bank, as it will lead to loss of confidence by bank customer, high cost of operation that is cost involve in preventing and detecting fraud, waste of resources and financial loss.

The researcher was also able to identify the types and causes of fraud in bank and way in detecting and preventing it, what differentiate errors from fraud or irregularities and also how fraud control could be achieve in banks.

# CHAPTER FIVE

**SUMMARY OF CONCLUSION AND RECOMMENDATION**

# 5.0 SUMMARY OF FINDINGS

The banking industry is the corner stone of each country‟s economy. The industry in Nigeria is made up of central bank of Nigeria, development bank etc.

Fraud is the unlawful appropriation of assets from an organization which makes it the number one enemy of the business world (the banking industry in particular for it drains the nation‟s economy of its substance and renders bank balance sheet inappropriate

As stated in the earlier chapters there are various causes are prime move of both to the customer and staff it is also clear that there are many faces of fraud and no end to its ingenuity and the havoc it can cause to the Nigerian economy. Fraud occurs in bank due to the inordinate ambition of the perpetrator either the bank staff, customer or third party. In all the cases of reported fraud in banks, they occur due to the inadequate internal control system and management ineptitude to a sound organizational control. The system control been put in place in the banks goes a long way in minimizing the incidence of fraud and as such put the bank in a good stead for financial prosperity.

# CONCLUSION

The summary of the findings has identified two basic factors. Firstly, the frequency of fraud in banks and other organizations and secondly the possible causes and types of fraud that existed. The careful analysis shows how internal control help in preventing fraud in bank, management is seen as having that control to establish sound organization institution that prevent fraud did exist in every organization and no matter how hard control are place fraud can only be minimized and not totally eliminated.

Fraud is entrenched in the fabric of our society and as long as it cannot be eradicated in the society eradicating it In the banking section will be a mirage support can only be spared by the management of the banks to put in place measures and products that can minimize the incidence of fraud so as not to destroy the bank.

# RECOMMENDATION

“Prevention is better than cure”. This slogan is very relevant to the subject matter of this study.

Evidence shows that it is cheaper to prevent fraud than to bring down the perpetrators, the cost of detection, investigation and endless prosecution can be avoided if sufficient resources and attention are geared toward prevention in the first instance.

Therefore, the following is recommended to put in place by the bank.

# Accounting system and accommodation

Daily call over, reconciliation and auditing at every level Surprise internal cash count.



Regular review and cleaning of all surprises accounts preparation of monthly account and board of central bank return.

 Sound and effective control of account opening procedures.

# Segregation of duties

Officer that post entry should not be responsible for the checking Movement of cashiers and clerks especially those that handle sensitive transactions.



 Compulsory annual holiday for all members of the staff.

# Organization procedure

 Development of a good organization structure and career opportunity for staff for staff so as to have dedicated loyal staff and contented with force.

 Staff of the organization should be competent, honest and high moral character.



Good training programme is important for staff at all levels. Supervision method should be developed.

All transaction should have authorization by appropriate office.

# Staff guarding asset

Physical security of assets. Dual control system over assets.



Adequate control over vault and its contents.

# Internal audit function

 Operation manual should be used to guide staff in all manner of their operations.

 Sporadic and element of surprise check should be put in piece on the banks transaction

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Dear sir / ma

CARITAS UNIVERSITY

Amorji – Nike Enugu, Emene Enugu state 06 /06 /0013

Request for completion of questionnaire

I am a final year student of the department of accountancy caritas

university Enugu, I am conducting a research on evaluation of fraud control measure in the Nigerian banking sector [ a case study of central bank of Nigerian, Kaduna branch] the research is for my first degree project and it is purely academic research.

As a way of gathering data for this study, I decided to use questionnaire as one of my data collection method, I shall be grateful if you complete the questionnaire for me.

Please, be assured of your annongnify as the information you offer will be treated in strictest confidence.

Thanks for your co-operation

Yours faithfully Ayodele b. Adebayo

Acc/2009/558

# Question

1. Greed by bank staff is the main reason for their involvement in fraud.
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed
2. Poor internal control system not agreed is the main courses of fraud in Nigerian bank.
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed
3. Do you think it is the duty of external auditor to detect and prevent fraud in bank?
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly
4. Collection with bank customer by fraudulent bank staff is the major courses of fraud in Nigeria banks.
   1. Strongly agree [B]agreed [C] disagreed [D] strongly disagreed
5. Distress in Nigerian banks result mainly from fraudulent practice perpetrated.
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed
6. Poor quality of audit in Nigerian banks makes detection and prevention of fraud impossible.

[A] Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed

1. Computerized accounting will help fraud control in Nigerian sector
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed
2. Do you think automated teller machine help in compacting fraud in banking industries?
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed
3. Dose fraud has any negative effect in the financial statement of bank
   1. Strongly agreed [B]agreed [C] disagreed [D] strongly disagreed
4. Do you agreed that the distress experience in Nigerian banks is caused by fraud committed in banks?
   1. Strongly agreed [B] Agreed [C] disagreed [D] strongly disagreed
5. Does payment of voucher bear any evidence of having being checked and authorized by management staff?

[A] Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed

1. Do you agree that the merging of Nigerian bank reduce fraud in Nigerian banking industry?

[A] Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed

1. Do you think that perpetrator of fraud in Nigerian banking industry arise from the staff and not outsider?
   1. Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed
2. Does inability of law enforcement agency to prosecute fraudsters encourage fraud in banking industry?

[A] Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed

1. Do you think that conflict of interest between external and internal auditor makes it difficult to control fraud?

[A] Strongly agreed [B] agreed [C] disagreed [D] strongly disagreed