Frauds In Nigerian Banks: Nature, Deep-Seated Causes, Aftermaths And Probable Remedies

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Doi:10.5901/mjss.2012.v3n2.279

Abstract: *This paper is descriptive in nature and it examines the nature, causes, effects and remedy for bank frauds in Nigeria. In recent years, frauds in Nigeria banking sector seemed to have assumed a frightening dimension and to a large extent, the confidence the general public reposes in it, is put in jeopardy. The ability of banks to promote growth and development in any economy is a function of the extent to which financial transactions are carried out with trust, confidence and least risk. These no doubt require a safe and sound banking practice which many of the banks in Nigeria today have despised to their own peril. This study leaned heavily on the Nigerian Deposit Insurance Corporation (NDIC) annual reports for data relating to total amount involved in frauds and forgeries, ten banks with the highest fraud cases and categories of bank staff involved in frauds and forgeries. The paper concludes that the battle for the preclusion, uncovering and retribution of fraud offenders must be fought on two extensive fronts: First is to reduce the temptation to commit fraud and second to increase the chances of detection. While a positive work environment will help to achieve the former, the latter can be achieved by sound internal control system.*

Key words: Frauds, Banks, NDIC, Frauds Motivation model

1. Introduction

Among the Nigerian industrial sectors today, one can say that the banking industry is the most visible and arouses the most public interest. The importance of the banking sector in any economy stems from its role of financial intermediation, provision of an efficient payment system and facilitation of the implementation of monetary policies. In intermediation, banks mobilize savings from the surplus units of the economy and channel these funds to the deficit unit, particularly private business enterprises, for the purpose of expanding their productive capacity.

According to Olismbu (1991:20), the banking sector has become one of the most critical sectors and commanding heights of the economy with wide implications on the level and direction of economic growth and transformation and on such sensitive issues as the rate of unemployment and inflation which directly affect the lives of our people. Today, the very integrity and survivability of these laudable functions of Nigerian banks have been called into question in view of incessant frauds and accounting scandals. According to Oseni (2006:16), "the incessant frauds in the banking industry are getting to a level at which many stakeholders in the industry are losing their trust and confidence in the industry". Corroborating the views of Oseni, Idolo (2010:63), stressed that the spate of fraud in Nigerian banking sector has lately become a source of embarrassment to the nation as apparent in the seeming attempts of the law enforcement agencies to successfully track down culprits.

Although the incidence of fraud is neither limited to the banking industry nor peculiar to Nigeria economy, however the high rate of fraud within the banking industry, calls for urgent attention with a view to finding solutions. Fraud in its effect reduces organizational assets and increases its liabilities. With regards to banking industry, it may engender crises of confidence among the banking public; impede the going concern

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status of the bank and ultimately lead to bank failure. The Central Bank of Nigeria (CBN) reported that cases of attempted fraud and forgery in banks, as at half-year 2007 exceeded what was recorded in the whole of 2006. For instance, the CBN half-year report for 2007, disclosed that a total of 741 cases of attempted fraud and forgery, involving N5.4 billion (US $34.8 million), were reported as at June, 2007. Whereas in 2006, the entire cases of fraud reported were 1,193, involving the sum of N4.8 billion (US $30.97). The CBN also maintained that the dwindling situation is occasioned by weaknesses in the internal control system of the affected banks. The foregoing statistics clearly unfolds the extent to which fraud had eaten deep into the financial strength of Nigeria banks.

Thus, the remaining part of this paper will be divided into four parts namely: Nature and classification of frauds, profound causes of frauds, effect of fraud and prevention and control of frauds, and conclusion.

2. Nature and Classification of Frauds

The term 'Fraud' has been defined in different ways by different authors. According to the Collins English Dictionary, fraud can be defined as: "deceit, trickery, sharp practice, or breach of confidence, perpetrated for profit or to gain some unfair or dishonest advantage". Also, the Association of Certified Fraud Examiners defines fraud as "any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent on the application of threat of violence or of physical force". Frauds are perpetrated by individuals and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.

According to Boniface (1991), fraud is described as "any premeditated act of criminal deceit, trickery or falsification by a person or group of persons with the intention of altering facts in order to obtain undue personal monetary advantage". Frauds usually involve the perpetration of some forgery or falsification of documents or illegal authorization of signature (Ojo, 2008:91). It can be summarily concluded from the foregoing definitions that fraud arises when a person in a position of trust and responsibility digresses from agreed standards, breaks the rules to advance his personal interest at the expense of the interest of the public.

Fraud has been classified in various ways and using various parameters. However for the purpose of this paper, we shall employ the perpetrators criteria as follows:

a) Management of the banks (otherwise referred to as management fraud).
b) Insiders. These perpetrators are purely the employees of the banks.
c) Outsiders. These include customers and/or non- customers of the banks.
d) Outsiders/Insiders. This is a collaboration of the bank staff and outsiders as described in (b) and (c) above.

3. Management Fraud

Management fraud is frequently committed by management staff of a reporting entity, which comprises the director, general managers, and managing directors to mention but a few. The category of victims of management frauds are investors and creditors, and the medium for perpetrating the fraud is financial statement. The predilection for management fraud in most cases is to pull in more investment from both existing and potential shareholders to the organization. Another motivation for management fraud is to paint the bank in good light in the eyes of the regulatory authorities such as Central Bank of Nigeria (CBN), Nigerian Deposit Insurance Corporation (NDIC), Nigerian Accounting Standards Board (NASB) etc. Additionally management fraud can also be effectuated to secure tax advantage from tax authorities.

According to Fakunle (2006:173), management fraud is the manipulation of records and the accounts, typically by the enterprise's senior staff with a view to benefiting in some indirect ways. Deception and

Deprivation are the two elements of fraud and management fraud meets the criteria. According to Ajisebutu (2006:6), the key elements of management frauds are:

a) A material false statement;
b) Knowledge of its (statement) falsification;
c) Reliance on the false statement by victim; and
d) Damage suffered by victim.

Though management fraud manifests itself through overstatement of assets or revenues, and understatement of liabilities and expenses, Association of Certified Fraud Examiners (ACFE) believes it is carried out through the under listed five methods:

i) Fictitious Revenues
ii) Timing Differences
iii) Improper Asset Valuation
iv) Concealed Liabilities and Expenses
v) Improper and /or Inadequate Disclosure

4. Insiders or Employees Frauds

This is also known as non-management fraud and they are usually perpetrated by the employees of the Banks or organizations. It is the application of fraudulent means to obtain money or other property from the organization (Robertson, 1996:292). According to Olatunji (2009:183), insiders frauds in the bank involves falsification of some kind, lying, exceeding authority, violation of employer's policies, embezzlement of company's funds, usually in form of cash or other assets. Boniface (1991:23), indentifies some of the typical manifestations of employees frauds in the banks to include:

(I) Cash thefts from the tills by banks' staff;
(II) Forgeries of customer's signature with the intention of illegally withdrawing money from the account with the bank;
(III) Use of forged cheques to withdraw money from the customer's accounts;
(IV) Opening and operating of fictitious account to which illegal transfers could be made and false balance credited;
(V) Lending to fictitious borrowers effected through fictitious account opened at a branch;
(VI) Claiming of overtime for hours not worked;
(VII) Suppression of cash / cheques.
(VIII) Fund Diversion: In this case, bank staff (for personal use), sometimes diverts customers' deposits and loan repayment. Another case of this is the tapping of funds from interest in suspense accounts in the bank.
(IX) Computer Fraud: This type of fraud takes the form of alteration of the programmes or application packages and even bursting into the system via remote sensors. Diskettes and flash drives can also be tinkered with to gain access to unauthorized domains or even give credit to accounts for which the funds were not ab initio intended. This kind of fraud can remain undetected for a long time.

5. Outsiders Frauds

These are frauds perpetrated by customers and non-customers of banks. The primary function of a commercial bank is to connect customers with capital deficit to customers with capital surplus in the financial market. In implementing this function, banks and bank workers come in contact with both customers and non-customers, and this contact engenders the risk of fraud. According to Onkagba, (1993), as sited in Idowu, (2009:629), the most common methods of outsiders' fraud are:

a. Advance Fee Fraud

This may involve an agent approaching a bank, a company or individual with another to access large funds at below market interest rates often for long term. This purported source of funds is not specifically identified as the only way to have access to it is through the agent who must receive a commission “in advance”. As soon as the agent collects the fee, he disappears and the facility never comes through. Any bank desperate for fund especially distressed banks and banks needing large funds to bid for foreign exchange can easily fall victim of this type of fraud. When the deal fails and the fees paid in advance are lost, these victims are not likely to report the losses to the police or to the authorities.

b. Forged Cheques

This is most likely the commonest method by which the customers and the bank are defrauded. They occur mainly in company’s accounts and are invariably perpetrated by staffs within the company who have access to the company’s cheque book.

c. Cheque Kitting

This occurs when a depositor utilizes the time required for a cheque to clear to obtain an authorized loan without interest charge. The goal of the cheque kitter may be to use these uncollected bank funds, interest fees for a short time to overcome a temporary cash shortage or to withdraw the funds permanently for personal use. Competition among banks in the era of deregulation encourages bank to make funds available before collection of customers’ cheque in order to attract special business accounts.

d. Account Opening Fraud

This involves the deposit and subsequent cashing of fraudulent cheques. It usually starts when a person not known to the bank asks to open a transaction account such as current and savings account with false identification but unknown to the bank.

e. Counterfeit Securities

Counterfeiting of commercial financial instruments is one of the oldest forms of crime. Modern photographic and printing equipment has greatly aided criminals in reproducing good quality forged instruments. The documents may be total counterfeit or may be genuine documents that are copied, forged or altered as to amount, payout date, pay or terms of payment. A common fraud is to present the counterfeit stocks or bonds as collateral for loan. The presenter would draw out the proceeds and disappear before the financial instruments are found to be counterfeit.

f. Money Transfer Fraud

Money transfer services are means of moving financial resources to or from a bank to beneficiary account at any bank point worldwide in accordance with the instructions from the banks’ customers. Some common means of money transfer are mail, telephone, over-the-counter, electronic process and telex. Fraudulent money transfer may result from a request created solely for the purpose of committing a fraud or altered by changing the beneficiary’s name or account number or changing the amount of the transfer.

g. Letter of Credit Fraud

This generally arises out of international trade and commerce. They stimulate trade across national borders by providing a vehicle for ensuring prompt payment by financially sound institutions. Overseas suppliers continue to receive spurious letters of credit, which are usually accompanied by spurious bank drafts with fake endorsements which guarantee payments.

h. Clearing Fraud

Most clearing frauds hinge on suppression of an instrument so that at the expiration of the clearing period applicable to the instrument, the collecting bank will give value as though the paying bank had confirmed the instrument good for payment. Clearing cheques can also be substituted to enable the fraudster divert the fund to a wrong beneficiary. Misrouting of clearing cheques can also assist fraudsters to complete a clearing fraud.

i. Duplicating or skimming card data, copying magnetic stripe information off a card for duplication.

6. Outsiders/Insiders Fraud

This involves a collaboration of bank staff and outsiders for the purpose of defrauding the bank. For bank's outsider fraud to succeed, more often than not, there must be an insider who is providing information and other logistic support to the outsiders.

7. Causes of Frauds in Nigerian Banks

In the words of Ojo (2008:92), the causes of fraud and forgeries in banking transactions can be classified under two generic factors namely: the institutional or endogenous factor and the environmental or exogenous (social) factors.

7.1 Institutional Factors

The institutional factors or causes are those that are traceable to the in-house environment of the banks. Though the list of institutional factors is inexhaustible, the notable ones are:
A) Weak accounting and internal control system;
B) Inadequate supervision of subordinates;
C) Disregards for "know your customers (KNC)" rule;
D) Poor information technology and data base management;
E) Hapless personnel policies;
F) Poor salaries and conditions of services;
G) General frustrations occasioned by management unfulfilled promises;
H) Failure to engage in regular call-over;
I) Employees' refusal to abide by laid-down procedures without any penalty or sanction;
J) Banks reluctance to report fraud due to the perceived negative publicity or image. This is capable of engendering more fraud;
K) Banking Experience of staff: frauds in banks occur with higher rate of recurrence among staff with little experience and knowledge in financial praxis. The more experience and knowledgeable a staff is, the less probability that frauds would pass such staff undetected unless with active support of that staff.
L) Inadequate Infrastructure: Poor communication systems and power failure, result to a buildup of unbalanced postings, overcrowded office space etc, these encourage the committal of fraud in banks.
M) Inadequate training and re-training;
N) Poor Book-Keeping
O) Genetic traits:- These are trans-generational (or inherited) attribute possessed by an individual that propels him to engage in frauds. For instance, a kleptomaniac who pathologically steals for the fun of it would naturally not do well as professional banker.

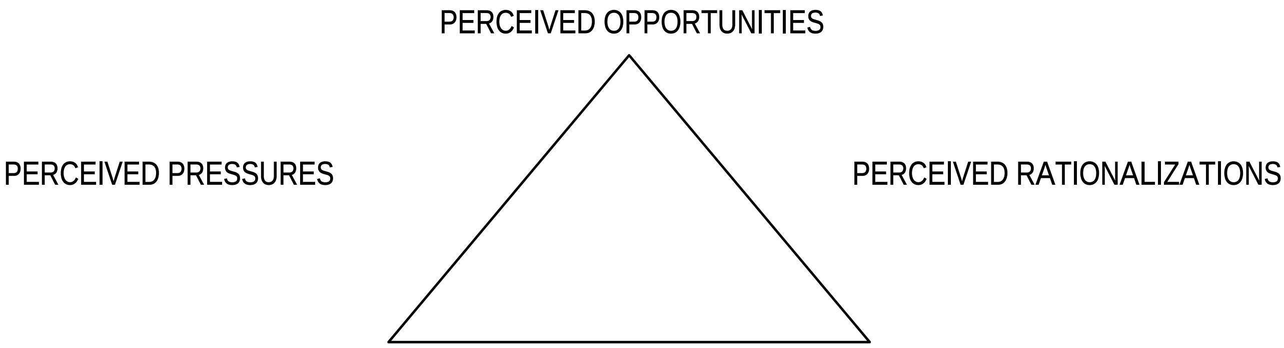
7.2 The Environmental or Social Factors

According to Idowu (2009:632), environmental factors are those that can be trace to the immediate and remote environment of the bank. These factors or causes according to Ogbunka (2002:188), are manifest in the following manner:
I) The penchant to get rich quick;
II) Slow and tortuous legal process;
III) Poverty and the widening gap between the rich and the poor;
IV) Job insecurity;
V) Peer group pressure;
VI) Societal expectations;
VII) Increased financial burden on individuals;
VIII) Stiff competition in the banking industry which saw many banks engaging in fraud so as to meet up in terms of liquidity and profitability.

Why People Commit Fraud

Classical fraud theory made plane and comprehensible, the propensities for fraud as a triangle of perceived opportunity, perceived pressure, and perceived rationalization. Every fraud executor is confronted with some kinds of pressures, which constitute the first component of fraud. More often than not, the pressure constitutes a financial want, although nonfinancial pressures—such as the need to report results that are better than actual performance and competitors, frustration with the nature of work, or even a challenge to beat the system—can also induce fraud. Research has shown that these pressures don't have to be authentic; they simply have to seem valid to the perpetrator.

Figure 1: Classical Fraud Motivation Model



The second constituent of the fraud triangle is perceived opportunity. The executor of fraud must believe that he or she can commit the fraud and not get caught (or, that if he or she does get caught, nothing grave will happen). Like perceived pressures, perceived opportunities don't have to be real; they only must be perceived as authentic by the executor.

The third driver of fraud is ability of the perpetrators to find a way to rationalize their actions as acceptable. The following are some familiar rationalizations: "its serves the bank right since the organization has not honour their obligations to me", "I deserve it. I am only taking my share", "the plot is only temporary. After this I'm done", "we are not injuring anyone; the bank will blow their money anyway". Some fraudsters may say that the bank has enough money and it won't affect them in a big way etc.

The three elements of the fraud triangle - perceived pressure, perceived opportunity, and perceived rationalizations are indispensable to every fraud. Whether the fraud is one that benefits the perpetrator personally or one that benefits a perpetrator's business. In the case of financial statement fraud, for example, the pressure could be the need to meet (or even surpass) analysts' and regulatory authorities' expectations or debt covenants, the opportunity could be a weak audit committee or pitiable internal controls, and the rationalization could be that you are only getting over a temporary slump in business.

8. Effects of Frauds on Nigerian Banks

Sections 35 and 36 of Nigerian Deposit Insurance Corporation (NDIC) Act 2006, mandates banks to render monthly returns of frauds and forgeries and also notify the corporation of any staff dismissed or whose appointment was terminated on accounts of frauds or financial irregularities.

Presented in this section are the reported cases of frauds and forgeries for a period of ten years (2000-2009), Table No 2, shows the ten banks with highest fraud cases between 2003 and 2009, and Table No 3, evinces the status and the number of bank staff involved in frauds and forgeries, within 7 years (i.e. 2003 to 2009). Table 1 below, shows the number of reported cases of frauds and forgeries, the amount involved, expected loss and number of staff involved, for 10 years (i.e. 2000 – 2009).

Table N. 1: Total Amount Involved in Fraud and Forgeries

YEAR	Total No of Fraud Cases	Total Amount Involved (N' Million)	Total Expected Loss (N' Million)	Proportion of Expected Loss to Amount Involved (%)	Staff Involved
2000	403	2,857.11	1,080.57	37.82	493
2001	943	11,243.94	906.30	8.06	152
2002	796	12,919.55	1,299.69	10.06	85
2003	850	9,383.67	857.46	9.14	106
2004	1,175	11,754.00	2,610.00	22.21	383
2005	1,229	10,606.18	5,602.05	52.82	378
2006	1,193	4,832.17	2,768.67	57.30	331
2007	1,553	10,005.81	2,870.85	28.69	273
2008	2,007	53,522.86	17,543.09	32.78	313
2009	1,764	41,265.50	7,549.23	18,29	656
Total	10,719	168,390.79	43,087.91		2,514

Source: Adapted from NDIC ANNUAL REPORTS (2000 – 2009)

As depicted in the table, a total of 10,719 cases of frauds and forgeries were reported during the period, involving N168.84 billion (that is, N168.84 billion, US $1.09 billion), and perpetrated by a total of 2,514 staff of various designates. It is noteworthy that the year 2008 witnessed the highest number of frauds and forgeries cases (i.e. 2,007 cases), and the highest total amount of frauds and forgeries of N53.52 billion, (i.e.US $345.31 million). The table also indicates that Nigerian banks had the highest number staff involved in frauds and forgeries in the year 2009 (i.e. 656 staff).

Table N. 2: Ten Banks With Highest Fraud Cases

Group	2003		2004		2005		2006		2007		2008		2009	
	Amount Involved (N' Million)	% Share	Amount Involved (N' Million)	% Share	Amount Involved (N' Million)	% Share	Amount Involved (N' Million)	% Share	Amount Involved (N' Million)	% Share	Amount Involved (N' Million)	% Share	Amount Involved (N' Million)	% Share
Total for 10 Banks	8,635.38	92.02	10,024.00	85.88	9,373.74	88.38	2,512.73	51.77	2,565.01	25.64	34,311.72	64.11	37,179.90	*90.10*
Total for All Banks	9,383.67	100	11,754.00	100	10,606.18	100	4,832.17	100	10,005.81	100	53,522.86	100	41,265.50	100

Source: Adapted from NDIC ANNUAL REPORTS (2003 – 2009)

The 10 banks with the highest number of reported frauds and forgeries cases, as presented in Table 2 above, were responsible for 92.02%, 85.88%, 88.38%, 51.77%, 25.64%, 64.31%, and 90.10% of the total frauds and forgeries that were reported in the banking industry in the 7 seven years (i.e. 2003-2009) respectively. The year 2003 and 2009 were the most infamous for the fact that they comprise the highest proportions of 92.02% and 90.10% respectively. For instance, in 2003, of the total of N9.38 billion (US $60.54 million) cases of frauds and forgeries reported by the entire banking sector, N8.64 billion (US $55.71 million) were perpetrated by staff of 10 banks. Similarly in 2009, out of the N41.27 billion (US $266.23 million) cases of financial irregularities in the banking sector, 10 banks accounted for N37.18 billion (US $239.87 million). It is noteworthy that the rate of conversion was N155 to $1, i.e. the rate existing as at the time the paper was written.

Table N. 3: Categories of Bank Staff Involved in Frauds and Forgeries

Rank	2003		2004		2005		2006		2007		2008		2009	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Supervisors & Managers	25	23.58	157	40.99	169	44.70	118	35.64	87	30.76	48	15.33	94	14.32
Officers, Accountants & Executive Assistants	41	38.68	129	33.68	124	32.80	90	27.19	89	32.60	127	40.58	137	20.88
Clerks & Cashiers	25	23.58	61	15.93	54	14.28	50	15.10	34	12.45	48	15.33	200	30.49
Typists, Technicians & Stenographers	-	-	18	4.70	16	4.23	16	4.83	21	7.69	20	6.39	64	9.76
Messengers, Drivers, Cleaners, Security Guards & stewards	7	6.60	15	3.92	12	3.17	7	2.11	-	-	-	-	11	1.68
Temporary Staff	8	7.55	3	0.78	3	0.79	50	15.10	45	16.48	70	22.37	150	22.87
TOTAL	106	100.00	383	100.00	378	100	331	100.00	273	100.00	313	100.00	656	100.00

Source: Adapted from NDIC ANNUAL REPORTS (2003 – 2009)

Table 3 shows the status and number of banks' staff involved in frauds and forgeries from 2003 to 2009. Within the seven years, a total of 2,440 were reported to have been involved in frauds and forgeries, while in

2009, a total of 656 members of bank staff were reported to have taken part in financial impropriety, this statistics accounted for an increase of 109.58% as against the 2008 figure of 313. Additionally, of the 656 number of staff reported to have engaged in fraud and forgeries in 2009, 431 of them were core operating staff such as supervisors, officers, accountants, managers, executive assistants, clerks and cashiers, thus accounting for 65.7%.

According to NDIC 2009 report, the banking industry performance and the level of soundness declined in 2009. Out of the 24 banks in the country, 13 were rated sound, one was marginal while 10 were rated unsound as against just one unsound in the previous year.

Undoubtedly, frauds lead to loss of money which belongs to either the bank or customers. This loss results in a decline of productive resources available to the bank. Adewunmi (1996), identified the under listed effects of bank frauds and forgeries:

a) It destroys the bank's reputation
b) It discourages banking habit among the banking public.
c) The bank ceases to meet up with staff welfare
d) The trust and understanding among staff is reduced
e) The bank will lack the ability to compete favourably with its competitors
f) Fraud reduces bank's profitability
g) It places emotional and psychological burdens on the fraud victims.

Others include:

Increased operating expenses, reduced operational efficiency, damage to credibility, public criticisms, endangered bank's plans and strategies, bank's liquidation, a decrease in foreign direct investments (FDI) and foreign investors, depletion of shareholders' funds and banks' capital base, and bad national image.

Summarily, it can be said that the Cost of Fraud in Banks = Instantaneous loss due to fraud + Cost of fraud preclusion and exposure + Cost of lost business + Opportunity cost of fraud avoidance and uncovering + deterrent effect on spread of e-commerce.

9. Prevention and Control of Bank Frauds and Forgeries

To guarantee effective strategies of fraud prevention and control, banks are to ensure that operational systems are designed with inbuilt control devises. Banks can reduce or better still eradicate frauds and forgeries if all control devices built into the system are uncompromisingly respected. Additionally, stakeholders in the banking industry can reduce the incidence of frauds by complying with the following recommendations.

1) Instauration of an encouraging work atmosphere

An encouraging work environment propels employees to follow established policies and procedures, and operate in the best interest of the organization. It opens line of communication between employees and management of the bank, and guarantees positive employees recognition and sound reward system. This kind of environment is likely to reduce the drive for internal fraud and forgeries.

2) Hire sincere people

The need to hire honest people cannot be over emphasized. Though it is the ambition of every organization, but it is easier said than done. Cost of hiring a dishonest employee is incalculable: a dishonest employee will undermine any attempt to create a positive work environment and constantly strive to defeat any internal control put in place. Pre-employment background checks that cover criminal history, educational history verification, previous employment verification, civil history for possible lawsuits etc, will be helpful in hiring honest people.

3) Perform expected- and unexpected- audits

Every bank should have regular assessments procedures which will be complemented with uncustomary, random, unannounced financial audits and frauds assessments. This can help to unearth any vulnerability and appraise the effectualness of the existing controls, and send the message to all employees that fraud prevention and control are of high priority to the bank.

4) Enforce internal controls

This should be designed to promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets and records, encourage adherence to prescribed policies,
and comply with regulatory agencies. A sound internal control will ensure that transactions are: Valid, properly authorized, recorded, properly valued, properly classified, reconciled to subsidiary records and not carried through by a single employee (i.e. ensure separation of duties)

5) Probe every unpleasant incident

A meticulous and timely investigation of any allegation of frauds, threat to internal control and warning signals of fraud, will give the indication that frauds and forgeries are not treated with kid-gloves by the organization.

6) Exemplary leadership

Top management of the bank must set the standard for other employees by their conduct. A cavalier approach to rules and regulations by senior management will soon be reflected in the stance of the employees. Every staff, no matter how highly placed, should be governed by the rules of the organization and not above it.

7) Adequate training and education most especially on frauds and forgeries should be organized from time to time for banks' staff.

8) The judicial process should be reinforced to encourage speedy hearing of fraud cases brought before it.

10. Conclusion

To say that the banking sector of Nigerian economy has become a terrain for various appalling corrupt and fraudulent practices is to say the obvious. According to a US- based Global Financial Integrity group, Nigeria sits atop a list of African countries which have suffered a massive outflow of illicit funds in Africa between 1970 through 2008. The study, titled Illicit Financial Flows from Africa: Hidden Resource for Development, reveals that Nigeria lost $165.697 billion, about 19% of the total $854 billion outflows from Africa to other western countries. Queuing behind Nigeria are Egypt ($70.5 billion), Algeria ($25.7 billion), Morocco ($25 billion) and South Africa (24.9 billion).

Accomplishing greater triumph in the battle against Nigerian fraud will require continued interagency collaboration, public education and greater international cooperation. As for the banking industry, the detection and prevention of frauds are basically the responsibility of the management through the establishment of efficient and effective internal control System.

The battle for the prevention, detection and punishment of fraud offenders must be fought on two extensive fronts. First is to reduce the temptation to commit fraud and second to increase the chances of detection. While a positive work environment will help to achieve the former, the latter can be achieved by sound internal control system as earlier discussed.

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