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Assessment of Association between Financial Fraud Cases in reference to Transaction Volume & E-Auditing

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Abstract

After 1991, when the Indian economy was liberalized, the banking sector has seen significant growth and improvement. Despite the fact that the banking industry is largely well governed and controlled, it faces its own collection of problems in terms of fair standards, financial distress, and corporate governance. The use of e-banking has resulted in a large rise in the number of banking transactions. It has also simplified and increased customer service delivery. According to the report, cyber theft causes money to be lost that belongs to either the bank or the consumers. It could even jeopardize the bank's credibility, among other things. This study endeavors to the association between the Number of cases of fraud committed with the advancement of E-Auditing with every successive year transaction volume. For the purpose of study data of 12 years has been considered from 2009-10 to 2020-21 and linear regression and analysis of variance has been used to assess the association between above mentioned factors. This has been observed in the study that Number of cases of fraud committed will reduce with every successive year and although more transaction will enhance the possibility of fraud committed. Despite the security issues associated with electronic banking in India, the researcher concluded that it has increased bank operational performance. Based on these results, the researcher suggests that through Reserve bank of India, Govt. should implement appropriate security measures for different electronic banking networks, review the BVN system, and educate customers about electronic banking operations, among other things.

Keywords: Information Technology, Auditing Practices, E-Auditing and Financial Fraud Cases, Transaction Volume

Introduction

Electronic payment systems are electronic mechanisms for transferring monetary information between parties of commercial transactions and value transmission over ICT networks. Both standard e-payment systems include payment cards (debit or credit), internet web sites, point of sale (POS) terminals, automated teller machines (ATM), mobile phones, automated clearing house (ACH), direct debit/deposit, and the real-time gross settlement (RTGS) scheme. Criminals have discovered yet another way to expand their sinister methods of defrauding innocent victims of their earnings, thanks to the rise in the use of electronic payments. To defraud and rob from electronic payment customers, they use techniques such as counterfeiting, identity stealing, card trapping, pharming, hacking, ransomware invasion, BIN attack, skimming, phishing, and carding. Merchants, manufacturers, financial companies, organizations that use individuals' data to do business, and even the government are all subjects of electronic payment crimes. These suspects exempt no one from their wrath.

For the past few years, the Indian banking industry has been plagued by bribery. Due to an increase in the number of frauds, Indian banks, especially public sector banks, are suffering from mounting losses and a rise in nonperforming assets (NPAs). In the majority of situations, top-level management is involved, resulting in a halt to banking operations. The industry has suffered as a result of loan approvals for new projects, as seen in the recent case of Nirav Modi. Many of the company's key executives have been charged with alleged misconduct and deceptive lending practises. This raises questions about the industry's corporate governance and ethics. In reality, the threat of rising NPA is a global problem that is causing business to slow down.

The strength of every economy's financial system can be measured by its level of production and consumption. The soundness of the financial system should be used to assess people's living standards and status; but, if the financial system is rife with bribery and has a high rate of nonperforming assets (NPAs), every nation should be concerned.

In reality, the Indian economy has been harmed by these issues for several years. The strengthening of the financial system or banking system would be expressed in GDP growth and people's living standards. If, on the other hand, the scheme fails, it represents inefficiency in the country's government and creates dissatisfaction among different stakeholders. In the fiscal year 2016-17, there were more than 3870 frauds involving a staggering sum of 17,750 crores, involving both commercial and private banks. When we compare this to the years 2013-17, we will see that the number of frauds almost doubled, with 17,501 frauds registered during that time frame. Insider involvement was found in 2,084 of them.

Bank fraud extends beyond advances and loan-related transactions to include deposits and services. In a nutshell, there are three types of fraud: deposit-related, advance-related, and service-related. The growing use of technology is one of the many causes for the rise in fraud in banking and financial services. On the one hand, technology provides many conveniences and rewards such as paperless transfers, cashless changes, and Direct home services; however, it also increases risks such as malware transmission and the prevalence of financial frauds by multiple methods such as identity theft, phishing, and card skimming. For their criminal activities, fraudsters are using newer and more diverse methods such as spyware, social engineering, Trojans, domain cloning, and cyber stalking, among others.

In recent years, the Indian banking industry has undergone significant reforms, as a consequence of which new rules have been implemented. With the introduction of Basel III criteria, risk-based bank audits are becoming more relevant. With more RBI guidelines and circulars aimed at controlling the banking market in the country, bank management is concentrating on establishing a solid structure to define, analyses, and handle financial risks. Banks must conduct internal audits in order to accomplish this goal.

Internal audits are expected on a regular basis to monitor the bank's internal management and procedures. A good internal examination mechanism aids management in carrying out its duties effectively. It gives them trust in the bank's risk and organizational success. Any bank should perform an internal audit based on the amount and importance of its transactions in order to fulfil its obligations and meet its objectives.

Because of this, Kohler (2002) emphasized the need of increasing financial structure transparency and international capital market monitoring in his address at a conference on "Humanizing the Global Economy." After developing a comprehensive plan to fight various forms of fraud and corruption, the World Bank and the IMF teamed together to establish the Financial Sector Assessment Program (FSAP), which assessed, diagnosed, and addressed the financial sector's most pressing issues. Since its beginning in 1999, FSAP has experienced numerous changes and gained broader recognition. One approach to describe fraud is to say that it is the practice of defrauding others. A deliberate deceit, theft of assets, or manipulation of financial data to benefit the offender is considered fraud in the business sector (Hall, 2007, p. 118).

"A deliberate conduct by one or more members of management, those entrusted with governance, workers, and third parties including the use of deceit to gain an unfair advantage" is defined by the International Standards on Auditing (ISA) as "fraud" (IASB, 2009). A fraudulent act is one that involves deception, concealment, or a breach of trust according to the Institute for Internal Auditors (IIA). These actions are not reliant on violence or physical force to be carried out. In order to acquire money, property, or services, persons and organisations commit frauds; to prevent payment or service loss; or to achieve personal or commercial benefit" (IIA, 2009, p. 4). According to Singleton et. al., there isn't a clear-cut criterion for defining fraud since it encompasses surprise, trick, cunning, and unfair methods of cheating (Singleton et al., 2006, p. 1). To be considered a fraud, one must do an act with the intent of gaining a competitive advantage over another individual or group (Vaassen, 2004, p.236).

Based on many examined fraud instances, the ACFE (Association of Certified Fraud Examiners) has identified three main types of fraud. There are three types of financial crimes: asset theft, corruption, and financial statement fraud. An asset misappropriation plan is one in which the offender takes or misappropriates the resources of a company, according to the ACFE. Corruption schemes include employees abusing their position of trust by using their position of power in commercial transactions to enrich themselves or others at the expense of the company's interests. The deliberate misrepresentation or omission of critical information in an organization's financial reports is referred to as a financial statement fraud scheme. According to the American Council on Education A material misstatement in financial statements is fraud that causes a false statement to be made, according to the International Auditing Standards. Therefore, the auditor is concerned with two types of intentional misstatements: false statements resulting from fraudulent financial reporting and false statements resulting from theft of assets (IASB, 2009).

Fraud may be classified in a variety of ways. Depending on whether the fraud perpetrator is internal or external to the victim company, Bologna and Lindquist classify fraud as either internal or external. They also distinguish between transaction and statement fraud, with statement fraud being defined as "the intentional misstatement of certain financial values to enhance the appearance of profitability and deceive shareholders or creditors," while transaction fraud involves the theft of assets (Jans et al., 2009, p.3-4). However, internal and external fraud constitute the most significant split of fraud, with all of the aforementioned categories falling under the umbrella of internal fraud (Jans et al., 2009, p. 5). As the name implies, this section focuses only on those who commit fraud; whether they are business employees or external parties is irrelevant. According to Subbarao (2009), the present size and scope of the financial industry would not be possible without widespread trust and an assumption of honest behaviour. It was his term for how the financial system was privatizing profits while socializing losses when a moral hazard issue emerged.

The notion of "too large to fail" was born as a result of bank mergers, which led to hazardous financial goals and the 2008 financial crisis. Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) was passed in 2010 as a reaction to the financial crisis of 2008. DFA created a slew of new agencies to keep an eye out for and combat fraudulent activity. As part of the Dodd-Frank Act, the Volcker rule prohibited banks from conducting profit-making proprietary trading activities. To make the system for assessing risks and vulnerabilities more effective, IMF has advocated more openness, empowered supervisory and regulatory authorities, as well as increased international cooperation in financial institution regulation, all after the aftermath of the crisis. On the other hand, there were holes found in countries with genuinely systemic financial sectors where the failure may set off a financial catastrophe if not addressed. Most financial crises occur after a credit boom, showing a link between banks' loose lending growth practices and crises, according to academic research.

However, the rise of electronic commerce (e-Commerce) as a result of the internet's growth has resulted in a slew of legal and socioeconomic problems. Information and communication technology (ICT) is the use of scientific tools and techniques to produce, capture, and communicate information when it is needed, particularly when it comes to solving problems and delivering needed resources in a variety of human endeavors. It's a broad word that refers to the use of electronic technologies to meet a company's information needs at all levels. India has remained the fastest-growing cell phone nation in Africa and the third-largest in the world, with more than 60% of the population having access to the internet (Akwaja, 2010). As a result, India has a lot of room for mobile commerce, in addition to the electronic commerce that is slowly gaining traction. The main difference between electronic and mobile business transactions, denoted by the letter's "e" and "m," is that the electronic medium provides "anytime access," while the mobile medium provides "anytime and anywhere access" to business processes. However, if protection and usability concerns are well considered, the performance of e-payment would have a significant effect on m-payment. Consumers and their payment cards, retailers and their point-of-sale (POS) payment devices, card brands (i.e., Visa, MasterCard, Verve, etc.), issuing banks, and card processors are all involved in the credit and debit card processing chain from start to finish. When billions of transactions are performed per year, massive volumes of electronic evidence and digital cash flow through this payment ecosystem.

It was found by Okafor et al. (2013) that the public was unaware of the expectations of auditors as outlined in statute books and other materials produced by regulatory and professional organisations. Due to the public's ignorance, they have unrealistic expectations of the auditors." In spite of this, the current regulatory framework for auditing is firmly in place, and the globalisation of the economy is contributing to the development of a more consistent worldwide regulatory framework. All of this may be seen in the adoption of International Audit Standards by different nations throughout time. Growing NPAs in the Indian banking sector have created a vicious cycle that is threatening the institution's long-term viability. According to Chakrabarty (2013), private and international banks have been blamed for the vast majority of frauds, although public sector banks have contributed much more than either.

S. Kundu and N. Rao (2014) investigated fraud cases. For prevention and enforcement, a chart of the typological pattern policy was used. Unawareness, situational constraints, and liberal approaches all contribute to bank fraud. Due to perplexing and legal requirements and protocols, it was difficult to detect the frauds in time and much more difficult to prosecute the perpetrators. In order to avoid jeopardizing the banks' reputation, fraud cases are often kept hidden.

M. J. Prem and M. Karnan (2014) researched and presented a thorough analysis of computational intelligence methods used in corporate decision making. The execution of various inside control components was discovered by Khanna, A., and Arora, B., 2009. They showed that the lack of learning, overburdened workers, competition, and poor accuracy level are the primary reasons behind bank frauds. The importance of preparing counteractive action for bank frauds was considered, as well as bank employees' attitudes toward the prevention system and their knowledge of various frauds. the author offered several suggestions for preventing fraud in the Indian banking sector. Third-party jurisdiction is also challenged in this report, and it is alleged to be one of the key causes, among others. Pani, L.K., Swain, S., 2014, studied the different aspects of fraud in the Indian banking sector and analysed the figures included with fraud premise secondary data accessible from credible sources. Each form of fraud, such as KYC-related and other technical features, was discussed in detail, along with the various aspects of fraud in the Indian banking system.

The stress on asset quality and marginal capitalization experienced by public sector banks was a key finding in

RBI (2014b), and several suggestions were made to deal with these problems. In order to boost public sector banks' competitiveness and ability to raise money from markets, Rajan (2014) called for better governance and more autonomy for the institutions. According to Raju (2014), rules do not seem to be a barrier in the operation of banks following the crisis, contrary to popular belief that tightening regulations would reduce business possibilities.

According to the Indian criminal law and fraud categories, the Reserve Bank of India has categorised frauds, and procedures for reporting have been established for those according to RBI (2014a and 2015a). A circular was sent to cooperative banks, according to RBI (2015b), encouraging them to form a committee to supervise internal inspection and auditing, as well as to prepare suitable preventative measures. This committee would then assess the effectiveness of such preventive efforts. Employees must be empowered to deal with fraud by following clear policy guidelines and having a robust whistleblower programme in place. This is predicated on the fact that there are early warning signals (EWS) present in the existing system, which allows the RBI to identify and prevent frauds before they have a chance to take hold. NPAs are on the rise due to a number of factors, including the lack of a sound credit assessment system, inadequate post-credit disbursal monitoring, and a weak recovery mechanism. When it comes to avoiding fraud, Gandhi (2015) emphasises the importance of understanding your customers and employees—as well as your business partners. A strong evaluation system and ongoing monitoring are also important, according to him.

Retail loan segment's proportion of total NPAs remains high, with credit card loans accounting for 2.2% of all NPAs, behind behind personal and home loans, according to Lokare (2014). According to Livshits, MacGee, and Tertilt (2015), consumer bankruptcy is on the increase because of the wider margin and reduced stigma attached to it. That means financial innovation has led to more borrowing, which has resulted in more defaults. According to Assocham (2014), sustainable credit expansion correlates strongly with GDP growth, which in turn leads to healthy asset formation. Using early warning systems to keep an eye on an institution's asset quality is emphasized.

Even if the relative amount of fraud committed was easy and comparatively limited, according to Yego, J.K., 2016, fraud is recognized as a critical crisis within the bank. The majority of banks now use routine protocols to identify and deter fraud. These techniques, however, are ineffective. The Fraud Triangle (FT) worked hard to identify the motifs of bank frauds that the respondents explained. However, the author discovered from this research that the Financial Times fails to expose the predatory and collusive existence of situations like the Kenyan bank fake, which is a big problem in the bank.

The rise in unethical activities in all aspects of national life around the world has been a source of alarm, and the Indian banking sector has recently been humiliating (Okpala &Enwefa, 2017). The emergence and widespread growth of information technologies, as well as globalized markets promoting e-fraud, a weak financial and regulatory environment, a shoddy internal management mechanism, and a systemic mentality of achieving success at all costs, are all major contributors to the high rate of fraud. It is common knowledge that the worldwide introduction of Information and Communication Technology (ICT) has greatly altered and improved human activity and our way of life for the past three decades since the dawn of the Computer Age. As a result of the use of Information and Communication Technology (ICT) in industry, the planet has become a competitive marketplace.

S.V. Ramana and S.G. Krishna conducted a systematic survey on banking fraud in 2017. The authors defined and established strategies for detecting and preventing fraud in small banking products. They also said that the Indian banking sector was under stress as a result of an increase in fraud incidents in recent years. Retail banking is more process- and volume-driven, which has exacerbated fraud outbreaks in that sector, necessitating a broader audit of procedures and preventative measures to detect frauds. Business intelligence platforms provide a variety of options for improving the decision-making process. M. J. Prem, M. J. Karnan, (2013).

The Internet of Persons, Objects, and Services (IoPTS) is described by Jeyanthi, P. M. (2018) as a visualization in which people, things, and services are seamlessly embedded into the internet as active actors who share data about themselves and their perceived nearby environments over a network-based infrastructure. Electronic banking is currently used by the majority of countries' banks. It is also used in India for better quality and easier access to banking facilities. The challenges and crimes associated with e-banking are not adequate due to the rising pace of e-banking. Banks are the motors that propel the finance sector operations that are critical to a country's economy. Banks play a critical role in every country's economic growth.

With a growth in banking sector activities comes an increase in the number of banking frauds. Fraud in Indian banking is not a recent occurrence. It is only applicable under the Information Technology Act of 2000, although there are no explicit and precise provisions pertaining to e-banking. E-banking security issues are becoming more prevalent, posing challenges in delivering services to the public. Unauthorized entry to bank accounts by offenders, as well as other issues related to it, are not receiving adequate care.

This has been observed from the existing literature that experts, academicians, researcher and institutions remained concerned about the procedure, protocol, banking norms and technological advancement and their impact on banking and financial frauds although association between the Number of cases of fraud committed with the advancement of E-Auditing with every year and volume of Volume of finance transaction has been ignored, although it is a general notion that fraud cases are to be increased with volume with every year but not been explored by any of the researcher, therefore following objectives have been framed to analysis the stated research gap.

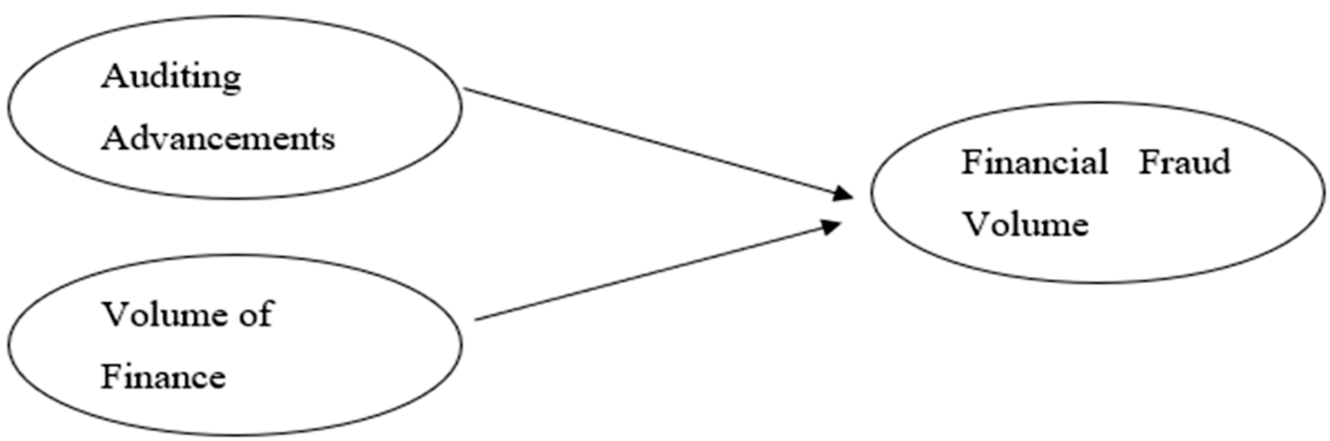
I. To assess the association between the number of cases of fraud committed with the advancement of E-Auditing with every successive year.

II. To assess association between number of cases of fraud committed and Volume of financial transaction.

Conceptual Framework and Hypotheses Development

Based upon literature and researcher observation a conceptual framework has been framed which claims that E-Auditing advancement with every next year and financial transaction volume may have been the reason of increasing financial fraud and had been explained below in figure

Figure 1 conceptual framework



Based on critical literature review, the following hypotheses are developed-

I. H01: there is no association between the number of cases of fraud committed with the advancement of e-auditing with every successive year.

Ha1: there is association between the number of cases of fraud committed with the advancement of e-auditing with every successive year.

II. H02: there is no association between number of cases of fraud committed and volume of finance transaction.

Ha2: there is association between number of cases of fraud committed and volume of finance transaction.

Research Methodology

The Study employs a quantitative analysis design since it allows the researcher to analyses the relationship and disparity between the variables. To do accurate analysis, secondary sources are consulted. The learning is focused on exploratory and descriptive analysis with the aim of resolving specified questions using formulated theories based on available techniques.

For the research purpose and authenticity of data, researcher used data of a report provided by Finance Minister on bank frauds at select Scheduled Commercial Banks and Financial Institutions on July 23, 2019. The following are the details given in the Rajya Sabha's response. These figures vary significantly from those in the RBI study since the Rajya Sabha response refers to frauds perpetrated in a certain year rather than those recorded in that year.Other details like Volume of finance transaction in crores and NEFT Transaction in India (in Billions) was taken from the various report of Reserve bank of India.

Data Collection

The collection of secondary data has been introduced into the current methodological research. Secondary data were collected from business manuals, surveys and some management records used in the desk analysis. Reputable journals, books, numerous documents, periodicals, proceedings, magazines, newsletters, newspapers, websites and other outlets in the industrial service field have been considered. Data from current operating papers, manuals, protocols, records, scientific data, laws, legislation and guidelines have also been taken into consideration for the analysis.

For the purpose of study data of 12 years has been considered from 2009-10 to 2020-21 and linear regression and analysis of variance has been used to assess the association between Number of cases of fraud committed and Volume of finance transaction.

Data Analysis and Results

The findings of well-known normality tests, the Shapiro-Wilk Test, are presented in the table 1. As a result, the Shapiro-Wilk measure would be used to determine normality numerically. The dependent variable, “Number of cases of fraud committed" value is more than 0.05, hence can be concluded that data is not normal although Errors are expected to have a normal distribution with a mean of zero in linear regression. Even with non-normal mistakes, it seems to be functioning well. Even with non-normal errors, linear regression analysis still performs well.

Table 1 Normality Test (Shapiro-Wilk)

Normality Test (Shapiro -Wilk)	
Statistic	p
0.870	0.101

For the purpose of study data of 12 years has been considered from 2009-10 to 2020-21 and linear regression and analysis of variance has been used to assess the association between Number of cases of fraud committed and Volume of finance transaction for every successive year.

Table 2 report of Finance Minister on bank frauds

Year	Number of cases of fraud committed	Volume of finance transaction in ? crores	NEFT Transaction in India (in Billions)
2009-10	4003	13672.46	937.2
2010-11	3530	14748.5	1603.45
2011-12	3910	20210.86	2667.68
2012-13	4504	24819.4	3929.28
2013-14	4359	21542.03	5573.36

Year	Number of cases of fraud committed	Volume of finance transaction in ? crores	NEFT Transaction in India (in Billions)
2014-15	4269	23694.65	8197.21
2015-16	4207	16779.42	11537.63
2016-17	3927	25883.98	15779.2
2017-18	4228	9866.23	19570.4
2018-19	2836	6734.65	19422.31
2019-20	2685	6725.32	19102.35
2020-21	2612	66526.19	18119.25

Source: - report provided by Finance Minister on bank frauds at select Scheduled Commercial Banks and Financial Institutions on July 23, 2021 in Rajya Sabha.

Table2 shows the Number of cases of fraud committed, Volume of finance transaction in crores and NEFT Transaction in India (in Billions) in last 12 years and their association has been studied in details. This also been observed that number of fraud cases having variation, it does not have consistent pattern, it goes up and down with every successive year.

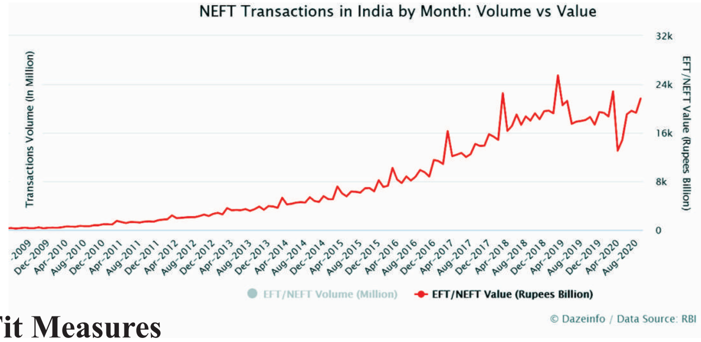


Table 3 Model Fit Measures

			Overall Model Test			
Model	R	R²	F	df1	df2	p
1	0.245	0.0602	0.513	1	10	0.494

R value of (0.245) show that there is positive relationship exist between Number of cases of fraud committed and successive years. Although this association is not very perfect in nature, and Number of cases of fraud committed can be explained by 06% only and there are others factors too those impact it.

Table 4 Omnibus ANOVA Test

	Sum of Squares	df	Mean Square	F	p
Year	128543	1	128543	0.513	0.494
Residuals	2.01e+6	10	250704		

Note: Type 3 sum of squares

Significant value of 0.494 shows that there is no significant difference in the Number of cases of fraud committed and cases are similar across the 12 years since 2009-10 to 2020-21. Hence alternative hypothesis it to be accepted and null is to be rejected as 0.494 > 0.05.

Table 5 Model Coefficients - Number of cases of fraud committed

Predictor	Estimate	SE	t	p	Stand. Estimate
Intercept	83495.1	111050.6	0.752	0.474	
Year	-39.5	55.1	-0.716	0.494	-0.245

A mathematical approach for determining the relationship between one dependent and one or more independent variables is linear regression. To explore and model the relationship between variables, regression analysis is an essential part of a statistical analysis.The dependent variable, denoted as Y, is the one we're forecasting, while the predictors, or independent variables, are the ones we're basing our forecasts on. X is the abbreviation for these. Based on the values of the independent variables, regression analysis can better determine the significance of a dependent variable. In a basic linear model, the regression line is formed as Y = a + bX + error, where b is the slope and an is the intercept. The residuals, which are naturally distributed, are the errors in the line. (-39.5) value shows that with every next year the no of fraud cases will reduce by 39.5, which shows that there is negative association exist successive year and Number of cases of fraud committed. hence it is believed that with every successive year no of fraud cases will reduce.

Table 6 Model Fit Measures

	Overall Model Test					
Model	R	R^2	F	df1	df2	p
1	0.628	0.395	5.22	1	10	0.052

R value of (0.628) show that there is positive relationship exist between Number of cases of fraud committed and Volume of finance transaction in crores. And this association is highly positive, and Number of cases of fraud committed can be explained by 39% only and there are others factors too those influence it.

Table 7Omnibus ANOVA Test

	Sum of Squares	df	Mean Square	F	p
Volume of finance transaction in crores	842643	1	842643	5.22	0.052
Residuals	1.29e+6	10	161441		

Significant value of 0.052 shows that there is no significant difference in the Number of cases of fraud committed and Volume of finance transaction in, hence alternative hypothesis it to be accepted and null is to be rejected as 0.052 > 0.05.

Table 8Model Coefficients - Number of cases of fraud committed

Predictor	Estimate	SE	t	p	Stand. Estimate
Intercept	3141.4745	387.2842	8.11	< .001	
Volume of finance transaction in crores	0.0470	0.0206	2.28	0.052	0.628

(0.0470) shows that as the volume of transaction increase it 1 unit it would reduce the no of fraud cases by 0.0470, hence it can be concluded that Number of cases of fraud committed will increases as volume of transaction increased in the system.

Table9: Results of hypotheses

Hypotheses	Results
H1	Rejected
H2	Accepted

Conclusion

With the number of bank frauds, the RBI is enacting more stringent controls to reduce the danger in the banking sector. With the adoption of foreign internal audit practices by banks, the internal audit mechanism is witnessing significant changes. The internal audit staff must be diligent to ensuring that any relevant threats are meticulously recorded.

This researcher study proves the general assumption that no. of cases will definitely increase with the volume of transaction therefore system needs to be reframed and cloud banking mechanism is to be improvised. Although it has been observation that rate of fraud cases will reduce with every successive year as E-Auditing is simplifying the accounting process and protecting banking sector from financial frauds. The EWS process is being updated at the same time as the concurrent audit role is being strengthened, with prompt and definitive forensic audits of borrower accounts being scrutinized, according to the RBI. In consultation with the central vigilance commission, the regulator established the advisory board for banking frauds.

Suggestion

One of the most critical functions of our economy is account management. Our economy has suffered a significant loss as a result of the number of cybercrimes. Cyber-attacks should be avoided by enacting sufficient legislation that is implemented properly. Both customers and banks should implement adequate safeguards. The Indian government has formed an Entomb Departmental Data Protection Team (ISTF), with the National Security Board serving as the nodal body for all issues relating to the use of its information security technology.

Purview is one of the most important aspects of digital criminality. Digital wrongdoing can be committed in every part of the world and have an impact in any place. Any citizen should be able to detect and monitor cybercrime from anywhere, regardless of the country they live in. Enlisting dissensions with neighborhood police headquarters or cybercrime cells is one of the latest mechanisms in India for exposing digital-related offences.

Cybercrime cells have been set up in a number of Indian states to track such wrongdoings. In certain cases, victims of cybercrime may be reluctant to report a cybercrime for a variety of reasons, including being in a distant location, not knowing where to report, and security concerns. As a result, a large number of cybercrime incidents will go unreported. There is currently no single online cybercrime reporting tool. Similarly, there is no incorporated referral component for objections relating to cybercrime for law enforcement agencies at various levels, such as national, state, and local.

Th e IT Act should be updated as needed to define cybercrime and to specify the circumstances in which the Demonstration would have additional geographic jurisdiction. The scope of the IT Demonstration should be expanded to include legal structures related to India's digital rules. The responsibility of the middle class is vague, and it must be made plainer and more explicit.

Limitation and Future Research

A common tendency has been observed among the banking institutions and within Govt machinery also, that they never want to disclosed the details concerned with financial fraud, as it may dent their own credibility, therefore data availed for the study do not ensure that it represents the actual financial fraud took place in last 12 years. In future research other factors may be considered those may impact and may have been the reason of increasing cases of financial frauds and practices of E-Auding in developed countries can also be kept in consideration, apart from this significant difference of financial fraud can also be explored among countries within the Indian banks and foreign banks too.

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