1.1 INTRODUCTION

The study titled “A study on the effectiveness of internal control systems in preventing financial fraud with reference to banking industry “explores the critical domain of internal control mechanisms within the banking organizations particularly focusing on their role in ensuring the accuracy of financial statements and preventing financial fraud. The banking industry worldwide has experienced significant bank failures and crises over the years. Banking industry is more prone to financial fraudulent activities which encompasses identity theft, money laundering, insider trading, embezzlement and misappropriation of assets poses substantial threat to businesses, which may potentially leading to financial losses, legal consequences and the erosion of stakeholder trust. The research focuses on the Bank’s initiatives in order to minimize and prevent these frauds. The organization has implemented a strong internal control mechanism. A system of internal controls is a critical component of financial management and a foundation for the safe and sound operation of banking organizations. It can help to ensure that goals and objectives of the organization will be met, that the company will achieve long-term profitability. Banking industry is committed to provide superior and safe customer experience to all its customers. Banks has over the years invested in technology and has powerful security systems and fraud detection and prevention mechanisms in place to ensure safe and secure banking experience to its customers. The internal control mechanism of it helps to safeguard their financial statements, financial records, assets etc.

In conclusion, this study gives a detailed focus on the methods used by Banking industry to evaluate the effectiveness of internal control mechanisms for preventing fraudulent activities. The integration of advanced technologies, continuous learning, and a commitment to ethical standards enhance the effectiveness of internal controls in the industry against the ever-evolving landscape of financial fraud.

1.2 SIGNIFICANCE OF THE STUDY

The studying the comparison between global and domestic supply chain management is essential for businesses to effectively navigate the complexities of global operations, mitigate risks, optimize costs, expand into new markets, enhance supply chain resilience, and uphold sustainability and ethical standards in their supply chain practices.

1.3 STATEMENT OF THE PROBLEM

The comparison between global and domestic supply chain management is crucial to understand the differences, challenges, and advantages. Global supply chains involve coordination across multiple countries, cultures, languages, and regulatory environments, increasing complexity. They are more susceptible to disruptions like natural disasters, political instability, trade disputes, and currency fluctuations, requiring robust risk management strategies. They also incur additional costs related to transportation, tariffs, customs, and inventory management. They typically have longer lead times due to transportation and customs clearance processes, impacting responsiveness to changes in demand. They may face greater scrutiny regarding sustainability practices, labor conditions, and ethical sourcing. Effective communication and collaboration across different time zones and cultural contexts are additional challenges in managing global supply chains. The most suitable approach depends on evaluating trade-offs between cost, complexity, risk, responsiveness, and sustainability.

1.4 OBJECTIVES OF THE STUDY

Primary Objective:

- To Compare and analyse the scope, complexity, and logistics of global and domestic supply chain management.

Secondary Objectives:

- To evaluate the higher costs, longer lead times, and increased risks associated with global supply chain management.
- To assess the potential advantages of domestic supply chain management, including lower transportation costs and localized management.

1.5 SCOPE OF THE STUDY

The scope of study in global supply chain management (GSCM) and domestic supply chain management (DSCM) varies due to their distinct operational environments and challenges. Global supply chain management encompasses complexities associated with international trade, cross-cultural management, global logistics infrastructure, and risk management across multiple countries. On the other hand, domestic supply chain management focuses on optimizing operations within a single country, addressing local regulations, transportation, inventory management, and supplier relationships specific to the domestic market.

1.7 LIMITATION OF THE STUDY

- The availability and quality of data may vary across different regions and sectors
- The responses may not be 100 % accurate.
- Limited resources, including time, funding, and expertise, may constrain the depth and breadth of the study.

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