

# **Case Documentation Competition 2022-23**

**Theme: “Preventive Vigilance for control  
of Financial Frauds and Cyber-crimes in  
Co-operative Banks”**



**C-PEC**

**CENTRE FOR PROFESSIONAL EXCELLENCE  
IN COOPERATIVES (C-PEC)**

**BANKERS INSTITUTE OF RURAL DEVELOPMENT,  
LUCKNOW**

# **CENTRE FOR PROFESSIONAL EXCELLENCE IN COOPERATIVES (C-PEC)**

**BIRD, LUCKNOW**

## **Case Documentation Competition on “Preventive Vigilance for control of Financial Frauds and Cyber-crimes in Co-operative Banks” for 2022-23**

### **About C-PEC**

A Centre for Professional Excellence in Cooperatives (C-PEC) has been set up within the Bankers Institute of Rural Development (BIRD) to streamline training systems in Cooperative Credit Structure (CCS) which would ensure availability of professional staff with the cooperatives for efficient delivery of banking and financial services. The vision of C-PEC is to be an independent, competent and eminent centre offering services to promote creation of a cadre of professional excellence in the cooperative credit structure.

### **Case Study Background**

RBI and NABARD have time and again expressed concern at increasing instances of frauds and cyber-attacks in Cooperative Banks. It is also a matter of concern that detection of fraud and follow up of fraud towards solution takes long time in Cooperatives; as also vulnerability of Co-operative banks in India to cyber-attacks is very high which is a serious cause of concern.

Honorable Finance Minister, Smt. Nirmala Sitharaman said that State Cooperative Banks (StCBs) witnessed 482 frauds in FY21, down from 508 in the previous fiscal but highlighted that the number still continues to be higher. The finances of cooperative banks have come under heightened scrutiny recently after the Government of India carved out the department of cooperation from the agriculture ministry to make it a full-fledged Ministry of Cooperation.

To add to this, as per the directions of the Board of Supervision (BoS), a national level study was conducted by NABARD in 2019 covering sixteen banks to examine the fraud monitoring system in banks as well as the degree of adherence to fraud monitoring and reporting guidelines prescribed by NABARD vide circular No. 239/DoS.25/2017 dated 29.09.2017 for StCBs/DCCBs.

The Study revealed that staff involvement with or without collusion of customer was a

common feature in as much as 92% of the frauds. Laxity in following the systems and procedures and delays in inter-branch reconciliation and other loopholes were also reported as other reasons for frauds. Delay in detection has been observed in over 50% of the fraud cases. This is a pointer to the need for establishment and implementation of robust systems and procedures coupled with effective internal checks and controls.

In terms of cyber security, as we all are aware that in late 2018, The Cosmos Cooperative Bank Ltd., India's second largest co-operative bank, bore the brunt of weak cybersecurity measures, when hackers siphoned off over Rs. 94 crore through a malware attack on one of its servers. As digitization has become the buzzword amid the Covid-19 pandemic, cooperative societies, particularly banks, whether big or small, are finding themselves in the crosshairs of cyber criminals. While RBI has made cybersecurity mandatory for banks and set up a protocol for security implementation and attack reporting as early as December 2019, the COVID crisis has thrown caution to the wind.

In lieu of above, the banks shall put in place a suitable mechanism and structure for fraud risk management and fraud investigation function. Preventive Vigilance being the need of the hour the banks should sensitize and educate staff on precautions to be taken while working in a computerised environment since Cooperatives Banks are also exposed to high Cyber Security Risk. Cooperatives must take steps for ensuing preventive vigilance and avoidance of frauds, cyber-attacks and misappropriation. Although some of the co-operative banks may have begun complying with guidelines laid down by the Reserve Bank of India, the coronavirus outbreak has most certainly disrupted the existing cybersecurity measures ushering in a sense of urgency. It becomes essential to enhance the security posture of Rural Cooperative Banks so as to prevent, detect, respond to and recover from financial frauds & cyber-attacks.

### **Case Study Competition**

As professionals in cooperatives, we shall document such cases professionally for peer learning and motivating our co-operatives to turn into viable banks with improved functional efficiency providing world class customer service. ***C-PEC, BIRD is pleased to announce a Case Documentation Competition on the theme "Preventive Vigilance for control of Financial Frauds and Cyber-crimes in Co-operative Banks"*** to encourage all professionals in cooperative sector to prepare case studies documenting successful interventions in this domain.

These cases on Preventive Vigilance for controlling financial frauds and cyber-crimes

in Co-operative Banks seek not only to enlighten but also to serve as pathfinder for other organizations to adopt and replicate similar initiatives in their respective organizations. C-PEC therefore strongly felt that such initiatives and innovations need to be documented and shared so that others may also get benefitted.

### **Who can submit Case Studies?**

The following are eligible to submit case studies:

- The existing and past (retired but serving) Faculty Members/Principals/ Non-teaching staff of the Cooperative Training Institutes (ACSTIs, ICMs, RICMs, JLTCs etc.)
- All staff of Rural Cooperative Banks (StCB, DCCB, PACS, etc.)

The Case Studies submitted should be duly vetted by head/ in-charge of the respective Training Institutes/ Banks/ PACS.

### **Broad Features**

- a) The guidelines for preparing the case, including its format and other details are enumerated in the **Annexure**. The case may, as far as possible, be restricted to the prescribed guidelines/format.
- b) The case can be documented by individuals or a team of individuals and submitted. However, in case of teams, the honorarium will be awarded to the team and shared among the members of the team, if selected.
- c) These cases may be sent by email to C-PEC at ***cpec.bird@nabard.org*** with subject ***“Entry under C-PEC Case Study Competition 2022-23”***.
- d) A Screening Committee set up by C-PEC would select the top 5 cases received, based on certain qualifying criteria adopted. These cases would be used by CPEC and BIRD as part of its study material and also may be considered for publishing as a Compendium, giving due recognition to the Authors. The cases submitted in the competition will be the sole intellectual property of C-PEC, BIRD, Lucknow and it will be free to use it for all its academic purposes.
- e) If required, the authors of the selected cases may be invited to BIRD Lucknow for presentation and finalization of their cases along with trainer’s notes before a select audience.

- f) The top 03 entries will be awarded as under:
- 1<sup>st</sup> Prize: Rs. 15,000/-
  - 2<sup>nd</sup> Prize: Rs. 12,000/-
  - 3<sup>rd</sup> Prize: Rs. 10,000/-
- g) All other cases which conform to the norms of the competition and selected as eligible entries will be awarded a consolation prize of Rs. 1000/-. CPEC, BIRD will have the right to reject any entry if not found suitable and the decision of C-PEC, BIRD will be final. No representations in this regard will be entertained.
- h) **Entries can be submitted in English or Hindi.**
- i) The last date for receipt of entries is **05 January 2023**.
- j) For any queries/clarifications, please contact C-PEC at 0522-2421799 or email to [cpec.bird@nabard.org](mailto:cpec.bird@nabard.org).

**Joint Director  
BIRD, Lucknow  
10 November 2022**

## **Annexure**

### **General Guidelines for Writing “Case”**

#### **1. Introduction**

Reports of innovations and development initiatives in the co-operatives, challenges in implementation, the resultant success, best practices which are initiated or followed in banks with or without NABARD support. Each success/failure could be attributed to various reasons. These reasons or parameters could relate to leadership, the idea, the processes followed, financials, gaps in policy, the environment, peoples' participation, etc.

If properly captured and documented, these factual representation of initiatives or Cases, the journey from planning to implementation, their influence on the rural populace, etc., could provide immense learning opportunities as also valuable inputs for policy formulation. The cases can also be resource for the faculty engaged in co-operative training. An attempt has been made by C-PEC, BIRD in the following paragraphs to share broad guidelines for preparation of such cases.

#### **2. What is a Case?**

A case is a story of a situation or events or processes based on the real experiences, about something that is unique, special or interesting or a practice connected with an organization, programme, intervention, product, process and programs. A good case should seek information on frauds (number and amount) the modus operandi, action taken to recover the amount lost due to fraud and steps taken to avoid recurrence of fraud. The purpose of the case should be to identify the extent and type of fraud, preventive vigilance mechanisms adopted and challenges experienced by the Cooperative Banks in the context.

#### **3. Why to document Case?**

The case gives the story behind the success /intervention by capturing what it required to bring it about. It can be a good opportunity to highlight a project/intervention's success. It can also bring attention of the policy makers to a particular challenge or difficulty in an intervention/programme. Documenting such efforts gives an opportunity to an individual/organization to highlight its interventions. It will also help in providing a ready recipe for replication in the similar situations in case of a success story.

#### **4. Advantages and Limitations of a Case**

The primary advantage of a case is that it provides complete, authentic and detailed information that may not be available otherwise by mere survey. Cases are generally

an outcome of comprehensive study/understanding of the situation from all necessary angles using multiple methods of data collection (i.e., surveys, interviews, document review, and observation) to provide the complete story.

A common complaint about cases is that it is difficult to generalize from one case to another. But cases have also been prone to over-generalization, which comes from selecting a few examples and assuming without evidence that they are typical or representative of the population or specific context. Thus, it is very important while writing a case to highlight sufficiently the conditions/situations that are responsible for causing an effect or result.

A case may provide detailed information about the case in narrative form. However, it may be difficult to hold a reader's interest if it is too lengthy. It will depend on the skills of writing a case that sustains readers' interest. Therefore, the main text of the case may be restricted to not more than 6 pages (A4 Size). The other necessary information, details etc., can go as annexures, if required.

## **5. Theme for writing the Case**

**The thematic focus is “Preventive Vigilance for control of Financial Frauds and Cyber-crimes in Co-operative Banks”.** The cases may document experience in Cooperative Banks that reduce corruption and cyber-crime, improve managerial efficiency and usher transparency in functioning within Cooperatives.

## **6. Format/Structure of the Case document**

The case document should be written in the following format:

### **I. Title**

### **II. Introduction/Background**

This includes background about the subject of the case.

### **III. The Case**

The part in which the real content/data/information relating to the case is described. It should be a case minimum word limit of 2400 words (6 A4 size pages) with provision for annexures. An effective case should evince interest among readers. In addition, Trainer's Note could be of 2 more pages.

#### **IV. Points/Issues for Discussion**

It may be in the form of questions or simply stated as areas for analysis, discussion and for drawing inferences.

#### **V. Photographs**

4-5 relevant photographs must be included in the case. Acknowledgements, references, annexures, etc., may be added wherever applicable.

### **7. Format/Structure of Trainers' Note**

Trainers' Note should be given separately at the end of the case, written in the following format:

#### **I. Objectives**

- Background of the case
- Why the case was written.
- What the case writer would like to derive after administering the case.

#### **II. Target Group**

Who are the target participants/trainees.

#### **III. Session Plan & Time Required**

How the case is to be administered and the time required for administering the case.

#### **IV. Trainers' inputs for discussion**

The views of the case writer on issues/questions/concerns etc., raised in the case.

The Trainer's note may be restricted to a maximum of 2 pages.

### **8. Language:** Entries can be submitted in **English or Hindi.**

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