



Operational Incidents Socializations

Kartik 2075

Following incidents are reported to Operation Risk Management Department in the Month of **Kartik 2075** (September 2018 – October 2018). Some of the cases have already been resolved and some are under scrutiny. With the approval, the issues shall be circulated to the branches for their information and precautions in future.

1. Teller Cash Excess / (Short)

S.N.	Incident / Report Date	Incident	Amount	Details	Risk Level	Status
1	2018-10-15 2018-10-24	Cash Excess	100,000	Due to system error cheque has been debited from the customer account however customer does not receive the cash from teller and taken cheque him/herself. Branch identifies the system on same day, inform the customer to bring the cheque and booked cash excess in Teller Excess Cash Account for time being. Amount has been paid to customer after retaining debited cheque and adjusted the Teller Cash Excess Account.	Medium	Closed



Risk Matrix

Kartik 2075		SEVERITY				
		Negligible	Minor	Moderate	Significant	Severe
FREQUENCY	Very Likely					
	Likely					
	Possible			1		
	Unlikely					
	Very Unlikely					

Some other operational issues identified by Operational Risk Management Department in the month of Kartik 2075 are as follows:

- It is observed that branch has mistakenly opened the account and closed such account frequently. Further, it is also observed that customer requested to open one type of account but branch opened another type of account however such mistake account was closed and correct account was opened later on. Branch must open the account carefully and recheck all information before saving such account in system. This kind of tendency has to be monitored from central level and should develop the appropriate practice to minimize this.
- It is also identified that branch has taken loan renewal service charge later than loan renewal date. Substantial time gap between loan renewal date and loan renewal service charge taken date has been identified. Branch must ensure that loan is renewed only after recovery of necessary service charge or service charge is taken on same date when loan is renewed.



- Some of the cases are identified where excess charge is taken from customer than actually required as per STC. Further, in some cases revenue is booked in mistake account head although there is proper account head to book such revenue. Most of the cases are also identified where narration is not properly written while making the accounting entry.
- There is no uniformity in branches regarding renewal charge on locker of those customer who opened the account where 50% discount on locker facility charge has been given. That means some branches recovered 100% service charge on renewal of locker facility from customer of above deposit product and some branches given 50% discount on renewal of locker facility. Bank has to give clear instruction to all branches regarding discount on subsequent renewal of locker facility.
- Most of the cases were identified where locker charge has not been timely recovered from locker holder. Concerned branches must ensure that locker rental charge has been recovered on timely basis from all customer who availed the locker facility. Further, branches must ensure that locker charge has not been missed in any year from those locker holder who are currently availed the locker facility.
- While reviewing the security measures of branches in sample basis, in some of the branches, branch office premises and working situations are not safe in terms of health, air, lighting, security and overall environment along with unexpired fire extinguisher, alarm system.
- Some of the CCTV are still found to be having recording back-up below 90 days and have poor image quality due to which it is difficult to identify the cash denomination and customer in case of incident happening.
- Some of the branches have no adequate space area according to customer flow. They have no adequate customer waiting chair, drinking water, A/C etc.
- Most of the branches have no practice of exchanging vault key with spare key at least on every six month.