



TECHNICAL REPORT

ON

**STUDENT INDUSTRIAL WORK EXPERIENCE
SCHEME (S.I.W.E.S) HELD AT
BALOGUN GAMBARI MICROFINANCE BANK
LIMITED**

WRITTEN BY

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DEDICATION

I dedicate this report first and foremost to Almighty Allah who made it possible for me to go through this SIWES program safely and soundly and who has been there from the beginning to this very point also for the opportunity given to me to be in banking and finance department of this citadel of learning and to complete my 4month SIWES.

TO GOD BE THE GLORY.

ACKNOWLEDGEMENT

My deeper appreciation goes to Supreme God for granting me life, health, favor, wisdom knowledge and understanding all through the period of my SIWES program.

With a deep sense of appreciation, respect and gratitude, I want to say a big thank you to my parents, Mr and Mrs Kareem, brothers, sisters and other relatives and non-relatives friends, for their caring attitude and support from the beginning of my ND program banking and finance to this point.

I will like to express my gratitude to my Honorable (H.O.D) in person of Mr Ajiboye, my SIWES supervisor, and also the entire staff of the Department of Banking and Finance, kwara state Polytechnic Ilorin, I say more grace to your elbow all. I can never forget the unalloyed cooperation of my beloved ones at Ilorin Microfinance Bank Limited and other General Department Management team.

My sincere appreciation also goes to everyone that has been by me all this while. THANKS TO ALL

CHAPTER ONE

1.0 Introduction

SIWES was established by ITF in 1973 to solve the problems of lack of adequate practical skills preparatory for employment in industries by Nigeria graduate of tertiary institutions.

The student Industrial Working Experience Scheme (SIWES) was fund by the federal government of Nigeria beneficiaries undergraduate students of the following: agriculture engineering, technology engineering, environmental, science, education, medical science and pure and applied science the duration of four month programs for polytechnics and colleges of education and for six months for the universities and other related courses and it is controlled by a body known as NBTE (National Board for Technical Education), the headquarter is located in Kaduna state also with the Industrial Training Fund (ITF) in Jos.

However, this programme was introduce or established to enhance the student idea and learning, especially to expose students to industry based skills necessary for a smooth transition from the classroom to the world of work in their practical aspects, that is, to give the students of tertiary institutions the opportunity of being familiarized and exposed to the needed experience in handling machinery and equipment which are usually not available in the educational institutions participation in industrial training is a well know education strategy. classroom studies are integrated with learning through hand on work experience in a field related to the student's academic major and career goals. Successful internships foster an experiential but provides opportunities for leaners to develop skills necessary to becomes leaders in their chosen profession and them more knowledge to help them to put into practice the theories they already know i.e. banking and finance Engineering SIWES Training.

1.1 Definition of SIWES

SIWES is Student Industrial Work Experience Scheme, it can be said to be a training program design to give students practical skills in their field of study. It is design for the student in tertiary institution especially polytechnic student in their second year of study.

1.2 Goals and Objectives of SIWES

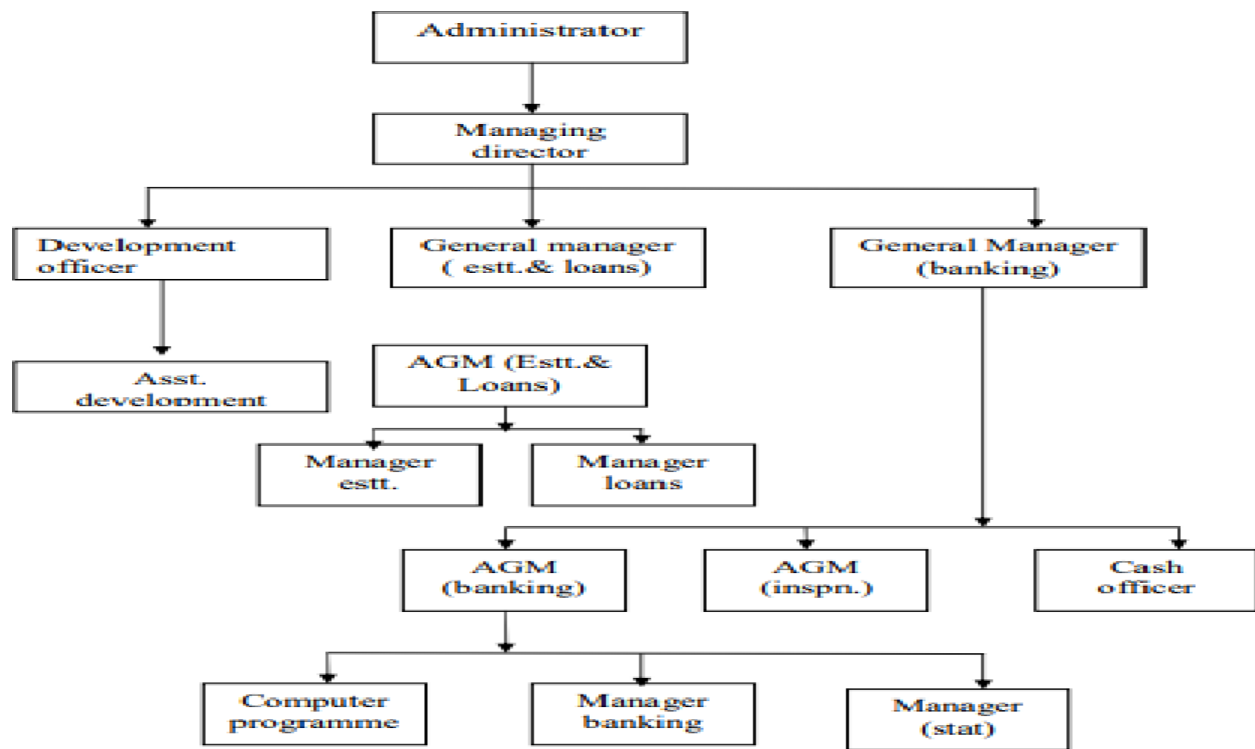
- i. To make students integrated leadership development in to the experiential learning process.
- ii. To make students learn and develop basic non-profit leadership skills through a mentoring relationship with innovative non-profit leader.
- iii. To provide students the opportunity to test their interest in a particular career before permanent commitment are made.
- iv. To develop skills in the application of theory to practical work situations.
- v. To develop skills and techniques directly applicable to their careers.
- vi. To make sure students gain practical experience in their field of study to increase a students sense of responsibility exposes student to employment opportunity and possibilities after graduation.
- vii. To make students to able to develop a draft agency or project budget and will be able to identify method of obtaining revenue to support the budget.
- viii. To help students to acquire good work habits.

CHAPTER TWO

2.1 BRIEF HISTORY OF THE ORGANIZATION

Balogun Gambari Microfinance Bank Limited was established and promoted by Gambari, Ibagun and Zango Ward 1 in order to cater for the banking needs of the community and its environs. The Bank then was established and incorporated under the Company and Allied Matters Act 1990 as a Limited Liability...

2.2 ORGANIZATIONAL STRUCTURE/CHART



2.3 Major Activities of the Organization

- i. Operation
- ii. Internal control
- iii. Credit marketing
- iv. i.c.t

CHAPTER THREE

3.1 EXPERIENCE GAINED

3.2 Loan and Types of loan In Banking

A **loan** in banking is a sum of money borrowed from a financial institution that is expected to be paid back with interest over time. The money is lent to individuals, businesses, or governments, and the terms of repayment depend on the type of loan, the interest rate, the duration, and other factors.

3.2.1 Types of Loans in Banking:

1. Personal Loans:

- Unsecured loans given to individuals for personal use (e.g., medical expenses, home repairs, vacations).
- No collateral required, and repayment terms are usually fixed.

2. Home Loans (Mortgage Loans):

- Loans taken to purchase, build, or refinance a home.
- The property itself serves as collateral.

3. Auto Loans:

- Loans for purchasing a car or other vehicles.
- The vehicle itself serves as collateral.
- Typically short-term (3 to 7 years).

4. Student Loans:

- Loans provided to students to cover education-related expenses.
- Repayment may be deferred until after graduation.

5. **Business Loans:**

- Loans given to businesses for expansion, operational costs, or to purchase equipment.
- Can be secured (with collateral) or unsecured (without collateral).
- Typically repaid over a period of time with interest.
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6. **Credit Loans:**

- Also known as revolving credit, it is a type of loan where the borrower can borrow up to a credit limit and repay over time.
- Includes credit cards and personal lines of credit.

3.3 AUDITING

Auditing in banking refers to the process of evaluating and examining the financial records, transactions, operations, and internal controls of a bank to ensure compliance with laws, regulations, and internal policies. The goal of an audit is to verify that a bank's financial statements are accurate, complete, and reliable, and to assess the effectiveness of the bank's internal controls and risk management systems.

3.3.1 Types of audits

1. **Financial Audits:**

- Auditors review and verify the bank's financial statements to ensure they are accurate and in compliance with accounting standards.

- This includes checking assets, liabilities, income, and expenses, as well as making sure there is no fraud or misrepresentation.

2. Compliance Audits:

- Auditors assess whether the bank is following all relevant regulations and laws, such as anti-money laundering (AML) regulations, know your customer (KYC) guidelines, and banking regulations imposed by central banks or regulators.

3. Internal Controls and Risk Management:

- Auditors evaluate the effectiveness of a bank's internal controls and risk management processes.
- This includes checking systems in place to detect and prevent fraud, mismanagement, or financial misreporting, and assessing how well the bank manages risks like credit risk, liquidity risk, and operational risk.

4. Operational Audits:

- These audits focus on the efficiency and effectiveness of the bank's operational processes, such as loan origination, cash handling, and customer service.

5. IT and Cybersecurity Audits:

- As banking is increasingly digital, auditors also examine the bank's IT systems and cybersecurity measures.
- This includes evaluating data security practices, ensuring proper encryption of sensitive data, and testing disaster recovery plans to ensure the bank's systems are protected against breaches or cyber-attacks.

6. **Fraud Audits:**

- Banks are often a target for fraud, and auditing involves identifying any potential fraudulent activities, such as fraudulent loans, transactions, or accounting practices.

7. **External vs. Internal Audits:**

- **External Audit:** Conducted by independent external auditors, usually annually. These auditors review the bank's financial statements and operations from an unbiased, third-party perspective.
- **Internal Audit:** Conducted by an internal audit team within the bank. They monitor and assess the bank's internal controls, risk management practices, and compliance on an ongoing basis.

3.3.2 Purpose of Auditing in Banking:

- **Financial Integrity:** Ensures that the financial records are accurate and that there is transparency in reporting.
- **Regulatory Compliance:** Helps ensure that the bank adheres to the rules and regulations set by financial regulators.
- **Fraud Detection:** Identifies fraudulent activities or any discrepancies in financial records or transactions.
- **Risk Management:** Evaluates the bank's exposure to various risks and ensures that appropriate measures are in place to mitigate them.
- **Operational Efficiency:** Ensures that the bank's operations are running smoothly and efficiently, and identifies areas for improvement.

3.5 VOUCHING AND JOURNAL

Vouching and **Journal entries** are crucial concepts in banking and accounting, especially when it comes to financial audits and record-keeping. Here's a detailed explanation of both terms:

1. Vouching in Banking:

Vouching refers to the process of verifying the accuracy and legitimacy of financial transactions recorded in a bank's books of accounts. It involves checking the underlying documents and supporting evidence to confirm that each transaction recorded in the books is valid, authorized, and supported by appropriate documentation.

Aspects of Vouching:

- **Verification of Documents:** Vouching involves checking primary documents like invoices, receipts, contracts, bills, bank statements, and vouchers to confirm the authenticity of a transaction.
- **Ensuring Accuracy:** The auditor or accountant will ensure that all transactions are accurately recorded in the books of accounts.
- **Preventing Fraud:** Through vouching, fraudulent or unauthorized transactions can be detected and rectified.
- **Ensuring Compliance:** It ensures that all transactions comply with the bank's internal policies, regulatory requirements, and accounting standards.

2. Journal Entries in Banking:

A **journal entry** is the initial recording of financial transactions in the books of accounts before they are transferred to the respective ledger accounts. In banking, journal entries are used to record various types of transactions, such as deposits, withdrawals, loans, payments, interest accruals, etc.

Aspects of Journal Entries:

- **Debits and Credits:** Each journal entry must have at least one debit entry and one credit entry to ensure that the accounting equation ($\text{Assets} = \text{Liabilities} + \text{Equity}$) remains balanced.
- **Transaction Details:** A journal entry records the details of the transaction, including the date, amount, accounts affected, and a brief description.
- **Double-Entry System:** Banks follow the double-entry accounting system, meaning that every financial transaction impacts at least two accounts—one debit and one credit.
- **Permanent Record:** Journal entries provide a permanent record of the transactions, which is essential for financial reporting, audits, and compliance.

The Role of Vouching and Journal Entries in Auditing:

- **Vouching** is used to verify the legitimacy and accuracy of the journal entries and transactions recorded by the bank.
- **Journal Entries** provide the detailed record of all financial transactions that auditors, accountants, and regulators will review to ensure accuracy and compliance.

3.6 TRANSFER AND TYPES OF TRANSFER IN BANKING

In banking, a **transfer** refers to the movement of funds or assets from one account to another, either within the same bank or between different financial institutions. Transfers are essential for day-to-day banking operations, allowing individuals and businesses to manage their finances, pay bills, and conduct transactions. There are different types of transfers in banking, each serving specific purposes and using various methods of execution.

3.6.1 Types of Transfers in Banking:

1. Internal Transfers:

- These are transfers between accounts within the same bank. For example, transferring money from a savings account to a checking account within the same bank.
- **Example:** If you have a personal account and a business account at the same bank, you can easily transfer funds between these accounts.

2. External Transfers:

- External transfers involve the movement of funds between accounts held at different banks. These transfers can be initiated by a bank's online banking system or other transfer methods.
- **Example:** Transferring money from an account at Bank A to an account at Bank B.

3. Wire Transfers:

- **Wire transfers** are one of the most common types of external transfers. They involve the electronic transfer of funds from one bank to another, often across different countries.

- **Domestic Wire Transfers:** These are wire transfers conducted within the same country.
- **International Wire Transfers:** These involve the transfer of funds between banks in different countries. They are often used for business transactions, large payments, or international remittances.
- Wire transfers are typically fast, secure, and involve fees.

4. **Real-Time Gross Settlement (RTGS):**

- RTGS is a system used for high-value transactions that need to be settled immediately in real-time. These transfers happen on a gross basis, meaning each transaction is settled individually and immediately.
- **Example:** Transferring a significant amount of money between two banks, where the transfer needs to be settled instantly.

5. **NEFT (National Electronic Funds Transfer):**

- NEFT is an electronic transfer system in India (or similar systems in other countries) that enables individuals and businesses to transfer funds between banks.
- **Example:** Sending money from one bank account to another across the country for personal or business purposes.

6. **Cheque Transfers:**

- A cheque transfer involves writing a check to another party. The recipient deposits the cheque into their account, and the bank transfers the funds from the payer's account to the payee's account.

CHAPTER FOUR

4.1 TELLER POINT AND CASH POINT

In banking, the terms **Teller Point** and **Cash Point** have specific meanings that are closely related to customer transactions and cash management. Here's a breakdown of both:

1. Teller Point:

A **Teller Point** refers to a **bank teller's station** or **counter** where a bank customer interacts with a bank employee (the teller) to conduct transactions.

Features of a Teller Point:

- **Customer Service Counter:** This is where customers go to perform various banking activities with the help of a bank employee (teller).
- **Services Provided:** Common services offered at a teller point include:
 - Cash deposits and withdrawals
 - Check deposits or cashing
 - Account transfers
 - Issuing bank drafts, money orders, or cashier's checks
 - Account inquiries or balance checks
 - Loan payments or account statement requests
- **Face-to-Face Interaction:** Unlike automated channels (like ATMs), teller points involve personal, in-person service and require communication with a bank representative.

- **Banking Facility:** Teller points are typically found inside bank branches, where customers physically visit to carry out their transactions.

2. Cash Point:

A **Cash Point** refers to an **Automated Teller Machine (ATM)** or a **cash dispensing machine**, where customers can withdraw cash, check balances, and sometimes perform other banking transactions without direct interaction with a bank teller.

Features of a Cash Point:

- **ATM Machine:** Commonly referred to as a cash point, an ATM allows customers to access their funds by inserting a debit or credit card and using a personal identification number (PIN).
- **Functions of Cash Point:**
 - Cash withdrawals (24/7 availability)
 - Balance inquiries
 - Fund transfers between accounts
 - Bill payments (in some cases)
 - Mini-statements or transaction receipts
 - Deposits (in select ATMs)
- **Self-Service:** Cash points allow customers to perform banking transactions independently and outside of regular banking hours.

4.2 HOW TO EDIT CUSTOMER DETAILS AND CURRENT ACCOUNT

Editing customer details and current accounts in a banking system typically involves following a structured process to ensure data integrity, security, and compliance with regulatory standards. Here is a general overview of how this might be done, both from a procedural and system standpoint:

1. Authentication and Authorization:

- Ensure that you have the proper permissions to make changes to customer accounts. Only authorized personnel should have access to customer data and account details.
- Log in to the banking system using secure credentials.
- Use multi-factor authentication (MFA) if required.

2. Search for the Customer Record:

- Use the customer's account number, name, or other identifying details to search for the customer in the bank's system.
- In many systems, you will use a customer management interface that allows you to search by various filters, like account type, branch, or status.

3. Edit Customer Details:

Customer details typically include personal information such as name, address, contact information, identification documents, etc.

- **Access the customer's profile:** Once you've found the customer's account, open their detailed profile.
- **Edit fields:** Update the required fields, such as:
 - Name, address, phone number, email
 - Employment details, marital status, etc.
- **Verify the changes:** Ensure that the new details are correct. In some cases, a verification document (e.g., proof of address or updated ID) may be required before processing changes.

4. Edit Current Account Information:

Current accounts typically contain details such as:

- Account type (e.g., individual, joint, business)
- Account balance and transaction history
- Account limits (overdraft limits, withdrawal limits)

You can perform these edits:

- **Access the account details:** Open the current account details from the customer profile.
- **Update account type:** If the customer requests a change (e.g., from personal to business account), select the appropriate account type.
- **Update overdraft limit:** Adjust limits as needed, ensuring that you follow bank policies regarding limits.
- **Adjust account status:** If there's a need to freeze or close an account, change the account status accordingly (e.g., "active" to "inactive" or "closed").

- **Update product offerings:** If the customer has linked products (e.g., a savings account or a loan), update the related products or services linked to the current account.

5. Ensure Compliance and Security:

- **Audit Trail:** Maintain an audit trail for any changes made. This is crucial for both security and regulatory purposes.
- **Customer consent:** In many cases, changes to sensitive data may require customer consent. For example, a change in the customer's contact details or address may require them to sign off on the update.
- **Data Validation:** Ensure that the data entered is valid and accurate. Implement checks for things like correct address formatting, email address validation, and phone number formatting.

6. Confirm Changes and Notifications:

- **Confirm updates:** After making changes, confirm the updates to the system.
- **Notify the customer:** Depending on the bank's policy, a confirmation email, SMS, or letter may be sent to the customer informing them of the changes made.
- **Customer verification:** Sometimes, a customer may need to verify changes (e.g., via an OTP or other secure method) before the changes are finalized.

7. Log Out and Follow Up:

- Log out from the system to ensure security.

- Follow up with the customer (if necessary) to ensure they are aware of and approve the changes made to their account.

8. Handle Special Cases (if applicable):

- **Joint accounts:** If the account is a joint account, both account holders might need to approve certain changes (e.g., address, account type).
- **Security concerns:** If the change involves sensitive information or high-risk transactions (e.g., updating the account linked to a credit card or changing contact details associated with financial products), ensure that extra verification steps are taken.

CHAPTER FIVE

5.0 CONCLUSION

The student industrial work experience scheme (SIWES) had contributed to my exposure and training in the field of banking and finance

The programme had also enabled me to put into practice the knowledge gained in the classroom with the actual industrial experience and to develop a critical and realistic approach to problems and their solutions in the banking field.

5.1 RECOMMENDATION

The Student Industrial Work Experience Scheme (SIWES) is very interesting and planned. This programme gives me more practical experience of what we have been taught in class because it deals with practical aspect of the field in which I specialized. Moreover, am using this medium to advice government to establish more company and pass the student to this company on their own.

Finally, industrial experience should be given priority by the government.