

Analyzing the Recording and Adjusting Procedures of Foreign Remittance a study on JANATA BANK LTD at Jamuna Future Park Branch, Bangladesh

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ABSTRACT: This entire report that we have prepared is based on the foreign remittance process in JBL on the topic “Analyzing the Recording and Adjusting Procedures of Foreign remittance, a study on Janata Bank Limited at Jamuna Future Park Branch”. The purpose of this study is to analyze and evaluate the recording and adjusting process of foreign remittance in Janata Bank Limited and how they do. For conducting this report, the data has been collected from the primary and secondary sources. The scope of this report is limited to the foreign remittance section of Janata Bank Ltd. In this report, the recording and adjusting procedures of foreign remittance sections of Janata Bank Ltd. are discussed. JBL constantly monitors, reviews and analyzes its foreign remittance related problem and minimizing potential losses and ensuring efficient foreign remittance process. Not only that but also analyzes some risk behind foreign remittance, for analyzing that JBL has to analyze such risks. Janata Bank Ltd. Foreign remittance recorded and adjusted according to standard procedure. During this research, we found that the bank has affected by operational risk and lack of modern technology which has had a bad effect on the profitability of the bank.

KEY WORD: Journal Entry, Transaction Analysis, Foreign remittance, Accounting recording process.

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I. INTRODUCTION

In accounting every process of a transaction starts with identifying and analyzing transaction. Analysis aims to find out whether any economic activity incurred or not. If any economic activity incurred then it has been recorded into transaction which is called transaction analysis. Finally it has been recorded in to journal as part of recording process. Recording process of foreign remittance is the combination of recording into journal and identification of remittance activities. Banks maintain their remittance activities through different types of process or steps. In each of these steps required to be recorded by different branches or offices at a time. In this report we have used the example of Janata Bank, Dhaka, Bangladesh which is the second largest and one of the four state-owned commercial banks in Bangladesh which had been established under the Bangladesh Bank ordered by 1972 (Presidency Order of 1972). There are around nine hundreds branches of Janata Bank and we have considered Jamuna Future Park Branch, Dhaka, Bangladesh of Janata Bank for focusing on the recording process of foreign remittance (Janata Bank Limited).

Objective of the study

The broad objective of the study is to analyze the recording and adjusting procedure of Foreign Remittance in Janata Bank Limited and get an in-depth idea of the foreign remittance process of Janata Bank Limited through the review of the foreign remittance system and recording and adjusting method and monitoring process.

Scopes of the study

This paper will help the reader to get most of the information about recording process of foreign remittance and how the transactions are made and entered in foreign remittance in a bank. This information can be used for further in depth research of foreign remittance.

Limitations of the study

This paper has been prepared based on one of the public bank of Bangladesh. So it will be helpful for the researcher who wants to pursue their research on Bangladeshi banking system focusing on foreign remittance. Any researcher outside Bangladesh can read this paper only for gathering knowledge for understanding procedural purpose but not for using purpose.

II. LITERATURE REVIEW

Recording and Adjusting in Accounting Process

The accounting process is otherwise known as the accounting cycle, which indicates that the process involves continuous repetition. This cycle is important as it makes it possible for businesses to prepare new financial statements when necessary. In the accounting process, a bookkeeper collects, organizes, processes, and closes every financial information of a business. For medium-sized businesses, the steps involved in the accounting process provide a clear view of the financial health of their business. This process, in turn, helps them to reduce risks when it comes to managing the business.

The Recording process

The business transaction, therefore, forms a complete cycle and several steps are taken to complete a financial statement. This complete chain of forming a proper business transaction and financial statement is called as a recording process.

The recording process is the whole process that goes on in maintaining a financial statement. From the very starting to the destination of the statement, the recording process involves various steps that are to be taken to maintain a good and proper account. These steps are nine in number and help to remove all the flaws from the transaction so made. This recording process starts from the very beginning, from the process of identifying and analyzing transactions and events to reaching the post-closing trial balance.

Record transactions in the journal

This is also known as journalizing. A journal historically lists transactions and other events in terms of debits and credits to accounts. Each journal entry consists of four parts:

- a) **The accounts and amounts to be debited:** To debit an account mean to enter an amount on the left side of the account.
- b) **The accounts and amounts to be credited:** To credit an account mean to enter an amount on the right side of an account.
- c) **The date of transaction:** It means a journal is a record of financial transactions in order by date.
- d) **A transaction explanation:** It means explain the transactions in the time of recording.

The Adjusting Process

A lot of revenues and expenses are recorded during the period as they occur, but a lot of accounts are not. For these accounts the accountant must determine when to recognize these accounts and adjust them at the end of the accounting period in order to bring them up to date. When dealing with the timing of revenue and expense recognition there are two terms that must be understood, Accrued and Deferred.

Preparing Adjusting entries

Adjusting entries are journal entries recorded at the end of an accounting period that alter the final balances of various general ledger accounts. These adjustments are made in order to more closely align the reported results and the actual financial position of a business. Adjusting entries follow the principles of revenue recognition and matching.

Adjusting entries are made to report

- a) Revenues that have been earned but not yet entered into the accounting records,
- b) Expenses that have been incurred but have not yet been entered into the accounting records,
- c) Revenues already recorded that pertain to a future accounting period, or
- d) Expenses already recorded that pertain to a future accounting period.

Risk factor during recording and adjusting

Typically, accounting involves the process of recording, summarizing, adjusting and analyzing. This can be difficult, but there are common obstacles which owners must overcome. In their operations banks are particularly exposed to or may potentially be exposed to the following risks like

Operational Risk

According to the Bank for International Settlements (BIS), Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. Operational risk can widely occur in banks due to human errors or mistakes. Examples of operational risk may be incorrect information filled in during clearing a check or confidential information leaked due to system failure. Operational risk can be categorized in the following way for a better understanding:

- a) **Human risk:** Potential losses due to a human error, done willingly or unconsciously
- b) **IT/System risk:** Potential losses due to system failures and programming errors
- c) **Processes risk:** Potential losses due to improper information processing, leaking or hacking of information and inaccuracy of data processing

Cyber security Risk

Cyber security risk is the most prevalent IT risk in the financial services industry. It refers to the risk undertaken by a financial institution to keep electronic information private and safe from damage, misuse or theft. Cyber security risk is as much of a people risk as it is technology risk. The risk arises from a range of external and internal factors at banks such as:

- Missing transaction business controls
- Poor password policies
- Inadequate logical access controls

Inadequate use of Modern Technology

Today, information and communication technology has become the heart of banking sector and banking industry is at the heart of every robust economy. Electronic banking system has become the main technology driven revolution in conducting financial transactions. The modernization of ICT has set the stage for extraordinary improvement in banking procedures throughout the world. Still Banks are not started giving importance to new technologies. But some banks are still lagged behind. Like –

- a) Collect the handwritten documents from branches
- b) Compile the documents
- c) Manual data entry by the operators
- d) Execute some banking transactions

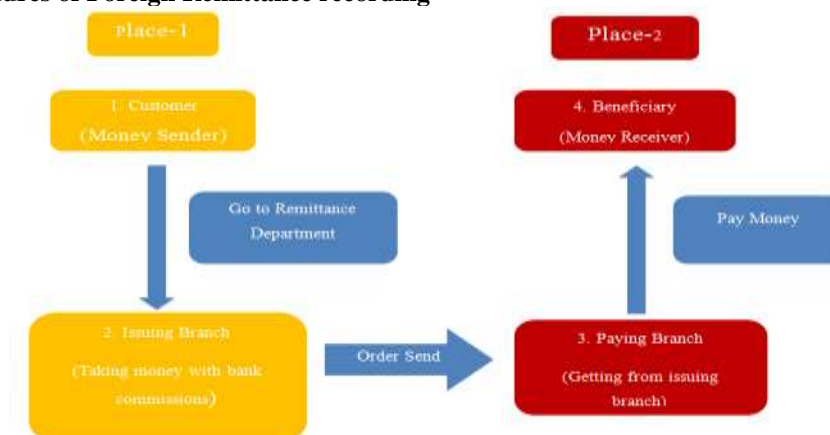
Foreign Remittance

A foreign remittance is a transfer of money from a foreign worker to their family or other individuals in their home countries. In many countries, remittance constitutes a significant portion of a nation's gross domestic product or GDP. The United States is the leading source of foreign remittances, followed by Russia and Saudi Arabia. The top recipients of foreign remittances are India, China and the Philippines.

Remittance activities at JBL

- 1. Local / Inland Remittance:
 - a) Inward Remittance
 - b) Outward Remittance
- 2. Foreign Remittance
 - a) Inward Remittance
 - b) Outward Remittance

General Procedures of Foreign Remittance recording



Foreign Remittance service at Janata Bank Limited

Janata Bank Limited has a network of 906 domestic branches in Bangladesh covering whole of the country including the rural areas. Remittance services are available at all branches and foreign remittances may be sent to any branch by the remitters favoring their beneficiaries. Remittances are credited to the account of beneficiaries instantly or within shortest possible time. Janata Bank Limited has correspondent banking relationship with all major banks & exchange houses located in almost all the countries/cities. Expatriate Bangladeshis may send their hard earned foreign currencies through those banks & exchange houses or may contact any renowned banks nearby (where they reside/work) to send their money to their dear ones in Bangladesh.

"To resolve the foreign remittance related problem/complain/enquiry, Janata Bank Limited has a 'Complain cell' at its Overseas Banking Division, Head Office, Dhaka. All Concerned are requested to contact at the following address to resolve any problem related to foreign Remittance."

In 2017, the bank achieved total inward foreign remittance of BDT 72,022.00 million that represents a significant share of total national remittance in Bangladesh. In 2017, Janata Bank has honored with "Bangladesh Bank Remittance Award-2016" as one of the highest remittances earning banks. Moreover, Bangladesh Bank has also awarded 26 individuals who sent the highest amounts of remittance to Bangladesh last year. Out of them, 11 honorable clients of Janata Bank have received "Bangladesh Bank Remittance Award-2016" for sending home the highest amount of remittance and investing bonds.

Documents required for collecting NRB Remittance

- a) Customer has to fill-up an EFT Application Form of JBL where the information of sender and receiver is required
- b) Transfer code is needed
- c) National ID card or Passport or Driving License or any authorized and certified certificates where a photograph and signature of receiver is given.

There are two types of Foreign Remittance:

- a) Inward Foreign Remittance.
- b) Outward Foreign Remittance.

Janata Bank Ltd. Is performed both inward and outward foreign remittance activities:

Inward Foreign remittance

In the case of Inward foreign remittance, the foreign currency is entered in Bangladesh. Previously for transfer foreign currency the customer was must have an account in the bank like Janata Bank Ltd. But in the present time a customer can get foreign currency without having an account in the respective branch or any bank like Janata Bank Ltd.

Procedures of Foreign Remittance recording

In this term they record the transactions through Debit and Credit procedure. Debit and Credit are directional signals. Entering an amount on the left side of an account is called debiting the account. Making an entry on the right side is crediting the account. Having debits on the left and credits on the right is an accounting custom, or rule.

Debit and Credit procedure

Each transaction must effect of a transaction on the basic accounting equation. In other words, for each transaction, debit must equal credits in the accounts. The equality of debits and credits provides the basis for the Double-Entry System of recording transactions.

In the double-entry system the dual (two-sided) effect of each transaction is recorded in appropriate accounts. This system provides a logical method for recording transactions. It also helps ensure the accuracy of the recorded amounts. The sum of all the debits to the accounts must equal the sum of all the credits.

Procedure of Recording

In case of Inward Foreign remittance, they are following this type of foreign remittance facilities-

1. SRC [Speedy Remittance cell]
 - a) SRC- to Account
 - b) SRC- TTR/Payment Order (P.O.)
 - c) SRC- to Instant/ Spot cash.

SRC (Speedy Remittance Cell)

Janata Bank Limited has started its own exchange system named SRC (Speedy Remittance Cell). SRC launched its operation in 14.05.2009. SRC is now the most popular transaction system due to less time consuming this type of transaction makes the help of internet it's also called online banking system.

SRC- to Account

In this case the money is transferred directly to the beneficiary Account. So, in this case the beneficiary must have an Account in any branch of Janata Bank Ltd.

Example:

Date: 15 January 2019

Suppose Janata Bank Ltd Dubai Branch send an SRC- to Account to the Janata Bank Ltd Head Office (HIC), 110 Motijheel C/A Dhaka 1000. The beneficiary's (receiver) responding branch is Jamuna Future Park Branch Dhaka 1229. The Beneficiary's Account No. is 100023-0 and the amount of taka is Tk 1,50,000/. when the H/O receives this E-mail report from Dubai Branch then HO verify this report and send this report to the beneficiary branch (Jamuna Future Park Branch) of Janata Bank Ltd.

Remittance officer of Jamuna Future Park Branch will receive that report from H/O and transfer the amount of money to the beneficiary Account Then the beneficiary withdraws this money by cheque. In this case following entry will be passed by responding branch:

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Jan.15	CIBTA A/C		1,50,000	
	Party's A/C			1,50,000

Explanation

In the tabular summary, the term "CIBTA Account" is debited by the amount of 1,50,000 taka because they get the money from HO. And the other side they credited the term "Party's Account". Because they transfer the full amount to the beneficiary account on Janata Bank limited.

(Here the term CIBTA means CREDIT INTER BRANCH TRANSACTION ADVICE).

SRC- TTR Payment Order (P.O.)

SRC- TTR/ Payment Order (P.O.) is a special type of Speedy Remittance Cell where the money is sent from foreign branch of JBL to the Head Office (HO) of Janata Bank Ltd Dhaka for payment to another Bank customer's A/C.

Example:

Date: 20 January 2019

Suppose Mr. SM. Razib in Dubai. He wants to send money to his father by Janata Bank Dubai Branch. But the problem is that his father has no, Account in Janata Bank Ltd But his father has an Account in ABC Bank Ltd.

In this case the JBL Dubai Branch receives the money Tk 2,00,000/ and sends SRC- TTR Payment Order (P.O.) message to Janata Bank Ltd. Head Office (WC), 110 Motijheel C/A Dhaka 1000 to provide money on account of "Mrs. Habib & Sons" A/C No. 2000010-1 at ABC Bank Ltd. Jamuna Future Park Branch. When the HO receives this E-mail message from Dubai Branch then HO verifies this message and the HO may send this message to the nearest branch of ABC Bank's Ltd. Jamuna Future Park Branch. Suppose the nearest branch of ABC Bank Ltd is Janata Bank Ltd. Jamuna Future Park Branch.

When the HO of JBL sends the SRC message to the Janata Bank Ltd Jamuna Future Park Branch then the officer JFP Branch will receive the message and issue a Payment Order against the ABC Bank Ltd. JFP Branch with the beneficiary's Account Name and A/C number.

Then Janata Bank Ltd JFP Branch will send the Payment Order (P.O.) to the ABC Bank Ltd. JFP Branch and ABC JFP Branch will collect money via Clearing House and then transfer the money to the beneficiary Account.

In this case following voucher will be passed by Janata Bank Ltd JFP Branch-

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Jan.20	CIBTA		2,00,000	

Bills Payable A/C, Payment Order (P.O.) issue 2,00,000

SRC- to Instant/Spot cash.

Janata bank Ltd has signed an agreement with NRB Foreign Remittance. Like

- Western Union Money Transfer Services
- Continental Exchange Solution (Ria Financial Services)
- Money Gram International
- Xpress Money Services
- Prabhu Money Transfer
- UEC (United Exchange Corporation) etc.

In this case the beneficiary can get money without having an Account in Janata Bank Ltd. Janata Bank's foreign agent collect money from customer and send an E-mail message with a (MTCN) Money Transfer Controlling Number. After receiving the E-mail message from responding foreign agents the Head Office verifies this report and then send this report to the beneficiary branch of Janata Bank Ltd.

Example:

Date: 25 January 2019

Suppose Janata Bank Ltd Dubai Branch send an SRC- to Instant/Spot cash to the Janata Bank Ltd. Head Office (HO), 110 Motijheel C/A Dhaka 1000. The beneficiary's (receiver) responding branch is Jamuna Future Park Branch Dhaka-1229. The Beneficiary's name is S-M. Razib and the amount of taka is Tk 100,000/- and Money Transfer Control Number (MTCN) is 120152000002.

When the HO receives this E-mail message from Dubai Branch then HO verifies this report and sends this report to the beneficiary branch (Jamuna Future Park Branch) of Janata Bank Ltd.

Jamuna Future Park Branch Officer receives the message with a MTCN. The owner and wait for beneficiary. When the beneficiary comes to the bank then he / she will ask the officer he has an SRC- to instant / Spot cash.

Then the officer of JFP Branch will provide a form to fill-up. In this form the beneficiary will provide following information-

- a) Name of Issuer or customer.
- b) Name of Beneficiary
- c) Name of Branch. (where beneficiary collect money)
- d) Amount of Currency (Taka).
- e) MTCN — Money Transfer Control Number.
- f) Address of Beneficiary.
- g) Photocopy of National I.D. card or Passport.

Then the officer of Jamuna Future Park branch will verify this information with HO message. If all the information is correct, the officer will give cash memo and the beneficiary will collect money from the cash counter.

In this case following will be passed by responding branch

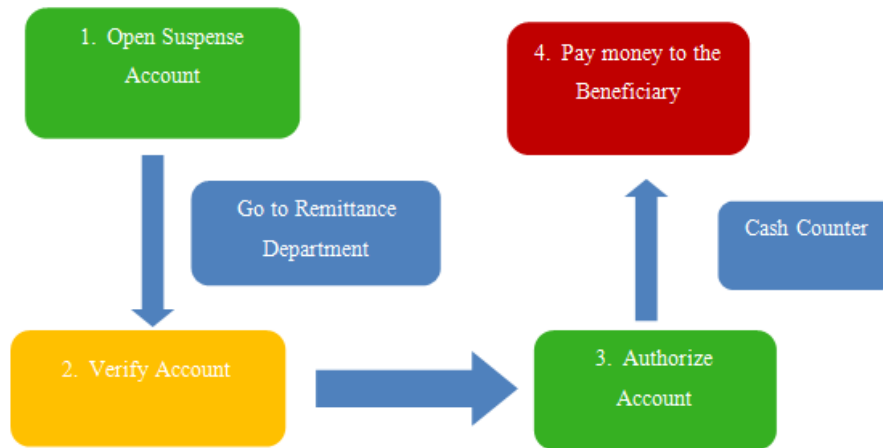
Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Jan.25	CIBTA A/C		1,00,000	
	Sundry Deposit (SD) A/C, Sundry creditors			1,00,000

Explanation

In the tabular summary, the term “CIBTA Account” is debited by the amount of 1, 00,000 taka because they get the money from HO. And the other side they credited the term “Sundry Deposit (SD) A/C, Sundry creditors”. Here the term “Sundry creditors “are such small entities that the company owes money. Sundry creditors in under current liabilities.

Adjusting Foreign Remittance Spot Cash

In the case of adjusting, Janata Bank adjusts money only for Foreign remittance spot cash. This is a step how they adjust money



Step 1: Open Suspense Account

There is a command from Janata Bank Head office is every branch should open an account named “Suspense Account” for respective money transfer method like (Suspense account for Western union, suspense account for Ria money transfer, Suspense account for Money Gram) etc.

Step 2: Verify Account

There is a system of bank that FRD officer post the transaction to the software then they need to another respective officer to verify that transaction.

Step 3: Authorize Account

And finally, they need again another officer to authorize that transaction. That means one individual officer cannot fulfil the whole transaction procedures. They need three officers to complete the foreign remittance method.

Step 4:

After authorizing the transaction, they software will give two vouchers. One voucher will provide to the beneficiary with signature and sill and another will be registered in respective register book. After that it will filed along with form. After that beneficiary will give the voucher and collect money from cash counter.

Example:

Date: 30 January 2019

Suppose a sender named Mr. Karim send money from Janata bank limited Abu Dhabi Branch to Janata bank ltd head office (H/O), 110 Motijheel C/A Dhaka-1000 through Western Union Money Transfer. The beneficiary’s (receiver) resounding branch is Janata bank Jamuna Future park branch, Dhaka-1229. The beneficiary’s Account no. is 100023-0 and the amount of taka is Tk. 50,000/-

Then the officer giving the following transaction entry to the JB official software:

Explanation

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Jan.30	Suspense Account		50,000	
	Cash			50,000

In the tabular summary, the term “Suspense Account” represents an unclassified transaction. Most likely the Unclassified Transactions are miscellaneous parts of the bank that lack some information needed to classify them into any of the other categories or do not fit into any one class available. These transactions are the liabilities. In this account the bank creates suspense account and gives the full amount. So, they debited the suspense account and the other side they credited the term “Cash”. Because they paid the full amount to the beneficiary.

Procedures of Foreign Remittance Reimbursement

Open a suspense account by recording the full amount in question. The Head office of Janata Bank Ltd might receive the payment later. But when the beneficiary goes to their near branch to collect money that branch create a suspense account for the payment. They debit the Suspense Account and credit the cash account with the amount 1, 00,000 taka. When the head office of Janata Bank Ltd. finds out which branch made the payment, they send the full amount to that branch. It is called Reimbursement.

After 1 /2 days or around 1 week the branch get adjustment or reimbursement from Advice office. There are two offices who issued advice or reimbursement-

1. Janata Bhaban Corporate
2. Dilkusha Corporate Zone

These two-office issued advice after getting money from Transfer Company. After getting advice the branch will post this following entry:

If Janata Bhaban Corporate issued advice-

Transaction (1) for Western Union

If Dilkusha Branch issued advice-

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Feb. 2	CIBTA Janata Bhaban corporate		50,000	
	Suspense A/C NRTA western union			50,000

Here the term CIBTA means CREDIT INTER BRANCH TRANSACTION ADVICE.

Explanation

In the tabular summary, they debited “Janata Bhaban” because they reimburse the amount 1, 00,000 to the bank and the other side, they credited the term “Suspense Account”. Because the bank previously (In transaction (1) recorded suspense account as an increase in Accounts Payable. And decrease the cash from the branch fund. The payment “Dilkusha Corporate Zone” decreased the liability by 1, 00,000.

Transaction (2)

If Dilkusha Branch issued advice-

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Feb. 2	CIBTA Dilkusha Corporate zone		50,000	
	Suspense A/C NRTA western union			50,000

Explanation

In the tabular summary, they debited “Dilkusha Corporate zone” because they reimburse the amount 1, 00,000 to the bank and the other side, they credited the term “Suspense Account”. Because the bank previously (In transaction (1) recorded suspense account as an increase in Accounts Payable. And decrease the cash from the branch fund. The payment “Dilkusha Corporate Zone” decreased the liability by 1, 00,000.

JOURNAL ENTRIES

All the journal entries are shown here-

SRC- to Account -

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019 Jan.15	CIBTA A/C		1,50,000	
	Party’s A/C			1,50,000

SRC- TTR Payment Order (P.O.) –

Date	Account Titles and Explanation	Ref.	Debit	Credit
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2019	CIBTA		2,00,000	
Jan.20	Bills Payable A/C, Payment Order (P.O.) issue			2,00,000

SRC- to Instant/Spot cash-

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019	CIBTA A/C		100,000	
Jan.25	Sundry Deposit (SD) A/C, Sundry creditors			100,000

Adjusting the Money-

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019	Suspense Account		50,000	
Jan.30	Cash			50,000

After Reimbursement-

Date	Account Titles and Explanation	Ref.	Debit	Credit
2019	CIBTA Janata Bhaban corporate		50,000	
Feb.2	Suspense A/C NRTA western union			50,000

Voucher issue

At the closing time, the head office sends a voucher to the branch where consists all transactions. Which is called “**Supplementary Sheet**” Then the respective officer checks the sheet with voucher whether the debit credit voucher is equivalent or not. If the transactions are equivalent, then they can close the transaction.

Outward Foreign Remittance

When remittance is sending from Bangladesh to London then it is called outward foreign remittance. But outward foreign remittance is highly restricted by the Bangladesh government. Only some special branches of all banks can send money from Bangladesh to abroad under Bangladesh bank rules and regulations. In Janata bank ltd following branches are only responsible and involved outward foreign remittance activities.

1. Local office Dhaka.
2. Foreign exchange Branch, BitulMukaram Dhaka.
3. Janata Bhaban Corporate Dhaka.

Effect of Foreign Remittance adjusting:

This kind of adjusting is a liability for the bank. It creates negative impression. Suspense account is a liability account that reports the amounts received by the Head office of the bank but have not yet been earned by the respective branch.

A suspense account is an account where you record unclassified transactions. The account temporarily holds entries while you decide how you will classify them. A suspense account can also hold information about discrepancies as you gather more data. When you open an accounting suspense account, the transaction is considered in suspense. You can open a bank account to hold funds for suspense accounts. This keeps uncategorized transactions from categorized transactions.

A suspense account is a general account found in the general ledger. Depending on the transaction in question, a suspense account can be an asset or liability.

If it's an asset in question, the suspense account is a current asset because it holds payments related to accounts receivable. A suspense account could also be a liability if it holds accounts payables that you do not know how to classify.

III. METHODOLOGY

Mainly quantitative research method has been used to conduct this research through identifying a major problem in the place of research. A questionnaire has been developed to conduct the research under normal field conditions based on 5-Point Likert Scale. We have surveyed our questionnaires to ten (10) respondents as our population size is fifteen (15). The size of the population and sample is small because Janata Bank, Jamuna Future Park Branch, Dhaka, Bangladesh is a new and very small branch in terms of number of employees. We have tried to collect information about security policy, operation management system for recording and adjusting and modern technology used in Janata Bank, Jamuna Future Park Branch, Dhaka, Bangladesh. We have used Microsoft Excel, different tables and graphs to calculate and test the hypothesis to derive a meaningful conclusion from the practical data. In addition, basic statistical techniques of different measures of vital leaning have been used for analyzing the data. We have used t-test for the study because the sample size is less than thirty (30).

IV. DATA ANALYSIS AND FINDINGS

List of hypothesis that has been used for analysis

H1: If JBL enforce their security policy then it will prevent their privacy from cyber security risk.

H2: If JBL develop the operation management system properly then it can reduce the operational risk from recoding and adjusting.

H3: Absence of modern technology in foreign remittance is a major problem in JBL.

H4: Using of modern technology in foreign remittance is better than human based processes.

H5: Lack of knowledge about modern technology of employees and staff's effects on foreign remittance recording task time consuming.

Article of T-Test Calculation

In T-test I followed one tail test that's why here,

Ho: $\mu = 2.5$

HA: $\mu \neq 2.5$

In 5-point scale the μ value is 2.5.

Here,

Mean value ($\mu = 2.5$)

n = Sample size = 10

(\bar{x}) = Average

$$\text{Standard Deviation (s)} = \sqrt{\frac{\sum f_i(x_i - \bar{x})^2}{n-1}}$$

Hypothesis: 1

HO: If JBL enforce their security policy then it will not prevent their privacy from cyber security risk.

HA: If JBL enforce their security policy then it will prevent their privacy from cyber security risk.

Step 1: To Find Total:

$$0 \times 1 = 0$$

$$1 \times 2 = 2$$

$$1 \times 3 = 3$$

$$6 \times 4 = 24$$

$$2 \times 5 = 10$$

$$\text{Total} = 39$$

Step-2: To find average \bar{X}

$$\begin{aligned} (\bar{x}) &= \frac{\sum f_i x_i}{n} && \text{Here, } \sum f_i x_i \text{ from value of hypothesis 1 which is 39, } n = 10 \\ &= \frac{39}{10} \\ &= 3.9 \end{aligned}$$

Step-3: Standard deviation

$$\begin{aligned} \text{SD} &= \sqrt{\frac{\sum f_i(x_i - \bar{x})^2}{n-1}} \\ &= \sqrt{\frac{\{0(1-3.9)^2\} + \{1(2-3.9)^2\} + \{1(3-3.9)^2\} + \{6(4-3.9)^2\} + \{2(5-3.9)^2\}}{10-1}} \\ &= \sqrt{\frac{6.9}{9}} = \sqrt{0.766} = 0.88 \end{aligned}$$

Step-4: Critical Value

Degree of Freedom, df

$$\begin{aligned}df &= n - 1 \text{ [Independent sample size]} \\ &= 10 - 1 \\ &= 9\end{aligned}$$

$$T_{tab} = 2.262$$

Step-5: To find T value

$$t_{cal} = \frac{\bar{x} - \mu}{\frac{s}{\sqrt{n}}} = \frac{3.9 - 2.5}{\frac{0.88}{\sqrt{10}}} = 5.03$$

Step-6: Decision

At the 5% level of significance, the value of T in T- distribution table is T 0.05=2.262. Since the value of Tcal>Ttab that means the null hypothesis is not accepted because Tcal is greater than Ttab. So, at 5% level of significance, it can be said that- If JBL enforce their security policy then it will prevent their privacy from cyber security risk.

Hypothesis: 2

HO: If JBL develop the operation management system properly then it cannot reduce the operational risk from recoding and adjusting.

HA: If JBL develop the operation management system properly then it can reduce the operational risk from recoding and adjusting.

Step 1: To Find Total

$$\text{Total} = 38$$

Step-2: To find average \bar{X}

$$(\bar{x}) = 3.8$$

Step-3:Standard-deviation

$$SD = 1.398$$

Step-4: Critical Value

$$T_{tab} = 2.262$$

Step-5: To find T value

$$T_{cal} = 2.95$$

Step-6: Decision

At the 5% level of significance, the value of T in T- distribution table is T 0.05=2.262. Since the value of Tcal>Ttab that means the null hypothesis is not accepted because Tcal is greater than Ttab. So, at 5% level of significance, it can be said that if JBL develop the operation management system properly then it can reduce the operational risk from recoding and adjusting.

Hypothesis: 3

HO: Absence of modern technology in foreign remittance is not a major problem in JBL.

HA: Absence of modern technology in foreign remittance is a major problem in JBL.

Step 1: To Find Total

$$\text{Total} = 37$$

Step-2: To find average \bar{X}

$$(\bar{x}) = 3.7$$

Step-3:Standard-deviation

$$SD = 0.95$$

Step-4: Critical Value

$$T_{tab} = 2.262$$

Step-5: To find T value

$$T_{cal} = 4.01$$

Step-6: Decision

At the 5% level of significance, the value of T in T- distribution table is T 0.05=2.262. Since the value of Tcal>Ttab that means the null hypothesis is not accepted because Tcal is greater than Ttab. So, at 5% level of significance, it can be said that- Absence of modern technology in foreign remittance is a major problem in JBL.

Hypothesis: 4

HO: Using of modern technology in foreign remittance is not better than human based processes.

HA: Using of modern technology in foreign remittance is better than human based processes.

Step 1: To Find Total

$$\text{Total} = 36$$

Step-2: To find average \bar{X}

$$(\bar{x}) = 3.6$$

Step-3:Standard-deviation

SD =1.50

Step-4: Critical Value

Ttab =2.262

Step-5: To find T value

t_{cal}= 2.31

Step-6: Decision

At the 5% level of significance, the value of T in T- distribution table is T 0.05=2.262. Since the value of Tcal>Ttab that means the null hypothesis is not accepted because Tcal is greater than Ttab. So, at 5% level of significance, using of modern technology in foreign remittance is better than human based processes.

Hypothesis: 5

HO: Lack of knowledge about modern technology of employees and staff doesn't effect on foreign remittance recording task time consuming.

HA: Lack of knowledge about modern technology of employees and staff's effect on foreign remittance recording task time consuming.

Step 1: To Find Total

Total = 41

Step-2: To find average \bar{X}

(\bar{x}) = 4.1

Step-3:Standard-deviation

SD =1.19

Step-4: Critical Value

Ttab =2.262

Step-5: To find T value

t_{cal}= 4.25

Step-6: Decision

At the 5% level of significance, the value of T in T- distribution table is T 0.05=2.262. Since the value of Tcal>Ttab that means the null hypothesis is not accepted because T-cal is greater than T-tab. So, at 5% level of significance, lack of knowledge about modern technology of employees and staff's effect on foreign remittance recording task time consuming.

V. RECOMMENDATIONS

Janata Bank must ensure to keep their passwords, financial, and other personal information safe and protected from outside intruders. Also they should keep Anti-malware protection so that they avoid getting infected from periodic scans for spyware; avoid clicking on suspicious email links or websites etc. Security service must be established strongly and supervised properly.

They should develop their Operational Risk Management because it reduced operating losses, earlier detection of unlawful activities, and reduced exposure to future risks. This has not only caused operational risk to be underestimated but has also obscured the underlying causes of many of the most significant financial losses. Adaption of new technologies should be enforced as early as possible in JBL. All the PC's in this branch should be changed with update hardware and software which is very fast and updated. Their PC have installation required equipment's and daily up gradation. Computers can take in and process certain kinds of information much faster than human can. They can perform calculations and doing any other task at superhuman speeds. JBL should use modern technology in foreign remittance section. As a result, it will save the time for both of client and bank. Finally, they should arrange strong and systematic training program for bankers efficient. The disciplined environment makes them active. JBL should arrange some more training programs for their officials. Quality training will help the officials to enrich them with more recent knowledge of International Trade and financing as well different banking activities.

VI. CONCLUSION

In modern banking, foreign remittance is one of the most important ancillary services performed by every type of Banks. A nationalized commercial bank like Janata Bank Ltd can perform it with better than other banks because of a wider network of branches and lower services charge. JBL has set up an independent department named as Foreign Remittance Department (FRD) that exclusively handle payment and distribution of all foreign remittances to the branches. FRD has assigned a dedicated and hard-working team that relentlessly provide prompt service to ensure payment on due time Again, a strong position in International Banking and a great link with various foreign exchange companies makes the process of collecting the foreign remittance easier to this bank.

Besides these advantage Fraud and error have been one of the most problematic and unsolvable matter for JBL. Fraud is a major challenge of banking industry and this makes all banks vulnerable and distress. The management of the Janata Bank limited spends their hard-earned money to curtail it occurrence. Moreover, it puts question marks on the integrity of the employees and management of JBL and gives rise to absolute loss of customers' confidence in banking. JBL has lack of e-banking facilities and lack of privacy in their internal system. As a result, it hampers remittance activities and also it faces external risks like hacking. Absence of modern technology is also a major problem in JBL. And some other problem like operational risk can widely occur in banks due to human errors or mistakes. This kind of potential losses occur due to system failures and programming errors.

Also, there is lot of problem lacking like shortage of manpower, gap between officers of head office and branches, etc. becomes a matter of concern which should be fixed as soon as possible to adopting new way and technologies.

Remittance the subject of my study is a very small part of Janata Bank Ltd.'s activity. But it generates a portion of profit. So, by removing or at least reducing the bank should try to achieve the targeted amount fixed by the top management.

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List of Acronyms

BEFTN	Bangladesh Electronic Fund Transfer Network
BACH	Bangladesh Automated Clearing House
BIS	Bank for International Settlements
CIBTA	CREDIT INTER BRANCH TRANSACTION ADVICE
DCFCL	Departmental Control Functional Check List
EFT	Electronic Funds Transfer
FRD	Foreign Remittance Department
FC	Foreign Currency
FDR	Fixed Term Deposit account
GDP	Gross Domestic Product
HO	Head Office
IT	Information Technology
IC	Industrial Credit
ICT	Information and Communications Technology
JBL	Janata Bank Limited
JFP	Jamuna Future Park
JB	Janata Bank
MTCN	Money Transfer Control Number
MT	Money Transfer

NRB	Non-Resident Bangladeshi.
NID	National Identity
ORM	Operation Risk Management
P. O	Payment Order
SD	Sundry Deposit
SCB	State-Owned Commercial Bank
STD	Short Term Deposit
SME	Small and Medium
SOD	Secured Overdraft
SRC	Speedy Remittance Cell
TTR	Telegraphic Transfer
TDA	Taka Drawing Arrangements
TIN	Tax identification number

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