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A Study of Monitoring and Control of Operational Risk In E-Banking

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ABSTRACT

Monitoring and control of operational risk in e-banking are essential to ensure secure, reliable, and uninterrupted financial services. Since e-banking heavily depends on technology and online platforms, banks must adopt a multi-layered risk management strategy. The first step is establishing a strong internal control framework that includes regular monitoring of transactions, system audits, and fraud detection mechanisms. Real-time monitoring tools and advanced analytics help identify unusual activities, such as unauthorized logins or abnormal fund transfers, which can be flagged for immediate investigation. Cybersecurity measures like firewalls, multi-factor authentication, and encryption are also critical in controlling risks. Moreover, banks should conduct periodic stress testing and vulnerability assessments to detect system weaknesses and prepare for cyber threats. Employee training and awareness programs further reduce risks associated with human errors or insider fraud. Compliance with regulatory guidelines issued by central banks and international bodies ensures that institutions maintain industry-wide standards for operational security. Additionally, a well-structured incident response plan allows quick recovery from system failures or cyberattacks, minimizing customer inconvenience and financial loss. Continuous monitoring, combined with preventive and corrective control measures, not only reduces the likelihood of operational risks but also builds customer confidence in e-banking services.