An Investigation into the causes of fraud in banks in Zimbabwe
by
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Abstract
The research study investigated the causes of fraud within banks in Zimbabwe. The research adopted the descriptive survey research design. Purposive Sampling technique was used to select respondents. Primary data was collected using questionnaires and interviews. The major findings of the research were that banks internal controls in Zimbabwe were weak. It was also found that staff motivation was low and bank employees had not gone under any fraud related training. The research recommended that banks needed to tighten internal controls, improve employee motivation, and send their employees for fraud prevention training.

1.0 INTRODUCTION
Banking fraud has become a topical issue across the globe. Banks across the world are losing billions of dollars through fraudulent activities. Fraud has led to the downfall of entire organizations, massive investment losses, and erosion of confidence in capital markets (1). In Zimbabwe banking fraud has become a serious issue as cases have been on the increase since the introduction of the multiple currency system. However, in developing countries like Zimbabwe, banks are the only major source of finance for firms (2); hence, their soundness has to be ensured. As such, it is crucial to investigate the reasons behind banking fraud and to try to find ways of preventing it. Therefore, this research study focused on the causes of banking fraud in Zimbabwe.

1.1 Statement of the problem
Cases of banking fraud have been rising globally from insignificant levels in the 19th century to extremely high levels in the twenty first century. With time also, the losses incurred from each banks fraud activity have grown. Throughout these years bank regulators and other interested parties have tried to come up with measures that are intended to strengthen internal banks controls and to stop banking fraud through classifying it as a major operational risk event loss (3). However, these measures have not been successful enough as banking fraud has remained a thorn in the flesh within the global banking sector, this fact signified by the continuous collapse of banking institutions as a result of fraudulent activities mainly by internal staff members. As a result, questions have been raised on whether the issue of the recurrence of fraud within banks is just a result of weak controls or there is more to it, for example inadequate training, inadequate technology to curb fraud or some other causes. This is an issue that has been debated globally .In Zimbabwe cases of bank fraud are on the increase and again blame has been placed on weak internal controls(4) within the banking system in Zimbabwe . However, is it just a case of weak internal controls? Are there no other causes besides weak controls within the banking system which have had an influence on the increased incidences of fraud? This is an area that has never been really looked at hence the study looked at clearly outlining the causes of fraud within banks in Zimbabwe.

1.2 Definition of terms and theoretical framework
The term fraud has many definitions. It can be any dishonest act or behaviour by which one person gains or intends to gain advantage over another person (5). It can also be misrepresentation, breach of trust, manipulation of books of accounts, fraudulent encashment of instruments like cheques, drafts and bills of exchange, unauthorized handling of securities charged to banks, misfeasance, embezzlement, theft, misappropriation of funds, conversion of property, cheating, shortages, irregularities (6). For the purposes of this study bank fraud is defined as dishonest act or behaviour by an employee within the bank, or by someone outside the bank with knowledge of loopholes within the bank which leads to the individual obtaining money, assets or other properties belonging to a banking institution.

In most cases, the occurrence of bank fraud largely depends on the internal control environment within a bank. This environment has to be understood by auditors and all those who are responsible for implementing the control function within all firms. Any conditions which are not right and which might lead to fraudulent activities should be noted and corrected (7). Indeed internal controls are critical in the prevention of fraud as symptoms of poor internal controls increase the likelihood of fraud (8). In addition literature has sometimes overemphasized on strong internal controls as the panacea for bank fraud. As a result, the main advice offered in professional literature on fraud against a business is to put into place and to vigilantly enforce preventive controls (9). However, are internal controls alone good enough to deter banking fraud? Research has shown that internal controls on their own cannot stop fraud. Internal controls are not always enough to prevent fraud because controls are designed to provide reasonable, not absolute assurance that something bad will not happen (10).

Research, therefore, has to move from the viewpoint that bank fraud is an operational risk event caused by weak controls only as other factors also have to be considered. In certain cases it can be a result of
unemployment and uneven spread of wealth within society (11) or lack of an effective internal audit staff at the company, frequent turnover of management or directors, appointment of unqualified persons in key audit or finance posts, customers reluctance to provide requested information or financial statements and fictitious or conflicting data provided by the customers (12). Fraud, therefore, occurs in a “fraud friendly environment” (12) and this environment can be in the form of untrained staff, a demotivated workforce or staff inadequacy. In light of this, it was imperative to investigate the cause of fraudulent events within the sector and to try to give solutions on ways of tackling this problem.

2.0 OBJECTIVES
   The objectives of the study were as follows:

2.1 Primary Objective
   The primary objective of the study was to investigate the causes of fraud in banks in Zimbabwe.

2.2 Secondary Objectives
   To investigate the primary objective, the study focused on establishing the strength of internal controls within banks as a secondary objective. It also focused on determining the level of employee motivation within banks as well as determining whether bank employees were adequately trained to detect fraud.

3.0 METHODOLOGY
3.1 Research design
   The research adopted a descriptive survey research design. The descriptive survey design suited this research in that it provided the platform for measuring opinion on certain aspects of banking fraud thus, allowing the researcher to establish causal relationships between those aspects and banking fraud.

3.2 Study population
   The study population was made up of all 21 licensed commercial and merchant banks in Zimbabwe as at 1 May 2009 and one regulatory body namely the Reserve Bank of Zimbabwe.

3.3 Sampling technique
   The research adopted the purposive sampling technique. In this technique, the researcher handpicked banking institutions which had been reported to have fallen victim to fraud and those which had no reported fraudulent incidences. This technique was adopted as it allowed the researcher to select banking institutions that would provide the most valuable and accurate data to the researcher basing on the characteristics of the institutions selected and their relationship with the variables under study. Purposive sampling was also used because it permits the selection of respondents whose qualities or experiences permit an understanding of the phenomena in question, and are, therefore, valuable. A sample of 10 commercial banks, 2 merchant banks and one regulatory body was selected.

3.4 Data collection
   The following methods were used to collect primary and secondary data:

3.4.1 Primary Data
   Primary data was collected using questionnaires and structured interviews. A single questionnaire was designed and 5 samples were administered to 10 of the banking institutions studied during the research. Of the 5 samples sent to each bank, two were meant for managerial employees within banks and the other for non managerial employees. In this case the researcher used the drop and pick method as most of the respondents did not have time to spare for interviews. The questionnaire had close ended questions in which the respondent had to pick his preferred choice of answers. The questionnaire mainly focused on the following aspects
   • Level of internal control practiced by banks.
   • Level of staff motivation
   • Fraud detection training
   • Recommendations by respondents on ways to prevent fraud.
   The questionnaire comprised questions which were close ended, but had ranked responses for certain questions. Finally the respondents also had the chance to give their own opinion through a final open ended question. The questionnaire had nine questions which covered all the research areas.

3.4.2 Secondary data
   Secondary data was collected through the use of articles on the internet, newspaper articles, journals, and other texts that had information relevant to the study. Secondary data was used to fill data gaps that primary data could not fill.

3.5 Data Analysis
   Data collected was converted to numerical values. The numerical values represented the frequencies for the responses obtained from the questionnaires issued as well as the interviews carried out. These frequencies were then represented in percentage scores for each response to an area of focus specified on the questionnaire. The data in percentage form was then presented and analyzed in tabular form, graphically, as well as in pie chart form so as to give a clear picture of the results obtained from the research.

4.0 RESULTS
   This section presents the results of the research study.

4.1 Level of internal control practiced
   A total of 12 questions were prepared to cover the measure of internal controls exercised within banks.
4.1.1. Dual responsibility
As shown in table 1 below, all the respondents (100%) were of the view that bank managers involved more than two people in any transaction as it was a requirement within the banking sector that the principle of dual responsibility be followed for all banking transactions.

Table 1: Dual Responsibility

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Primary Data

4.1.2. Rotation of duties
Table 2 below shows that 58% of the banking institutions rotated their staff every six months and 42% did not rotate their staff during that period.

Table 2: Rotation of Duties

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Primary Data

4.1.3 Daily Monitoring of accounts

As according to figure 1 above, showing the monitoring of the accounts, all the respondents said that they did check the suspense account though at varying intervals. 42% of the respondents' said that the account was checked occasionally and 58% claimed to be checking the account daily. The majority of the respondents (83%) were of the view that large sum withdrawals were always scrutinized, 17% were of the view that they were occasionally monitored whilst none of the respondents claimed they never checked large sum withdrawals. Again, according to figure 1 monitoring of staff accounts was discovered to be not a daily routine. Although 67% of the respondents were of the view that staff accounts were always checked daily, 33% of the respondents claimed that the checks were not always done daily, but occasionally as routine spot checks. The figure also shows that dormant accounts were not monitored at all by 17% of the respondents, 50% of the respondents claimed that dormant accounts are monitored occasionally and only 33% said dormant account were always monitored.

4.1.4 Cheque book controls

According to figure 2 above, 75% of the time delivery of a cheque book was done to the account holder only. However, full compliance was not done in this aspect of cheque book administration as according to the same figure, 25% of the times a cheque book was delivered to a person who was not the account holder. The study found out that 83% of the respondents occasionally checked stock of cheque books and bank drafts available. Only 17% of the respondents said they always kept track of stock of cheque books and bank drafts available. Furthermore, in the locking of specimen signatures overnight, there was 100% compliance as all the respondents said they kept specimen signatures under lock overnight.
4.1.5 Review of quality of loans

Table 3 below shows results on the periodic reviews of the quality of loans that are issued by banks in Zimbabwe and the checking of the possibility of insider loans.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>8</td>
</tr>
<tr>
<td>Occasionally</td>
<td>30</td>
</tr>
<tr>
<td>Always</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Primary Data

As shown in table 3 above, the study found out that 17% of the respondents never checked the quality of loans that had been issued 67% checked occasionally and only 16% always periodically checked on the quality of loans issued by their banks.

4.1.6 Monitoring transfers and balancing Books

Figure 3 Transfers and Balancing Books

Source: Primary Data

Figure 3 above shows the rate of monitoring bank transfers by banks and responses on periodical balancing of books. 25% of the respondents said they never checked interbank transfers whilst 58% said they occasionally checked for interbank transfers that were done without the required authorization and only 17% said they always checked interbank transfers so as to avoid any transfers that might be done without authorization. In addition, the study found out that not all banking institutions engaged in the periodical balancing of their books. Although the greater part of the respondents (67%) said they always balanced their books periodically, a significant portion (33%) said they occasionally balanced their books periodically, thus leaving room for unreconciled items.

4.1.7 Security of internet banking

Table 4: Security of internet banking site

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure</td>
<td>37</td>
</tr>
<tr>
<td>Not Secure</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 4 shows respondents views on the security of their banks’ internet banking sites. The study found out that 83% of the respondents believed that their banks internet banking websites were secure enough such that they would not be exploited by external fraudsters. 17% believed their internet banking websites were not secure enough to deter fraud.

4.1.8 Fraud prevention score

The overall compliance scores on internal controls were calculated for each category and were as shown below:

Figure 4 Fraud Prevention Score

Source: Primary Data

Figure 4 shows the overall compliance scores obtained for each category of controls. The figure shows that internet security attained the highest score of 83%. Internal checks attained the second highest score of 69%. The accounts balancing section attained the third highest compliance score of 67%. Cheque book controls had an overall mark of 46%. Transfer controls and loans controls had the lowest scores of 17% and 16 %, respectively. The overall score for internal controls was 50%, indicating weak controls within the banking sector.
Figure 5 shows research findings on fraud related training that bank employees had gone under. 54% of the respondents indicated that they had not undergone any fraud-related training. 34% stated that they had undergone fraud related training whilst 12 indicated that to some extent they had been trained to detect and prevent fraud.

Figure 6 shows the findings on the levels of motivation in the banking sector. 63% of the respondents were of the view that employee motivation was low, whilst 8% indicated that employee motivation was very low. Only 29% of the respondents were of the view that employees motivation is good. None of the respondents were of the view that the level of motivation is either very good or excellent.

Figure 7 shows the suggested responses on ways of preventing bank fraud. 35% of the respondents were of the view that there was need to improve employee motivation to prevent fraud. 22% advocated for improvement in internal controls, 10% suggested fraud related training for employees, and 25% were of the view that reduced workloads would reduce fraud whilst 8% suggested improvements in the security levels within banks as a way of reducing fraud.

5.0 DISCUSSION
5.1 Level of internal control practiced
There was need for continuous process of monitoring of the control environment to ensure that risks such as fraud would be noted and the problems arising thereof quickly addressed. Good internal controls were, therefore, needed in the prevention of fraud.

5.1.1 Dual responsibility
The results obtained for dual responsibility showed that banks were complying with the principle. This was mainly a result of dual responsibility being a basic requirement for all banking operations. This, therefore, minimised the chances of manipulation of transactions by any single individual.

5.1.2 Rotation of duties
Findings of the study indicated that the principle of periodic staff rotation was not being fully observed within banks. This reflected negligence on the part of bank managers of the risk of internal fraud by staff who would have overstayed in a specific job position without being shifted or moved to another position. An employee who stayed in one job position for too long would tend to know a lot about the strengths
and weaknesses of internal controls involving that job
hence, by not rotating employees, bank managers had
created a fraud-friendly environment. This finding
was supported by the view that the head of the
branch held the responsibility for ensuring adherence
to prescribed systems and procedures in preventing
fraud (13).

5.1.3 Daily monitoring of accounts
According to the research findings 58% of banks
checked the suspense account daily whilst 42%
checked it occasionally. Compliance on internal checks
with regard to the suspense account was a bit slack
as the suspense account was supposed to be checked
daily for any suspicious transactions. Occasional
monitoring of the suspense account signified partial
implementation of control measures within banks in
Zimbabwe which again had led to the development of
a fraud-friendly environment in banks in Zimbabwe.
This finding is in agreement with a previous research
which found that inadequate controls accounted for
about 60% of fraud cases (14). However, this study
was more focused on corporate fraud rather than
being focused on banking fraud only.

With regards to the monitoring of large withdrawals,
the study found out that the degree of compliance
with respect to this was very high hence; chances
of money laundering and other fraudulent activities
involving large sum withdrawals were low. The
study also found that some staff accounts were not
checked daily, but were checked occasionally. This
indicated a moderate level of control on an aspect that
might lead to internal bank fraud. It also showed that
there was a chance that internal fraud by members of
staff might occur without it being discovered on the
day of occurrence as a result of lack of checking on
the turnover in staff accounts. This finding was in line
with the finding that occupational fraud and abuse
accounted for USD$600 Billion per year (15). In this
regard, it could be seen that employee fraud could
occur in any organization including banks regardless
of any sophistication. This research was however,
carried out in the context of an American business
setup/society where the business environment was
different from Zimbabwe. In addition, the finding of
the research study that dormant accounts were not
being checked reflected a serious weakness in
internal checks which could be exploited in carrying
out internal fraud.

5.1.4 Cheque book controls
The research found out that full compliance was not
done in the aspect of cheque book administration
as according to the research findings, 25% of the
times a chequebook, was delivered to a person
who was not the account holder thereby increasing
the chances of external fraud in the form of cheque
fraud. This finding agree with the finding that cheque
fraud occurred mainly in company accounts and was
invariably perpetrated by employees within the
company who had access to cheque books (16).The
study also found out that the stock of cheque books
within banks was not being properly monitored which
reflected a serious flaw with respect to cheque book
and bank drafts management as not keeping track of
these items opened up the banks to both internal and
external fraud. The results also indicate that specimen
signatures of clients were well secured within banks
as there was 100% compliance with locking specimen
signatures because “forgery may be in the form of
signatures which are altered to suit the needs of the
fraudster” (16).

5.1.5 Review of quality of loans
According to the study findings, 17% of the
respondents never checked or periodically reviewed
the quality of loans that had been issued out. 67%
checked occasionally and only 16% always periodically
checked on the quality of advances and loans. This
meant most banks faced the risk of losing funds due
to loan fraud as there was no serious attempt to verify
the character and antecedents of the borrower. The end
user of funds borrowed was not checked or verified.
It also meant that most banks did not take adequate
collateral to cover themselves against default risk as
no proper analysis of the borrower was done hence in
such cases the chances of loan frauds were very high.
This also left banks susceptible to insider loans which
in the end might end up being non-performing on the
banks books. In this case, loan procedures were not
being followed. This finding agree with the finding
that the probability of embezzlement was enhanced
by lack of timely or periodic review, inspections, and
follow-up to assure compliance with company goals,
priorities, policies and procedures (17).

5.1.6 Monitoring of transfers and balancing of
books
The results indicate there was total negligence by
managers in terms of monitoring interbank transfers
despite the fact that a lot of fraud was committed using
interbank transfers. This means some transfers were
being done without proper authorization, enhancing
the chances of fraud. In terms of balancing books, the
results indicated that accounts and reconciliations
were not being carried out on a regular basis leaving
room for unreconciled items hanging hence any
frauds committed were not noticed. If periodical
balancing was not done regularly, it also meant that
any suspicious transactions noticed would not be
given the attention they deserve as one would be in
hurry to cover up for the upcoming period hence in
such a case fraudulent activities stood the chance of
being just swept under the carpet.

5.1.7 Security of internet banking
The study results show that most of the respondents
were of the view that their banks internet banking
websites were secure enough such that they would
not be exploited by fraudsters. However, not much
could be drawn from this as incidents of internet banking fraud had not been high in Zimbabwe and this could be more attributed to the very low levels of internet banking activity within Zimbabwe and the low values in terms of dollars that one had access to whilst transacting on the internet in Zimbabwe rather than the security of the internet sites. The study could also have been clearer on the categories of security it referred to for example issues to do with password protection, privacy of information, hacking of account information, virus threats and should have gotten responses on the security levels of each of these. However, the study, managed to bring out the level of confidence banks had in their internet banking sites.

5.1.8 Fraud prevention score
Findings of the study indicated an overall score of 50% for internal controls which was a very low mark for banks. Banking institutions are supposed to be institutions that have employees who are vigilant in terms of maintaining internal checks so as to totally safeguard depositors' funds. The low score was a result of lapses in different areas of the internal control units within banking institutions. This reflected weak controls within banks. This was in line with the findings of a previous research that weak controls accounted for 48% of all fraud cases (18).

5.2 Bank fraud training
The study found out that 54% of bank employees had not undergone any fraud prevention training. Only 34% had gone under fraud training. This meant that most of the employees did not have the skill to detect fraudulent activities and had not been taught how to prevent it. Lack of fraud-related training might also explain the general lapse in internal controls as most of the employees within banks did not have the capacity to effectively check for any suspicious transactions as they were supposed to do. It should be noted the fact that some respondents were of the view that to some extent they had received bank fraud related training, which meant that they were not sure whether the training was adequate or not. Previous studies have shown that training improved the capabilities of employees by enhancing their skills, knowledge and commitment towards their work (19).

5.3 Level of staff motivation
The research study found out that staff morale within the banking sector was low. 63% of the respondents in the research were of the view that staff motivation was low meaning that the majority of employees within banks were not happy with their working conditions. Clarification on the levels of staff motivation was obtained through the interviews carried out and it was discovered that the perception of employees within the sector was that they were being overworked, but not getting a fair remuneration in return. The other source of demotivation noted was that bank employees are worried about their future since the banking sector was struggling at the time and hence, most banking employers had not come out in the open to guarantee their employees that they would remain open for the foreseeable future. Although the majority of the respondents said staff motivation was low, the view of the other 29% who said that it was good could be attributed to a section of employees within the sector whose welfare was more desirable than that of other employees especially the management. The study did not, however, give the opportunity to respondents to highlight ways in which they thought their motivation could be improved.

5.4 Suggested ways of preventing fraud
The research found out that improving employee motivation was the most preferred way of preventing fraud. This finding might be a result of the fact that the respondents were employees from the banking sector hence they would recommend a prevention measure which improved their wellbeing. However, this finding agrees with findings from previous research which indicated that the more dissatisfied an employee was, the more likely he was to be involved in a criminal activity (10). The second most preferred way was to strengthen internal controls whilst the others included reducing the workload for employees, improving the level of security within banks, and sending employees for fraud training. These ways, however, were just the respondents' opinions and were not based on any research facts.

6.0 CONCLUSIONS
Conclusions were drawn on each finding of the research study and were set out as below.

6.1 Conclusion on controls within banking sector
The research concluded that controls within banks were weak and banking fraud that occurred in banks in Zimbabwe was partly a result of weak controls and procedural lapses that occurred within banks in Zimbabwe. Bank rules and procedures were not strictly adhered to as a matter of control.

6.2 Conclusion on bank fraud prevention training
The research also concluded that bank employees were not well trained to prevent bank frauds. As a result it could also be concluded that bank employees did not have the skill to detect fraud before it occurred and the ability to follow procedural guidelines which prevented fraud.

6.3 Conclusion on staff motivation
The research concluded that staff motivation within banks was so low, that it had contributed to staff apathy and in turn also contributed to bank fraud in the form of internal fraud.
6.4 Overall Conclusion

From the results of the research study, it could be concluded that banking fraud in Zimbabwe was not only a direct result of weak controls but was also a result of other factors. The other factors included lack of fraud related training and, low staff motivation.

7.0 RECOMMENDATIONS

The research study makes the following recommendations to the various stakeholders concerned with bank fraud:

7.1 Recommendations to banks

Banks should strengthen their internal control systems. Banks should ensure there is separation of duties, daily checking of sensitive areas like suspense accounts, staff accounts, and dormant accounts. Banks should also ensure that their employees strictly follow stated procedures in all instances and any deviation from stated procedure should not be tolerated. There is also need to ensure that the control systems in place are regularly reviewed to see whether they suit developments within the sector. This is in line with the view that any conditions within the control environment which are not right and which might lead to fraudulent activities should be noted and corrected (7). There is need for a fraud related training programme for banks. Through training, employees become more aware of their relevance, their importance and the need for them to adhere to prescribed rules and procedures. Training also improves employees’ fraud detection skills and leaves employees with an increased sense of responsibility. This recommendation is in line with findings of previous research which indicate that training improves employees’ capabilities by enhancing their skills, knowledge and commitment towards their work (19). Training bankers helps not only in developing job related skill, but also maximizes the performance potential of bankers and provides them the sound knowledge and understanding of banking practices and principles (20). Banks also need to improve the motivation level of their staff. A good salary structure and excellent working conditions which can help to a great extent to reduce the temptation to commit fraud need to be put in place. In addition, management should not hesitate to come to the aid of employees any time there is a genuine financial request particularly in emergency situations. Such assistance not only eliminates the tendency to defraud the organizations, it helps to cultivate a group of dedicated and highly productive workforce. This view is supported by findings which show that employees with low levels of job security, power and income have high aspirations to engage in illegal activities within the organization (21).

7.2 Recommendations to bank regulators

Bank regulators should carry on site and off site surveillance of banking institutions to ensure that fraudulent activities by bank staff are not knowingly hidden from the public. Banks are reluctant to report frauds because it would seem like washing their dirty linen in public, but in cases where the fraud involves internal members of staff the public should be notified as they are the real owners of the funds at risk, hence deserve to be told on how safe their funds are. Bank regulators should regularly review rules and guidelines for all banking institutions in line with new developments within the banking sector. These rules and procedures should be aimed at preventing chances of banking fraud occurring, for example they can put in place a request for an analysis of loans issued to be submitted every week to reduce the chances of insider loans.

7.3 Recommendation to government

Government is encouraged to enact laws that ensure that there is protection of depositors’ funds in the case of banks losing depositors funds to frauds. There should be insurance for depositors’ money lost through bank frauds. Government is also encouraged to allow for the enactment of laws that discourage fraudulent behaviour, for example laws that ensure fraudsters get severe punishment for committing fraud.
REFERENCES


3. The New Basel 2 Accord

4. D Ndlela, the financial gazette, ‘Fraud plunges banks into crisis’ (18 February 2010)


SAMPLE RESEARCH QUESTIONNAIRE

SECTION A: GENERAL INFORMATION
1. Name of bank attached to......................................................................................................................................
2. Position held within organisation (tick appropriate)
   ☐ Managerial   ☐ Non Managerial

SECTION B: LEVEL OF INTERNAL CONTROL
3. Is there dual responsibility for every transaction within your bank? (tick appropriate)
   ☐ Yes   ☐ No
4. Is there rotation of duties within your bank? Tick appropriate)
   ☐ Yes   ☐ No
5. Please indicate the frequency with which the following activities are done within your bank (tick appropriate)
a. Monitoring of Suspense Account
   ☐ Never   ☐ Occasionally   ☐ Always
b. Monitoring of Large Withdrawals
   ☐ Never   ☐ Occasionally   ☐ Always
c. Monitoring of Staff Accounts
   ☐ Never   ☐ Occasionally   ☐ Always
d. Monitoring of Dormant Accounts
   ☐ Never   ☐ Occasionally   ☐ Always
e. Delivery of cheque books to account holders only
   ☐ Never   ☐ Occasionally   ☐ Always
f. Checking stock of cheque books available
   ☐ Never   ☐ Occasionally   ☐ Always
g. Locking client specimen signatures overnight
   ☐ Never   ☐ Occasionally   ☐ Always
h. Reviewing quality of loans issued by the bank
   ☐ Never   ☐ Occasionally   ☐ Always
i. Checking transfers done without authorisation
   ☐ Never   ☐ Occasionally   ☐ Always
j. Periodical Balancing of books of accounts and reconciliations
   ☐ Never   ☐ Occasionally   ☐ Always

SECTION C: STAFF MOTIVATION AND TRAINING
7. How do you rate the level of staff motivation within your organisation at present? (tick appropriate)
   ☐ Very Low   ☐ Low   ☐ Good    ☐ Very Good   ☐ Excellent
   Explain..................................................................................................................................................................
8. Have you undergone any fraud prevention training
   ☐ Yes   ☐ No
9. In brief suggest ways banking fraud can be tackled in Zimbabwe
   ..............................................................................................................................................................................
   ..............................................................................................................................................................................