INTRODUCTION

In the intermediation, banks mobilize savings from the surplus units of the economy and channel these to the deficit units, particularly private business enterprises for the purpose of expanding their productive capacity (Adeyemo 2012). Levi (2001), asserts that corporate financial scandals in the USA such as Enron and Tyco debacles send shockwaves in the corporate world, regulatory authorities, audit fraternity and the economic world society at large. These have led to the erosion of investor confidence in the financial markets. The Zimbabwe banking sector has had its fair share of financial scandals. The Reserve Bank of Zimbabwe Report (RBZ, 2006) examines the 2003-2004 financial turmoil that was caused by many fraud related factors such as the shocking inadequacy of the risk management system, diversion from the core business of the banks to speculative activities contrary to the dictates of the Banking Act Chapter 24:20 and its regulations, creative accounting which increased the audit risk and overstatement of the banks’ financial statement (window dressing), high level of non performing insider loans and rapid expansion and chronic liquidity challenges.

Oseni (2006) argues that the incessant frauds in the banking industry have resulted in the banking public losing their trust and confidence in the industry. Wells (2004) opined that most accountants and auditors think internal controls are an answer to fraud yet many organizations with these controls still experience fraud. Wells (ibid) further state that fraud prevention and internal control is not the same thing. The Central Bank of Nigeria (2000) reported that by half way mark more cases of fraud and attempted fraud worth N5.4 trillion (USD34.8) million were reported more than that reported in the whole of 2006 which was USD 30.97 million (Adeyemo 2012). The Zimbabwe National Statistics Agency Quarterly Report (2013) reveals that in 2010 Zimbabwe Republic Police (ZRP) received 2624 fraud reports and in 2011 ZRP received 8027 fraud reports, a 205.9% increase.

It is indeed worrisome that while banks are constantly trying to grapple with the demand of monetary authorities to recapitalize up to the stipulated minimum standards, fraudsters are always at work threatening and decimating their financial base. Also worrying is the number of employees who are involved in the act as well as the easy with which many of them escape detection thus encouraging many others to join them in the perpetration of fraud (Onibudo 2007).

RESEARCH QUESTIONS

What are the types and nature of internal bank frauds in the Zimbabwe Commercial banks in the CBD?

What are the causes of internal bank frauds in Commercial banks in Zimbabwe?

What are the internal bank fraud controls used in Zimbabwe using the CBD domicile banks?

How can fraud in Zimbabwe Commercial banks in the CBD be deterred, combated and prevented effectively?

LITERATURE REVIEW

The concept of fraud

Singleton (2006) asserts that criminologists just like their legal counterparts have found it challenging to define fraud in its purest form and simple constituencies because of its ever changing color, modus operandi and texture resulting in different views which are seemingly inconclusive in arriving at a standard definition. This can be traced to the Latin word “fraus” which carries a wide variety of meanings (Laventi 2001). Skelah et al (2003) defines fraud as consisting four elements which are; false representation of material nature; knowledge that representation is false or reckless disregard of the truth; relevance entails that the person receiving the presentation reasonably and justifiably rely on it and damage being the financial loss resulting from the above.

Section 136 of the Criminal law codification and Reform Act 9:23 states that any person who makes a misrepresentation-

(a) Intending to deceive another person or realizing that there is a real risk or possibility of deceiving another person; and

(b) Intending to cause another person to act upon the misrepresentation to his or her prejudice, or realizing that there is real risk or possibility that
another person may act upon the misrepresentation to his or her prejudice; shall be guilty of fraud if the misrepresentation causes prejudice to another person or creates real risk or possibility that another person may be prejudiced. Hence the common denominator for fraud is intentional misrepresentation.

TYPES AND NATURE OF INTERNAL BANK FRAUD

Rogue traders
Skalah et al (2001) asserts that a rogue trader is a highly placed trader who is normally authorized to invest sizeable funds on behalf of the bank. He clandestinely makes progressive and risky investments using the bank money to which when one investment goes bad he engages in further market speculation in the hope of a quick profit which would make earlier losses good. Unfortunately, when one investment loss is piled on another, the costs to the bank reaches millions of USD and this may lead to many bank failures.

Wire Fraud
This type of fraud has increased with the advent of online banking. Fraudsters use the attributes of internet banking to their best advantage. Fraudsters use wire transfer networks such as SWITF/RTGs interbank funds transfer system. This system when activated is difficult or impossible to reverse.

Forged or Fraudulent cheques
This kind of fraud exists when an employee issues cheques without proper authorization. Criminals often steal cheques, endorse them and present them for payment at retail location.

Theft and embezzlement.
This is a form of fraud which involves the unlawful collection of monetary items such as cash, travelers’ cheques and foreign currency. It would also involve the deceitful collection of bank assets such as motor vehicles and computers (Idolor 2010).

Accounting fraud
Skalah et al (2001) argues that banks in a bid to hide serious financial problems may be tempted to inflate the write off of the organization’s assets or state a profit when it is operating at a loss.

Forgeries
Forgeries involve the fraudulent copying and use of a customers’ signature to draw huge sums of money from his or her account without prior consent of the client. Experience has shown that most of such offences are perpetrated by internal staff or by outsiders who act in collusion with the employees of the bank who usually are the ones who release the specimen signatures being forged (Onibudo 2007).

Manipulation of vouchers
This type of fraud involves the substitution or conversion of entries of one account to another account that will be used to commit fraud. This account would naturally be a fictitious account into which the funds of unsuspecting clients of the bank are transferred. The amounts of money taken are usually small such that it will not easily be detected by top management or any other suspecting staff members of the bank. Manipulation of vouchers can thrive in a banking system saddled with inadequate checks and balances such as poor job segregation and lack of detailed daily examination of vouchers and all other bank records (Idolor 2010).

Defalcation
This involves the embezzlement of money that is being held in trust by the bankers on behalf of customers. Defalcation of customers’ deposits either by conversion or fraudulent alteration of deposit vouchers by either bank tellers or customers is a common form of bank fraud. Where the bank teller and customer collude to defalcate, such fraud is usually neatly perpetrated and takes longer to uncover. Other forms of defalcation involves colluding with a customer’ agent when he or she pay into the customer’s account and when tellers steal some notes which are billed to be paid to unsuspecting customers or clients (Idolor 2010).

Computer fraud
Computer fraud involves fraudulent manipulation of the banks computer either at the data collection stage, the input processing stage or even the data presentation stage. Computer fraud can also occur due to an improper input system, virus attack, program manipulation or pure cyber theft. In this epoch of massive utilization of automated teller machines (ATMs) and online real time e-banking and commerce, computer fraud arising from
cyber theft has assumed a very threatening dimension. No bank seems to be immune from it, and a significant proportion of the billions of USD spend annually in the banking sector to help reduce frauds usually are channeled towards combating computer frauds and cyber thefts (Idolor 2010).

Causes of internal bank fraud

Botton et al (2002) classified the causes of fraud into two broad areas which are institutional and environmental factors. Botton et al (ibid) asserts that institutional causes are the ones which are found in a banking system and management has control over them while environmental or societal causes exist outside the bank’s environment but has influence on the banking system.

INTERNAL FACTORS

Poor internal controls

Even where there are effective internal control policies and procedures in place, fraud could still occur in banks. Bank employees sometimes deliberately circumvent those tested policies and procedures in the process of committing fraud (Adeyemo 2012).

Poor management and inexperienced staff

Poor management and supervision would also manifest in ineffective control processes, which a fraudulent minded operator in the system would capitalize on. Benson and Edwards (2006) says inexperienced personnel are susceptible to committing unintentional fraud by falling for numerous tricks of external fraudsters and even some other fraudulent bank employees. Inexperienced workers are unlikely to notice any fraud attempts and take necessary precautionary measures to checkmate the fraudsters or set the detection process in motion.

Lack of job rotation and poor working conditions

Generally, the longer an employee spends on a job the more efficient they become but the longer one person stays on the job the more they believe that no one can unearth their acts of fraud. They initiate procedures to circumvent stated internal control procedures of the bank to facilitate fraud. Adeyemo (2012) asserts that poor working conditions and salaries can cause and cause fraud. Where staff feels short changed in terms of promotion and other financial benefits they become frustrated and this could lead to fraud as such employees attempt to compensate themselves in their own way (Nweze 2008). Nwaze (2009) postulates that understaffing in banks often leads to overstretching of manpower which aids perpetration of fraud to a large extent. Overloaded workers do not perform to optimal levels. Idolor (2010) observes that poorly staffed banks will have problems of planning and assignment of duties. A bank flooded with unqualified and inexperienced staff will have to grapple with the problem of training and supervision of staff.

Recruitment and Training

There is great need for banks to do thorough background checks for its potential employees to eliminate those with criminal tendencies. Training and retraining leads to the identification of deficiencies that can be manipulated by the fraudsters. This coupled with changes in technology and lack of knowledge on the use of new technology has led to technology related fraud like wire fraud occurring (Idolor 2010).

Poor bookkeeping

Inability to keep books properly and to reconcile accounts on a daily basis attracts fraudsters. It helps them conceal their activities and thus the banks will not unearth the fraud especially if the accounts are maintained in a computerized environment.

EXTERNAL FACTORS

Nweze (2008), states that these are factors that can be traced to the banks’ immediate and remote environment.

Moral bankruptcy of the society

If little or no premium is put on things like honest, integrity and good character any person trembling into wealth will immediately be recognized and honored by that society. Such a materialistic society leads to commission of fraud. The desire to be with the high and mighty calibre of society, extreme want that is often characterized by need for culture of a life too expensive for legitimate income of an individual is fertile ground for breeding corruption (Akindele 2011).

Delays in prosecution of offenders

Onuorah and Ebimobowei (2012) argue that chances of fraudsters getting away with their loot are very high owing to inefficient police investigations and corruption including slow finalization of cases at courts.
The general belief that banks could sustain any amount of loss

Bank employees who appreciate the levels of cash in the banking system are tempted to think that perpetration of fraud will not be easily felt or detected because of the volumes of cash in the system (Onuorah and Ebimobowei, ibid).

Economic down turn

Economic down turn in a country can create its own challenges that are capable of breeding bank fraud. The use of RTGs such as what happened in Zimbabwe during the 2008 hyperinflationary period as citizens grappled with handling large sums of worthless paper money led to an increase in bank frauds.

INTERNAL BANK FRAUD CONTROLS

Committee of Sponsoring Organization (COSO, 1992) as cited in Kimmel (2011) came up with 5 considerations for use in fraud control by organizations. These are;

(1) The control environment
(2) Risk assessment
(3) Control activities
(4) Information and communication
(5) Monitoring the system

The control environment

Higgins (2012) asserts that the control environment is very important in controlling bank frauds as it sets the tone of an organization in influencing the control consciousness of its people.

Risk assessment

McNamee (1999) introduced risk assessment as a tool to help in the detection and dealing with fraud in an organization. He argues that management should take the leading role in fraud identification in an organization. Higgins (ibid) argues that every entity faces a variety of risks from internal to external sources that must be assessed. A precondition to risk assessment is the establishment of objectives linked at different levels and internally consistent.

Control activities

These are policies and procedures that help ensure management directives are carried out. These include authorization and verification (Higgins, 2012). COSO (1992) includes segregation of duties and physical control as part of the control activities. Transactions that exceed the level of authorization should then be classified as suspicious and investigated, (Millichamp, 2004). Puttick et al (2003) asserts that the basic idea underlying segregation of duties is that no employee or group should be in a position to commit systematic errors or fraud in normal course of duty. Millichamp (ibid) argues that adequate documentation of transactions entails the availability of a paper trail or its electronic version.

Information and communication

Higgins (2012) states that in the banking system pertinent information must be identified captured and communicated in a formal and within a timeframe that enable people to carry out their responsibilities.

Monitoring

COSO (1992) states that controls should be monitored which entails the process that assesses the quality of the systems’ performance over time.

METHODOLOGY

The study targeted a population of 16 commercial banks in the CBD of Harare. Three banks were randomly selected as the sample. A sample of 31 employees was conveniently selected from a population of 90. These were the managers, forensic investigators, bank tellers, security and risk managers and finally personal bankers were also considered. Questionnaires and interviews were used as research instruments.

FINDINGS AND DISCUSSIONS
Types and nature of internal bank frauds

<table>
<thead>
<tr>
<th>Types ofFraud</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Indifferent</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer fraud</td>
<td>64.5</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1.35</td>
<td>0.486</td>
</tr>
<tr>
<td>Rogue traders</td>
<td>-</td>
<td>-</td>
<td>48.4</td>
<td>51.6</td>
<td>-</td>
<td>4.52</td>
<td>0.508</td>
</tr>
<tr>
<td>Wire fraud</td>
<td>38.7</td>
<td>61.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.61</td>
<td>0.495</td>
</tr>
<tr>
<td>Forged/Fraudulent cheques</td>
<td>-</td>
<td>-</td>
<td>74.2</td>
<td>25.8</td>
<td>-</td>
<td>4.26</td>
<td>0.445</td>
</tr>
<tr>
<td>Accounting fraud</td>
<td>49.9</td>
<td>58.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.58</td>
<td>0.502</td>
</tr>
<tr>
<td>Theft/embezzlement</td>
<td>56.6</td>
<td>48.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.48</td>
<td>0.508</td>
</tr>
<tr>
<td>Defalcation</td>
<td>71</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.29</td>
<td>0.461</td>
</tr>
<tr>
<td>Forgeries</td>
<td>67.7</td>
<td>32.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.32</td>
<td>0.475</td>
</tr>
<tr>
<td>Manipulation of Vouchers</td>
<td>64.5</td>
<td>45.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.45</td>
<td>0.506</td>
</tr>
</tbody>
</table>

Results from the study suggest that computer fraud is prevalent in Zimbabwe banks. Statistically a mean of 1.35 was obtained and a standard deviation (SD) of +or -0.486. This is in affirmation to the findings of Akinyomi (2009); Njanike et al (2009) who observed that fraud was prevalent in Nigerian and banks in Zimbabwe respectively.

Njanike et al (2009) identified rogue traders as prevalent in Zimbabwe banks. However, the current study disapproved their findings. This sharp contrast in findings can be attributed to the introduction of multi currency in Zimbabwe after the collapse of the Zimbabwe dollar in 2009 due to hyper inflation which favored speculative tendencies as opposed to a more stable multi currency regime. Its SD was +or-0.508 and a mean of 4.52.

Njanike et al (2009) opined that there were no incidences of wire fraud in Zimbabwe. The finding of this study indicates that wire fraud is prevalent. It has a mean value of 1.62 and a SD of +or -0.495. This can be explained by the fact that banks have greatly increased online banking.

On forged and fraudulent cheques, the current study obtained a mean statistic of 4.26 and a SD of + or -0.445 meaning that this offence was not common in the Zimbabwe banks. Njanike et al (2009) concluded that this offence was prevalent. The explanation could be that the majority of bank clients found it convenient to use cheques during the hyper inflationary period in Zimbabwe but due to the adoption of multi currency and liquidity crunch currently prevailing most clients now prefer using cash reducing banks susceptibility to forged cheques in the process.

Accounting fraud obtained a mean statistic of 1.58 and SD of +or -0.502. This suggests that banks were exposed to fraud. Idolor (2010) asserts that theft and embezzlement is prevalent in many banks. Akinyomi(2012) obtained a t significant value of 30.812.

From the study defalcation, obtained a mean statistic of 1.29 and a SD of 0.461 suggesting that defalcation is prevalent in banks. Akinyomi (2012) found out that defalcation had a t significance value of 32.002.Forgeries obtained a mean value of 1.32 and a SD of +or – 0.475. This is supported by the findings of Akinyomi (2012). The same is true for manipulation of vouchers which obtained a mean value of 1.35 and a SD of +or -0.486.
CAUSES OF INTERNAL BANK FRAUDS

(a) Institutional causes

<table>
<thead>
<tr>
<th>Institutional causes</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Indifferent</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor internal controls</td>
<td>77.4</td>
<td>22.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.23</td>
<td>0.425</td>
</tr>
<tr>
<td>Inexperienced personnel</td>
<td>48.4</td>
<td>51.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.52</td>
<td>0.508</td>
</tr>
<tr>
<td>Understaffing</td>
<td>41.9</td>
<td>58.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.58</td>
<td>0.502</td>
</tr>
<tr>
<td>Lack job rotation</td>
<td>16.1</td>
<td>80.6</td>
<td>3.2</td>
<td>-</td>
<td>-</td>
<td>1.90</td>
<td>0.539</td>
</tr>
<tr>
<td>Poor working conditions</td>
<td>32.3</td>
<td>67.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.68</td>
<td>0.475</td>
</tr>
<tr>
<td>Recruitment, inadequate training and retraining</td>
<td>45.2</td>
<td>54.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.55</td>
<td>0.506</td>
</tr>
<tr>
<td>Poor bookkeeping</td>
<td>83.9</td>
<td>16.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.16</td>
<td>0.374</td>
</tr>
</tbody>
</table>

From the study, it appears that poor internal controls results in commission of fraud. This was also the position articulated by Akinyomi (2012). Inexperienced personnel contribute to the commission of fraud. There is a mean value of 1.52 and a SD of + or -0.508. Awuge et al (2013) can up with the same findings. Idolor (2010); Nwaze (2009); and Akinyomi (2012) assert that understaffed banks are susceptible to fraud. This was the result coming from the study with a mean of 1.58 and a SD or + or-0.502. Lack of job rotation is a contributing factor to fraud with a mean value of 1.90 and a SD of 0.539. This tallies with the findings of Adeyemo (2012); Nweze (2008) and Awuge (2013).Idolor (ibid) and Akinyomi (ibid) postulates that lack of adequate training aids to the commission of fraud. In the current study it had a mean value of 1.55 and a SD of +or -0.506. Poor bookkeeping was found to have a positive influence in fraud perpetration.

(b) Environmental factors

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Indifferent</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral bankruptcy</td>
<td>38.7</td>
<td>58.1</td>
<td>-</td>
<td>3.2</td>
<td>-</td>
<td>1.68</td>
<td>0.653</td>
</tr>
<tr>
<td>Economic down turn</td>
<td>58.1</td>
<td>41.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.42</td>
<td>0.502</td>
</tr>
<tr>
<td>General belief banks can sustain loss</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>77</td>
<td>29</td>
<td>4.29</td>
<td>0.461</td>
</tr>
<tr>
<td>Delay in prosecution of offenders</td>
<td>48.4</td>
<td>51.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.52</td>
<td>0.505</td>
</tr>
</tbody>
</table>

From the study it appears that moral bankruptcy contributes to fraud with a mean value of 1.68 and a SD of 0.653. These findings are similar to those of Akindele (2011). Statistics from the study suggests that economic down turn contributes to...
fraud. From the study, respondents indicated that the belief that banks can survive huge losses caused by fraudulent activities does not contribute to fraud. Delays in prosecutions encourage fraud in banks. Onuorah and Ebimobewei (2012) also came up with similar findings.

<table>
<thead>
<tr>
<th>INTERNAL BANK FRAUD CONTROL</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Indifferent</th>
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<th>Strongly Disagree</th>
<th>Mean</th>
<th>Standard Deviation</th>
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<tr>
<td>CONTROL ENVIRONMENT</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management style of the bank exhibits ethical and integrity values</td>
<td>45.2</td>
<td>54.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.55</td>
<td>0.506</td>
</tr>
<tr>
<td>There is a clear assignment of authority and responsibility</td>
<td>48.4</td>
<td>51.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.52</td>
<td>0.508</td>
</tr>
<tr>
<td>Employee policies encouraging hiring, firing, training and controlling in fraud</td>
<td>35.5</td>
<td>29.0</td>
<td>-</td>
<td>22.6</td>
<td>12.9</td>
<td>2.48</td>
<td>1.503</td>
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<td>RISK ASSESSMENT</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Existence of integrated procedure for evaluation of fraud</td>
<td>38.7</td>
<td>32.3</td>
<td>-</td>
<td>16.1</td>
<td>12.9</td>
<td>2.32</td>
<td>1.469</td>
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<tr>
<td>Existence of procedures to estimate likelihood of fraud</td>
<td>51.6</td>
<td>48.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.42</td>
<td>0.502</td>
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<tr>
<td>CONTROL ACTIVITIES</td>
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<td></td>
<td></td>
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<td>Proper authorization</td>
<td>61.3</td>
<td>38.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.39</td>
<td>0.495</td>
</tr>
<tr>
<td>Segregation of duties</td>
<td>64.5</td>
<td>35.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.35</td>
<td>0.486</td>
</tr>
<tr>
<td>Adequate documentation of transactions</td>
<td>58.4</td>
<td>41.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.45</td>
<td>0.506</td>
</tr>
<tr>
<td>Physical control of assets and records</td>
<td>58.4</td>
<td>45.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.45</td>
<td>0.506</td>
</tr>
<tr>
<td>Independent internal checks</td>
<td>48.4</td>
<td>35.5</td>
<td>-</td>
<td>9.7</td>
<td>6.5</td>
<td>1.90</td>
<td>1.221</td>
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<td>INFORMATION AND CONTROL</td>
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<td></td>
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<tr>
<td>Information and control records all</td>
<td>48.4</td>
<td>32.3</td>
<td>-</td>
<td>9.7</td>
<td>9.7</td>
<td>2.0</td>
<td>1.3242</td>
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<tr>
<td>Bank information and communication classify transactions with proper value</td>
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<td>-</td>
<td>16.1</td>
<td>9.7</td>
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<td>1.416</td>
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<tr>
<td>System traces all transactions</td>
<td>58.1</td>
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<td>12.9</td>
<td>2.23</td>
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<td>Employee supervision</td>
<td>51.6</td>
<td>48.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.48</td>
<td>0.508</td>
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<tr>
<td>Accounting and responsibility</td>
<td>48.4</td>
<td>38.7</td>
<td>-</td>
<td>9.7</td>
<td>3.2</td>
<td>1.81</td>
<td>1.078</td>
</tr>
<tr>
<td>Regular internal audits by the bank</td>
<td>58.1</td>
<td>29.0</td>
<td>-</td>
<td>6.5</td>
<td>6.5</td>
<td>1.74</td>
<td>1.182</td>
</tr>
</tbody>
</table>
From the findings of the study, most respondents agreed with Higgins (2012) on ethics, integrity and on authorization and responsibility. However, the respondents did not attach much significant to other factors such as hiring, training and firing of employees as having an impact on fraud commission.

Risk assessment was thought to be crucially linked with curbing fraud. This was similar to the findings of Mc Namee (1999). Respondents did not however attach much significant on the system being able to capture all transactions as a fraud causing factor.

**SUMMARY OF MAJOR FINDINGS**

Causes of fraud in commercial banks in Zimbabwe can broadly speaking be classified into two categories which are in the internal and external categories with the internal causes being within the control of the bank whilst external causes are environmental which the bank has no control over.

Computer fraud, wire fraud, accounting fraud, theft and embezzlement, defalcation, forgeries and manipulation of vouchers were prevalent in banks, whilst forged/fraudulent cheques and rogue traders were on the decline in the Zimbabwe commercial bank sector.

Banks that have effective internal controls and a well defined fraud management policy are less susceptible to fraud.

An effective recruitment, training and sound staff development policy together with adequate staffing and job rotation were seen as possible remedies in reducing fraud in commercial banks in Zimbabwe.

**RECOMMENDATIONS**

Commercial banks in Zimbabwe should do a thorough background check of both bank employees and prospective clients to screen against those with criminalist tendencies.

The criminal justice system in Zimbabwe should expedite the finalization of all fraud cases and deterrent sentences coupled with restitution must be imposed on those convicted of fraud so as to discourage would be perpetrators of this crime.

All commercial banks must formulate an anti fraud policy which must be communicated to all employees from the top management to the shopfloor so that all the employees acknowledge its presents and also support it. In this regard the use of whistle blowers should be promoted, protected and rewarded.

Bank employees should be up to date with new technology such that they do not become victims of technologically related fraud.

**REFERENCES**


The Institute of Internal Auditors, the American Institute of Certified Public Accountants and Association of Certified Fraud Examiners (2007). Managing the Business Risk of Fraud: A Practical Guide.


