THE EFFECTIVENESS OF ANTI-FRAUD MEASURES IN CURBING FRAUD IN THE RETAIL SECTOR. A CASE OF HARARE CENTRAL BUSINESS DISTRICT.

BY

NOMSA NYASHA MUWODZERI

(B1542866)

A DESSERTATION SUBMITTED IN PARTIAL FULLFIMENT OF THE REQUIREMENTS FOR THE BACHELOR OF COMMERCE HONOURS DEGREE IN FINANCIAL INTELLIGENCE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION, FACULTY OF COMMERCE.

February 2019
Release Form

Name of Author: B1542866


Programme: Bachelor of Commerce (Honours) Degree in Financial Intelligence

Year this degree was granted: 2019

Permission is hereby granted to Bindura University of Science Education Library to produce single copies of this dissertation and to lend or sell such copies for private, scholarly or research purposes. Only the author reserves other publications rights; neither the dissertation nor extensive extracts from it may be printed or otherwise reproduced without the author’s written permission.

Signed

Permanenat Address 718 Kotwa Growth Point, Mudzi

Date ........../......./....
Approval Form

Title: The effectiveness of anti-fraud measures in curbing fraud in the retail sector. A case study of Harare Central Business District.

To be completed by student

I certify that this dissertation meets the preparation guidelines as presented in the faculty guide and instructions for typing dissertations.

.............................................  ....../........../......

(Signature of student)                                                 (Date)

To be completed by Supervisor

This dissertation is suitable for submission to the Faculty.

This dissertation should be checked for conformity with the faculty guidelines.

.............................................  ....../........../......

(Signature of Supervisor) I. Mugari  (Date)

To be completed by department chairperson

I certify to the best of my knowledge that the required procedures have been followed and the preparation criteria have been met for this dissertation.

.............................................  ....../........../......

(Signature of Chairperson)  (Date)
Dedication

I dedicate this work to my parents and the whole of Muwodzeri family
Abstract

The problem of fraud has caused many setbacks in the retail sector leading to bankruptcy and closure of many retail outlets. Due to this, the public have lost faith in the retail sector and in many cases doubting their sincerity. The study was aimed at assessing the effectiveness of anti-fraud measures put in place to curb fraud in retail sector in Harare CBD. The research objectives were to identify the nature and types of retail fraud, to identify the anti-fraud measures in the retail, to assess the effectiveness of the anti-fraud measures and to recommend improvements to the anti-fraud measures available. The researcher used the descriptive survey research design with a sample size of 39 respondents which included, 27 questionnaire respondents and 12 interviewees. Data was collected in retail shops operating in Harare CBD through the use of questionnaire and interviews. Stratified random sampling and judgemental sampling techniques were used. The selected retail shops were selected from supermarkets, clothing and footwear and furniture shops. Data was presented using tables, pie charts and bar graphs. The research findings indicated that embezzlement and mobile payment fraud are the most prominent types of fraud affecting the retail sector. The researcher found out that most retail have anti-fraud measures in place, with authorization and documentation topping the list. The anti-fraud measures proved to be effective to a certain degree, however, the need to improve these anti-fraud measures is still necessary. The researcher concluded that the retail sector is plagued by fraud despite, anti-fraud measures being available. The researcher recommended that, the management and all stakeholders should play an active role in the implementation and monitoring of the fraud risk management policies and also recommended the government to actively engage the retail sector and stiffen penalties with regards to committing retail fraud.
Acknowledgements

I would like to thank Dr Mugari my supervisor for his constant support, encouragement and guidance. Furthermore, I would like to thank my parents, Mr and Mrs Muwodzeri and my siblings for their continued support, love and care. I would like to thank my colleagues for their continued support and assistance. Finally, I thank the Almighty God for the gift of life.
CONTENTS

Release Form ....................................................................................................................... i

Approval Form.................................................................................................................... ii

Dedication ............................................................................................................................ iii

Abstract ................................................................................................................................. iv

Acknowledgements ............................................................................................................. v

List of Tables ........................................................................................................................ x

Appendices ........................................................................................................................... xii

CHAPTER I ............................................................................................................................. 1

THE PROBLEM AND ITS SETTING................................................................................... 1

1.0 Introduction ..................................................................................................................... 1

1.1 Background of the study ............................................................................................... 1

1.2 Statement of the problem .............................................................................................. 4

1.3 Research Objectives ...................................................................................................... 4

1.4 Research Questions ........................................................................................................ 5

1.5 Significance of the study ............................................................................................... 5

1.6 Assumptions ................................................................................................................... 6

1.7 Delimitations .................................................................................................................. 6

1.8 Limitations ...................................................................................................................... 6

1.9 Structure of the project ................................................................................................. 7

1.10 Chapter summary ......................................................................................................... 8

CHAPTER II .......................................................................................................................... 9

LITERATURE REVIEW ....................................................................................................... 9

2.0 Introduction ..................................................................................................................... 9

2.1 Conceptual framework ................................................................................................. 9
# Table of Contents

1.0 Introduction ............................................................................................................. 3

2.0 The Retail Sector .................................................................................................. 5

2.1 Nature of retail sector fraud .................................................................................... 7

2.2 Theoretical framework ......................................................................................... 10

2.3 Empirical Evidence .............................................................................................. 14

2.4 Gap Analysis/ Justification of the study ................................................................. 17

2.5 Chapter Summary ................................................................................................. 18

3.0 RESEARCH METHODOLOGY ....................................................................... 20

3.1 Research Design ................................................................................................. 20

3.2 Data Collection ..................................................................................................... 23

3.4 Data Analysis ........................................................................................................ 25

3.5 Conclusion ............................................................................................................ 30

4.0 Appendix ............................................................................................................... 31

References ................................................................................................................... 32

Acknowledgements ...................................................................................................... 33

Annexures ..................................................................................................................... 34
3.2 Target Population ................................................................. 35
3.3 Sampling Techniques ............................................................ 35
3.3.1 Stratified Random Sampling ............................................. 36
3.3.2 Judgemental sampling ..................................................... 36
3.4 Sample Size ........................................................................ 37
3.5 Research Instruments ........................................................... 37
3.5.1 Questionnaire .................................................................. 38
3.5.2 Interviews ........................................................................ 39
3.6 Validity and reliability of data collection instruments .............. 40
3.7 Data Collection Procedures .................................................. 40
3.8 Data presentation, analysis and interpretation ......................... 41
3.9 Ethical Considerations ........................................................... 41
3.10 Chapter Summary ................................................................. 41

CHAPTER IV ................................................................................. 43

DATA PRESENTATION, ANALYSIS AND DISCUSSION .................. 43

4.0 Introduction .......................................................................... 43
4.1 Response rate ....................................................................... 43
4.1.1 Questionnaire response rate ............................................ 43
4.1.2 Interview Response rate .................................................... 44
4.2 Demographic characteristics of respondents ......................... 44
4.2.1 Gender ............................................................................ 45
4.2.2 Age of respondents .......................................................... 46
4.2.3 Period of employment ....................................................... 46
4.2.4 Nature of business ............................................................ 46
**List of Tables**

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 3.1: Sample size</td>
<td>36</td>
</tr>
<tr>
<td>Table 4.1: Questionnaire response rate</td>
<td>43</td>
</tr>
<tr>
<td>Table 4.2: Interview response rate</td>
<td>44</td>
</tr>
<tr>
<td>Table 4.3: Demographic characteristics of respondents</td>
<td>45</td>
</tr>
<tr>
<td>Table 4.4: Frequency of types of fraud</td>
<td>47</td>
</tr>
<tr>
<td>Table 4.5: Frequency of available anti-fraud measures</td>
<td>50</td>
</tr>
</tbody>
</table>
List of figures

Figure......................................................................................................................Page

Figure 4.1: Level of satisfaction...........................................................................56

Figure 4.2: Level of effectiveness.........................................................................57
Appendices

Appendix 1: Research Assistance Letter and Questionnaire .............................................. 71
Appendix 2: Interview Guide ................................................................................................. 76
CHAPTER I

THE PROBLEM AND ITS SETTING

1.0 Introduction

Fraud is one the major threats to the world’s economy. Major fraud scandals such as the WorldCom scandal, Enron scandal and the Tyco scandal have made significant history on the effects of fraud and how it impacts growth of industries. With the increase in the use of technology, it has become easier for fraudsters to get away with crime. However, this same technology has proven to be a tool to combat fraud. This chapter presents the background of the study, statement of the problem. The chapter also focuses on the research objectives, the research questions and the significance of the study. It goes on to examine the assumptions to the study, delimitations, the limitations, definition of terms, structure of the study and finally the chapter summary.

1.1 Background of the study

Fraud is a wrongful act or a criminal deception intended to result in a financial or personal gain. According to the Legal Dictionary, “fraud takes place when a person deliberately practices deception in order to gain something unlawfully and unfairly.” Fraud has led to the collapsing of many corporates in the world. Corporate scandals such as the Enron scandal, WorldCom scandal and the recent Steinhoff Saga have drawn significant attention to the occurrence of fraud.

The retail sector has not been sparred by the incidents of fraud. According to the Forensic Outlook, fraud in the retail and consumer production has been happening due to various reasons ranging from reluctance to changes from traditional approach
towards business having control being overridden. This has increased fraud prevalence over the years. Deloitte Forensic Report (2014), argued that the consumer product is among the fastest growing business in India, growing at a Compound Annual Growth Rate (CAGR) of 14% and at the time of the report was expected to be worth 12.5 billion in 2015. This prompted a change in how consumer product companies operate. For instance their customer product life style significantly shortened with customers expecting new variants every six months. This has altered marketing and sales processes and success. Small and medium enterprises are now battling large established companies for a pie in the consumer market and sell their products, promoting competition. The Deloitte Forensic Report (2014) went on to argue that such changes in business models and consumer preferences exposes consumer products and retail companies to fraud.

A survey done by the Corporate Catalysts India Pvt Ltd (2014), stated that, the pressure to report consistent sales results amidst intense competition, and the need to comply with regulatory requirements can push companies towards adopting dishonourable business practices to survive in the market. Fraud can be a pressing challenge for retail industry, with the potential to impact finances, erode customers trust and degrade branch value. The retail sector tends to have several third party touch points, such as suppliers, transporters, third party manufacturers or subcontractors, packers, stocklist, distributors or other third party service providers, that can significantly increase the risk of collusive fraud that are difficult to detect. Deloitte India Fraud Survey (2014) stated that 54% of survey respondents belonging to the consumer product sector indicated that they had frequently experienced theft/diversion of goods, bribery and corruption over the previous two years.

The Office of National Statistics (ONS) (2018) crime report of England and Wales statistics indicated that consumer and retail fraud are on the rise. It showed that there has been a significant increase in consumer and retail fraud by 27% from the previous year-which include fraudulent sales, ticketing fraud and more sophisticated fraud types
are also emerging. Whilst the data indicates that the financial services in England and Wales industries have been effective in reducing fraud in certain areas. The inclusion of new data Authorised Push Payments Fraud where victims are tricked into sending money directly from their accounts to one the fraudsters control, highlights the level of the multifaceted problem.

The (ONS) (2018) report of crime in England and Wales bulletin stated that, people spend more time and money online, which correlates with an increase in fraudulent activities. It stated that half of the fraud reported in the year 2017 is thought to be cyber enabled, but unfortunately, some organisations appear not to have adequate controls to minimise fraud threats. Whilst businesses are progressing their systems to make them more streamlined, updating their software’s and educating the customers on online shopping and transaction, they fail to realise that, they are also making things easier for the online fraudsters. In this senses, the ONS (2018) report argued that business need to be doing all they can to protect customers, and themselves by implementing a layered fraud prevention approach that comprises both technology and human based solutions.

It has been shown that developed countries face many incidents of retail fraud and try by all means to improve anti-fraud measures. Hence there is need to evaluate the effectiveness of these measures in the Zimbabwean retail sector specifically researching on Harare CBD. It is very important to embark on this study as it brings out the level at which fraud measures in the retail sector are effective. It enables, the retailers to look at another dimension to fight fraud. And since Zimbabwe is moving from cash to plastic money, it is a very wise step to improve from the traditional anti-fraud measures to an updated series of fraud measures that progresses along with time and technology.
1.2 Statement of the problem

The problem of fraud has caused many setbacks in the retail sector leading to bankruptcy and closure of many retail outlets. Due to this, the public have lost faith in the retail sector and in many cases doubting their sincerity. The Zimbabwean economy is losing millions of dollars each year due to fraudulent activities. The Zimbabwean retail sector has been plagued by a lot of fraud.

In 2007 a man was convicted of fraud after he embezzled various amounts of money meant for depositing at the bank. The man an employee of Plate Glass was sentenced to three and half years which were then suspended if managed to pay a restitution to his employer (Judgement No. HB26/07). Whilst in another case, a man was arrested for embezzlement and defrauding his employer Extreem Titivate Shops and the High Court judge lifted his sentencing stating that he has to pay back the employer US $ 26400. Whilst in another recent case, according to the Herald report of 31 January 2019, a Chitungwiza man was arrested for hacking and defrauding OK Zimbabwe seventy thousand dollars. This then shows that fraud indeed has been seriously affecting the retail sector for a long time.

1.3 Research Objectives

The research was guided by the following research objectives

i. To identify the nature of retail fraud in Harare CBD Retail Sector
ii. To identify anti-fraud measures that are available in Harare CBD Retail Sector
iii. To assess the effectiveness of anti-fraud measures in Harare CBD Retail Sector
iv. To recommend improvements to anti-fraud measures available in Harare CBD Retail Sector.
1.4 Research Questions

The research was guided by the following research questions

i. Which fraudulent activities occur in the retails in Harare CBD?

ii. What are the available anti-fraud measures in the retail sector in Harare CBD?

iii. How effective is anti-fraud measures in combating fraud in retail sector in Harare CBD?

iv. What are the recommendations for the improvement of anti-fraud measures in the retails sector?

1.5 Significance of the study

This study aimed at educating, advising and enriching the Zimbabwe Retail Industry, government, institution Bindura University of Science Education (BUSE), and the researcher on causes and effective management of retail fraud.

To the retail industry the study is instrumental in revealing the types of retail fraud and measure to curb retail fraud in time to make appropriate strategies that can be implemented to effectively curb fraud in the Zimbabwean retail sector.

To the government of Zimbabwe, the study clearly outlines areas which the government can reinforce their support and supervision to effectively curtail fraud in the retail sector.

To the institution, Bindura University of Science Education (BUSE), the institution can use the research as a source of literature review for future references and research. It can also be part of the reading material at the institution library for other scholars.
To the researcher, the study had a positive impact as it increased and sharpened the researchers’ knowledge on fraud and particular skills on how to do a research. The researcher also managed to have an in-depth insight into what clearly motivate people to commit crime and the measures that are put in place to stop it.

1.6 Assumptions

The study was based on the following assumptions:

i. The review of literature would provide detailed insight into the study.

ii. The respondents would respond positively to the interviews.

iii. The respondents would provide correct and unbiased information.

iv. Fraud is occurring in the retail sector.

1.7 Delimitations

The study focused on the effectiveness of anti-fraud measures in curbing retail fraud. Its main focus was on the anti-fraud measures put in the retail shops and how effective they are in curbing fraud. The study overlooked other problems that arise in retail other than fraud. The research answered the question of how effective anti-fraud measures in retail sector are. It went on to consider the recommendations made regarding improvement of anti-fraud measures. The sources of data used were secondary and primary data. Primary data was obtained from questionnaire distributed and interviews held whilst, secondary data was obtained from journals, online and offline articles and textbooks. The study was done from January 2018 to December 2018.

1.8 Limitations

The study faced various limitations which included, information being regarded as private and confidential. The researcher had to depend on the reports that the
organisations were willing to avail and secondary data of newspaper articles and reports. Some respondents were difficult to get hold of since they were always busy hence the researcher had to practice patience until some agreed to finally be interviewed. The research was limited by financial support hence the researcher had to use a limited budget for the project.

1.9 Structure of the project

Chapter 1 covered the introduction to the research, background to the study, the research objectives and its questions. It also tackled significance to the study, assumptions, the delimitations, the limitations and finally the chapter summary.

Chapter 2 focused on the review of literature surrounding the research. The chapter has four important parts that is the conceptual work explaining key concepts regarding retail fraud. Theoretical framework tackled the theories surrounding the study. It looked at the empirical evidence which unveiled previous studies done in relation to fraud. Finally it covered the gap analysis reinforcing the significance of the current study.

Chapter 3 concentrated on the research methodology. This research methodology covered the research design, the study population, sample population and sampling techniques. It also tackled on data collection procedures and data presentation and analysis.

Chapter 4 focused on presenting the data that was collected. The data was scanned and sifted, organised and finally summarised. In this chapter data was also presented using tables, text and figures. Finally, the data was interpreted in relation to theory and review of literature.

Chapter five summarised that data collected. It went on to make conclusion in relation to questions raised in chapter 1 and recommendations were made.
1.10 Chapter summary

This chapter provided the problem and its setting. In order to do so, the chapter focused on the background of the study, statement of problem, and the research objectives as well as the research questions. Lastly, the chapter stress on the significance of the study and assumptions as well as the delimitations and limitations to the study. The next chapter shall focus on the review of literature in order to spell out the research gap.
CHAPTER II

LITERATURE REVIEW

2.0 Introduction

This chapter focused with review of literature. According to Alfred literature review is a simple discussion and summary of published information in a particular subject area. The researcher was guided by research objectives and research questions to review and interrogate the literature review in order to identify the knowledge gap from previous research studies. This was done in the attempt to address and position the study in the context of previous researches.

2.1 Conceptual framework

Conceptual framework looks at key concept regarding fraud and fraud measures in the retail sector.

2.1.1 Fraud Explained

According to Coenen (2011). Fraud is an intentionally false representation about a material point, which causes a victim to suffer harm. Accordingly when someone purposefully lies about an important fact and someone else loses money because of the lies, a fraud has been committed, Wells (2015) agrees with this stating that, fraud encompasses any crime for gain that uses deception as its modus operandi.
Coenen (2011) stated that there are five legal elements that constitute fraud and these include; intention, false, representation, material point and victim suffering harm. Coenen (2011) further stated that intention is not always easy to prove, since one of the first defence that arises in fraud cases is that the perpetrator simply made a mistake or error and that there was no intent to defraud. Thus fraud investigators, therefore look for evidence of intent to defraud in the documents and actions of the accused. Manipulation of documents and evidence always prove the intent to defraud, since innocent parties do not normally alter documents, conceal or destroy evidence.

Wells (2012) argued on a slight different angle, noting that under common law, four general elements must be present for fraud to exist. The four general elements are a material false statement, knowledge that the statement was false when it was uttered, the reliance on the false statement by the victim and resulting in a damage. Essentially there must be two parties to fraud namely the fraudster and the party who has been defrauded (victim). The fraudster must make or facilitate false representation either knowingly or unknowingly. Stamler et.al (2015) further argued that there must be intent by the fraudster that the false representation be acted upon by the victim. Stamler et.al (2015) further stressed that, the victim must have the legal right to rely on the representation and that there must be either actual injury or risk of injury to the victim as a result of the reliance.

In summary fraud is an intentional false representation about a material point causing harm to the victim. Stamler et.al (2015) stated that, “fraud is characterized by acts of deceit, trickery, concealment, or breach of confidence knowingly or unknowingly to gain some unfair or dishonest advantage.” There are various elements that have to be present for fraud to exist. These include intention to defraud, a material false statement, knowledge of false statement, victim relying on the false statement and damages as a result (Wells 2012).
2.1.2 Nature of retail sector fraud

Every day, acts of retail fraud are committed at retail locations across the country, and while it may seem like something small that will not break the bank, in actually fact it is a very serious matter. Boehmer (2016), stated that each year, billions of stolen dollar’s fall into the hands of criminals instead of retailers who need the money for upgrading business operations, human capital and promotions. The Loss Prevention Media state that, retail fraud is classified as theft that occurs through deception. Commonly understood as dishonesty calculated for, it is the deliberate misrepresentation of facts for the purpose of depriving retail organisations of possessions, rights or other articles of value whether by word or by conduct. The Loss Prevention Media argue that any omission or concealment that is injurious or that allows a person to take unconscionable advantage of a retail company constitute of retail fraud. Boehmer (2016) states that, retail fraud come in various angles, from return fraud, electronic card fraud to embezzlement of funds. The researcher looked into the types of retail fraud in detail below.

2.1.2.1 Electronic card fraud

According to Coenen (2011), fraud is an intentional false representation about a material point, which causes a victim to suffer harm. Accordingly, retail electronic payment card fraud entails any attempt by criminals to “achieve financial gain at the expense of legitimate customer of financial institution through channels, using credit cards, debit cards, via ATM’s, online banking or checks (Sudjianto 2010). According to Sudjianto (2010), card fraud can be in two forms, one is the theft of the physical card and the second one is the compromising of data associated with the account including card account number. This happens without the knowledge of the card holder, the merchant or issuer at least until the account is used for fraud.

Wendels (2009) argued that, electronic card fraud is also common where fraudster claim a false identity or illicitly gain access to one’s account. Pirrus (2007) states that
identity theft is transferring or possessing or using others identity with the intent to perpetrate any unlawful activity. This has shown to be serious offence on the rise in Zimbabwe (Newsday, 18 October 2018). According to Rebecca (2007), identity theft can be divided into two categories that is application fraud which is whereby a fraudster uses false documents, stolen documents or counterfeit documents to open and run an account. The second one is the account take-over whereby, the fraudster takes over an account through illegal means after gathering information regarding the person and all details regarding the account. This can be done through use of bogus emails, then contact the issuer pretending to be real owner.

2.1.2.2 Procurement Fraud

According to Coenen (2011), procurement fraud is a subject of bribery and corruption schemes. It is essentially the manipulation of the process of obtaining a contract for the offering goods and services. Coenen (2011) further stressed that, the manipulation is generally aimed at gaining an advantage is the bidding or proposal process, and the bad acts can range from unfair use of insider information to the use of nefarious means to influence the process. Stamler et.al (2015) defines procurement fraud as the use of deceit and manipulation to gain or acquire goods and services from a supplier and with the supplier’s knowledge. This could include employee or managers owing and controlling the supplier or company.

Procurement fraud is difficult to detect Coenen (2011) argues that, this is partly because companies are reluctant to admit that employees have been violating their fiduciary duties to the employer and partly because so much of the manoeuvring happens outside the company system of policies and procedures and record keeping. Stamler (2015), also agrees that procurement fraud is difficult to detect, stating that the depth of employee involvement is what makes the case so different and complex. He further argued that, in many cases employees or management have solicited or accepted personal benefits or could have financial interest in the ownership of the contractor’s organisation and this is witnessed in many retail shops procuring certain products from
family and friends. Hence, all these kinds of insider relationships can be extremely difficult to detect.

Procurement fraud according to Coenen (2011), can be broken down into three broad categories. The categories include collusion between employees and vendors, vendor fraud against the company and collusion amongst multiple supplier or vendor. Collusion between employee and vendor include the use of kickbacks, bid rigging, gifts and other enticement. Vendor fraud against the company is whereby the vendor or supplier may commit fraud against the retail shop by substituting goods with those of inferior quality, overcharging or engaging in false billing scheme. Coenen (2011), further argued that there is also collusion amongst multiple suppliers or vendors. The suppliers may collude to artificially inflate their prices of goods in bids or proposal or to help another receive certain contracts based on agreements between them.

2.1.2.3 Embezzlement

According to the Federal Bureau Investigation (FBI) (2016), embezzlement is referred to as “the unlawful misappropriation or misapplication by an offender to his or her own use or purpose of money, property, or some other things of value entrusted to his or her care, custody or control.” The FBI (2016) argue that embezzlement is also, “the act of withholding assets for the purpose of conversion or theft of such assets, by one or more person to whom the assets were entrusted, either to be held or to be used for specific purposes.” Embezzlement is a financial fraud. It is a premeditated crime that is performed methodically, with precautions that conceal the criminal conversion of the property, which occurs without the knowledge or consent of the affected person. According to the National White Collar Crime Centre report of March (2016), embezzlement amount to 30-50% of all business failures. In this research, the researcher focused on the two forms of embezzlement that is, skimming and larceny.
Skimming

According to Wells (2012), skimming is whereby an employee intentionally steal money before it is recorded in the sales books. In this circumstances, funds have not have not yet been recorded meaning that the victim may not be aware of the scheme/cash received. It is an off-book fraud as it does not leave and have a direct audit trail. According to Wells (2012), it may be difficult to detect stolen cash hence prime advantage of skimming to the fraudsters.

Coenen (2011) argues that, skimming may involve unrecorded sales whereby an employee sells items and receive payment but records neither the sale nor the payment and personally keep the proceeds. She also argued that skimming may also involve theft of cash or cheques from customer’s payment with the dishonest employee taking them as they come into the company but before they can be recorded as received.

Wells (2012) stated that skimming can be characterised by unrecorded sales, understated sales and receivables, theft of cheques through the mail. Whilst Coenen (2011) argues that if theft is not concealed it can be characterised by missing inventory or customer’s complaint revealing the fraud. Schemes such as these are usually concealed by using some sort of write off or credit to force accounts to balance.

Another way used to conceal theft is through lapping. According to Wells (2012), lapping is whereby one account is credited money through the abstraction of money from another customers account. The employee steals a customer’s payment and applies later payments by another customer to make the first customers’ account balance. According to Ceonen (2012), this type of scheme can get complicated very quickly,
because each time the thief corrects one account, it leaves one or two accounts out of their actual balance and they must eventually be corrected.

Cash Larceny

According to Wells (2012), cash larceny is whereby an employee intentionally takes money from the employer without his knowledge, consent or will. Unlike skimming, larceny involves theft of money that has already been recorded on the victim’s company books. According to Coenen (2011), the customers will have received a receipt and the company will have the record in their possession when the cash is eventually stolen.

Cash larceny can be committed in several ways. One common way is through theft of bank deposit, whereby the employee takes funds out of the deposit before it goes to the bank (Coenen 2011). This type of fraud is more complicated since the record will have already been created.

2.1.2.4 Return Fraud

According to Petrucelli (2015), sales return fraud or scam is whereby returned goods are never sent back to inventory but instead sold by the fraudster. With fictitious sales, the goods are bought back to the organization. In the sales return scam, the fraudster never returns the goods back to inventory. Petrucelli (2015) stated that, since many merchandiser destroy return products assuming that the products can no longer be resold efficiently, and since they do not want to discount the goods which might deflate the brand name, the fraudster takes advantage of this and steal for resale.
2.1.2.5 Mobile Payment Fraud

Mobile payment according to Au and Koffman (2008; 141) is a “type of electronic payment transaction procedure in which at least the payer employs mobile communication techniques in conjunction with mobile device for the initiation, authorization, or realization of payment.” Raina (2014; 186), stated that mobile payment is the “transfer of funds in return for goods and services in which mobile device is functionally involved in executing and confirming payment.”

Mobile payment fraud is whereby criminals use stolen or fake identity documents to register mobile telephone lines and register mobile money transfer services such as Eco cash (Reserve Bank of Zimbabwe 2015). These criminals then go on to flight newspaper adverts, usually for jobs, goods and services to defraud people. Retailers are at risk of being conned by fraudster using the mobile payment platform. The use of malicious application to create and generate text message alerting the victim of a payment made whilst in actual fact it has not happened have been on the rise for quite some time in Zimbabwe. According to the Newsday Report of 30 May 2018, Zimbabwe Information and Communication Technologies, issued a warning of an increasing number of vendors and small to medium enterprises receiving fake messages of transactions on the mobile money accounts. It stated that Eco cash is the most affected.

2.1.3 Anti-fraud measures in the retail sector

Anti-fraud measures are procedures put in place to prevent fraud from taking place. According to Stamler et.al (2015), preventive control activities are aimed at deterring and hampering transactions through procedural requirements for day to day occurrences. These preventative measures include authorization, documentation, reconciliation, security and separation of duties.
2.1.3.1 Authorization

Authorization does not exclusively serve the purpose of fraud prevention. According to Stampler et.al (2015), proper authorization ensures that activities are carried out by individuals with adequate knowledge and range of control. Observing authorization protocol, however, not only protects from operational errors, but also hampers the completion of fraudulent transactions. Stampler et.al (2015), further argues that, setting an adequate authorization policies encompasses defining role, actions to be performed in such roles, and setting privileges. Authorization can be enforced in the retail sector in terms of return fraud and return policy. Its enforcement means a sales person does not rush to accept a return or refund without checking first in the system if it had been checked out from the inventory to avoid returning of stolen merchandise. And this can only be authorized by management.

2.1.3.2 Documentation

Documentation can be electronic or on paper stated Stampler et.al (2015). Documentation ensures accountability, it should allow the determination of the nature of the transactions, who performed it, who authorized it, and when the transaction was executed. According to Wells (2012), an essential part of developing control procedures is management communication to employees. Controlling whether an employee will not record a sale, understate a sale or steal incoming payments is extremely difficult, hence there is need for effective documentation to minimize fraud. Coenen (2011) also agrees with documentation stating that they should be available and should be thoroughly examined to prevent cash disbursement schemes. This can be effective if done regularly to detect attempted fraud and deter workers from even attempting to defraud the employer.

2.1.3.3 Reconciliation

Reconciliation involves comparison of transaction or transaction reports. According to Stampler et.al (2015), the purpose for reconciliation is to ensure accurateness, completeness, and validity of financial information. A reconciliation procedure should
also include a timely error correction process. Accordingly, reconciliation activities need to be documented as well. Wells (2012) argued that, independent reconciliation as well as internal verification of accounts will be performed on ledger accounts as part of general controls in retails. This is done every day when closing to avoid future problems.

2.1.3.4 Security

Security involves all steps to safeguard assets. According to Stamler et.al (2015), it can be physical that is security guards or electronic use of CCTV and administrative in nature. The need for strong security measures is of great importance. According to Chikomba (2014), shoplifting and break-ins are continuous problems hence most business reduce risk by increasing surveillance that is engaging store detectives use of CCTV and or reduce crime by improving the premises design. Coenen (2011) argues that, physical security can help prevent the possibility of asset misappropriation as well. Blank cheques and critical documentation must be secured. She further states supporting Chikomba (2014)’s argument that there should be security cameras in all critical areas to deter fraud.

2.1.3.5 Separation of duties

According to Wells (2012), appropriate segregation of duties and access control procedures regarding who makes ledger transactions should be effectively followed. According to Stamler et.al (2015), separation of duties ensures that nobody has sole control over the entirety of a transaction. Ideally, responsibility for any transaction should be divided into initiation, submission, processing, authorization and review. Stamler et.al (2015), further argued that, depending on the size of the retail shop, not all responsibilities can be separated in accordance with an ideal risk management scenario. Hence, in such cases, the level of risk associated with any specific type of transaction should lead to the best possible separation regimen.
In addition to the above, Coenen (2011) also supports segregation of duties stating that it is effective in preventing cash receipts and cash disbursement frauds such as payroll schemes. She further argued that it only takes one fraud for companies to realise the importance of segregation of duties and the relatively small amount of effort and cost involved as compared to the risk of fraud occurring. Coenen (2011) argued that most small companies and retails are reluctant to segregate duties as it is not always easy to divide task amongst employees. She further argued that, the heart of segregation of duties is separating the custodial, recording, authorization function within the organization. By separating these duties, it is less likely for customers’ payments to be stolen. It makes theft very clear and the risk of committing fraud will be too great to commit.

2.1.3.6 Assessing and monitoring controls

Assessing and monitoring of controls to address fraud risk is usually left out due to the complexity of supply chain and logistics. The COSO Framework (2013) argue that departments charged with the responsibility must identify risk indicators; that is red flags and other facts that indicate that there is possibility that fraud, corruption or misconduct is taking place. The framework went on to argue that fraud risk scenarios must be regularly updated and corresponding controls modified to remain abreast with the changing business environment. According to Stamler et.al (2015), monitoring a fraud risk management process has two benefits. It provides periodic evaluation of antifraud controls as well as independent evaluations of the fraud risk management program by internal audit functions. While assessing controls and fraud risk, it must be considered to maximise information technology as a prevention and detection tool, including existing information system, third party software and custom design software is needed.

2.1.3.7 Incident response and remediation

Another anti-fraud measure is the incident response and remediation. According to the Forensic Focus (2013), retails must implement a standardised plan and process for
tracking, reporting and responding to allegations of misconduct. Where appropriate, the investigative process should allow for an investigation that is conducted independent of management. Audit committee and external auditors should be advised of deficiencies in internal controls and any fraud involving management and any other employees who plays significant roles in the company’s internal controls. Stamler et.al (2015) argues that, a fraud risk management policy should be clear about corrective actions and remedies as a result of a finding of fraudulent action. Stamler et.al (2015) states that, remedies can be in form of loss of privileges, suspension, demotion and termination. Once this is in place it becomes too risky and expensive to commit fraud in the retail sectors.

2.1.3.8 Supplier background checks

According to John et.al (2003), is of great importance in preventing and detecting retail fraud. John et.al (2003) argued that, performing background checks and integrity due diligence can ensures that the manufacturer are of reputable standing as well as highlighting the manufacturers interest, associates, related parties and possible conflicts of interest. John et.al (2003) further argues that, checking on financial stability of each supplier is very important, it should include supplier’s financial records whether the supplier is financially stable and if they have the capacity is very crucial. This process is very important for retailers to avoid untrustworthy suppliers who may try to influence decisions through the use of bribes and kickbacks. Stalmer et.al (2015) argues in support of John et.al (2003), that due diligence needs to be exercised when an organization develops new sales partners, consultants, suppliers and joint venture partners. The goal is to ensure that such new relationships are entered into with organization of integrity that follow principles compatible with the evaluating organizations in this case the retail shop.
2.2 Theoretical framework

Under theoretical framework the research covered on theories surrounding retail fraud. The theories dwelled on were the Fraud Triangle Theory and the Fraud Diamond Theory.

2.2.1 Fraud Triangle Theory

Fraud Triangle Theory was propounded by a criminologist Donald Cressey in the year 1973. D Cressey (1973), opined that “trusted person become violators when they conceive of themselves as having a financial problem which is non-sharable, are aware that this problem can be secretly resolved by violation of the position of financial trust they hold and are able to apply to their own conduct in that situation enabling them to adjust their concepts of themselves as users of the entrusted funds.” According to Abdullahi and Mansor (2015), Donald Cressey explained fraud triangle theory in its three main elements. The three elements include pressure, opportunity and rationalization.

Perceived Pressure / Incentive/ Motive

Perceived pressure refers to the factors that lead to unethical behaviour. According to Abdullahi and Mansor (2015), every fraud perpetrator faces some form of pressure to commit unethical behaviour. The pressure is either financial or non-financial. Albrecht et.al (2006) in Abdullahi and Mansor (2015) pointed out that since pressure to commit fraud may not be real, it is very important to use the word perceived. Financial pressure is recognized as the most common factor that leads one to commit fraud. In retails the need to retain very high profits is what causes vendor fraud and collusion in procurement. Albrecht et.al (2006) in Abdullahi and Mansor (2015) argued that, about 95% of all fraud cases have been perpetrated due to the fraudster’s financial pressure. Lister (2006) states that pressure is a significant factor that leads one to commit fraud. Lister (2006) came up with three types of pressure, these are personal, employment stress and external...
pressure. In the retail sector, kickbacks and bribes offered by suppliers may pressurise the employee to engage in fraud so as to please the supplier. Vona (2008), further examines personal and corporate forces as motivation and proxies to committing fraud. Greed, living beyond ones’ means, large amount of expenses or personal debt and family financial or health problems are some of the pressures to commit fraud.

Lister (2007; 63) in Abdullahi and Mansor (2015) defined the pressure to commit fraud as “the source of the heat for the fire.” This implies that having this pressure does not necessarily become a reason for one to commit fraud. Rae and Subramanian (2008) argues that pressure relates employee’s motivation to commit fraud because of personal financial pressure and greed. Chen and Elder (2007) in Abdullahi and Mansor (2015), recognized six basic categories for pressure as a transgression obligation, personal problems, corporate invasion, position, achievement and relationship between employees. According to Albrecht et.al (2008) in Abdullahi and Masnor (2015) pressure can be in four groups that is, economic, vice, job related, and any other pressure all of which are applicable to the retail sector.

Singleton et.al (2006) argue that pressure or incentive or motivation refers to something that has happened in the fraudsters’ personal life that creates a stressful need for funds and that, pushes the person to steal. However, this financial strain could also be symptoms of other types of pressure. According to Kenyon and Tilton (2006), management or any other employee may find themselves offered incentives or placed under pressure to commit fraud. In retail procurement, officers may be faced with a large amount of bribes that they cannot refuse and end up committing fraud.

**Perceived Opportunity**

Perceived opportunity is the second element of the fraud triangle theory. According to Kelly and Hartley (2010), opportunity is created by ineffective control system that
allows individuals to commit organizational fraud. In the retail sector, they may have limited employees and according to Coenen (2011), they might not see the need to segregate duties due to the number of employees being limited. This is a weak control and it gives one an opportunity to commit fraud. The opportunity does not have to be real but the fraudster has to believe it is there so as to fully perpetrate fraud. According to Cressey (1953) in Abdullahi and Mansor (2015), in most cases, the lower the risk of getting caught the more likely fraud is going to take place.

According to Rae and Subramanian (2008) in Rasha and Andrew (2012), opportunity refers to a weakness in the control system where the employee has the power or ability to exploit the situation, making fraud possible. Hooper et.al in Abdullahi and Mansor (2015) states that, even where pressure is extreme, fraud cannot occur unless there is an opportunity present. Abdullahi and Mansor (2015) argue that, even if a person has a motive, he cannot commit fraud if there is no possibility created hence opportunity works hand in hand with pressure or motive. According to Kenyon and Tilton (2006), the absence or ineffective controls, lack of supervision at the workplace and inadequate segregation of duties may provide opportunities to commit fraud. A research carried out by the Associated Certified Fraud Examiners in (2004), Report To The Nation (RTTN) showed that those employees and managers who have been around work and commit fraud tend to have long tenure with the organization. This is because they know all the loopholes in the system and exploit these opportunity for a long time without any detection.

**Rationalization**

The third element of the Fraud Triangle Theory is rationalization. According to Rae and Subramanian (2008) rationalization is the justification of fraudulent behaviour because of an employee’s lack of personal integrity or other moral reasoning. Rationalization concept suggest that the perpetrator should have a justification before engaging in the unethical behaviour. Thus it is suggested that if the individual fails to come up with a
justification, they are likely not to commit fraud. Rationalization of fraudulent behaviour include “I was entitled to the money” especially for those not getting their monthly salaries in the retail sector, “I was only borrowing the money”, “I, had to steal to provide for my family” (Cressey (1953) in Abdullahi and Mansor (2015). Hooper and Pornelli (2010) argue that, individuals who commit fraud possess a certain mindset that allows them to justify or excuse their fraudulent actions.

### 2.2.2 Fraud Diamond Theory

Fraud Diamond Theory was propounded by Wolfe and Hemarson in the CPA Journal in (2004). According to Abdullahi and Mansor (2015), fraud diamond theory is viewed as an improved version of the fraud triangle theory. Wolfe and Hermason (2004) argued that, although perceived pressure might coexist with an opportunity and rationalization, it is unlikely for fraud not to have a fourth element for it to take place. The fourth element is capability meaning the perpetrator must have skills and the ability to commit fraud. Wolfe and Hermason (2004) argued that, opportunity opens the door way to fraud and incentive and rationalization leads a person towards the door. However, capability enables the person to recognize the open door way as an opportunity and take advantage of it.

### Capability

According to Abdullahi and Mansor (2015) this is the situation of having necessary traits or skills and abilities for a person to commit fraud. It is where the fraudster recognized a particular fraud opportunity and ability to turn into a reality. Wolfe and Hermanson (2004) noted that, position, intelligence, ego, coercion, deceit and stress are the supporting elements of capability. Mackevicius and Girinas (2013) argued that, not every person who possess motivation, opportunities, realization may commit fraud due to lack of the capability to carry it out or cancel it.
Albrecht, Williams and Wernz (1995) in Abdullahi and Mansor (2015) argue that, capability is of particular importance when it concerns a large scale long term fraud. Albrecht et.al (1995) in Abdullahi and Mansor (2015) assert that, only the person who has an extremely high capacity will be able to understand the existing internal controls, to identify its weakness and use them in planning and implementing fraud. This is more common with management in the retail sector, the knowledge that stock take happens once a month might be a loophole that they can use to spend some funds or stock and return in before stock-take takes place. Wilson (2004), discloses that rationalization and capability are all interrelated, and the strength of each element influence the others.

**Position/ Function**

According to Abdullahi and Mansor (2015), the initial factor that enablesthe fraudster to have the capability to commit fraud in the function or position they hold in the organization. In retail sector, a cashier is likely to commit skimming; the manager is at high risk of committing larceny; whilst the procurement officers or manager may commit procurement fraud by receiving kickbacks and even return fraud. Wolfe and Hermanson (2004) state that, position and role owned by the employee may perfect his way to breach the organization trust.

**Intelligence / Creativity**

The fraudster is someone who understands and is capable of exploiting internal control weaknesses and using the position, function or authorized access to their greatest advantage (Abdullahi and Mansor 2015). Managers may use their power to influence and authorize for procurement of goods from their friends or vendors they have financial interest in. According to Wolfe and Hermanson (2004), intelligence, experienced and creative people with solid grasp of controls and vulnerabilities commit many of today’s biggest frauds. This knowledge is used to influence the individuals concern for authorization of access to systems and assets. The Association of Certified Fraud Examiners (2003) stated that, on their research, 51% of the criminals of occupational
fraud had at least a bachelors’ degree and 49% were over 40 years old. It went on to state that, managers and executives committed 46% of the frauds.

Coercion, Deceit and Stress

A successful fraudster can coerce others to commit fraud or conceal fraud (Rudewicz 2011). A person with a pervasive personality may be able to convince others to go along with fraud or look the other way. In the retail sector that person can be the supplier who will kickback the victim’s employee to choose the products even if it means compromising product quality. In some cases the fraudster can be a bully who according to Wolfe and Hermanson (2004; 41), “makes unusual and significant demands to those who work for him or her, cultivates fear rather than respect and consequentially avoids being subject to the same rules and procedures.”

Both Wolfe and Hermanson (2004) and Rudewicz (2011) agree that a successful fraudster must lie effectively and constantly. To avoid detection, the fraudster should have the skills to keep track of the lies and keep them consistent. Another strong characteristics of fraud is the ability to handle stress. Since fraud require management over a long period of time, it can be quite stressful. According to Rudewicz (2011), the individual committing fraud must be able to control stress, as committing the fraudulent act and keeping it concealed can be extremely stressful.

2.3 Empirical Evidence

Mugari (2017), on his study sought to explore the nature of cyberspace enhanced payment systems for the retail sector in Zimbabwe, as well as to document the nature of cyber threats to this sector. The study combined both qualitative and quantitative research designs with questionnaires and in-depth interview guide as the research instruments. The study found out that, the use of debit cards, mobile money transfers...
and Real Time Gross (RTGS) transactions top the list of cyberspace enhanced payment system in the Zimbabwean retail sector. Dominant cyber threats to retail sector include, infection of computers with viruses and unauthorised access, whilst debit card fraud and fraudulent RTGS transactions infrequently occur in the Zimbabwean retail sector. In relation to the current study on the effectiveness of anti-fraud measures in the retail sector, Mugari (2017) concluded his study stating that, despite some benefits, Information Communication Technology based payment systems are prone to threats. And it goes on to state that despite current measures to deal with cybercrime in the retail sector, the measures seem to be inadequate.

Chikomba (2014) carried out a study on local level of security and crime risking retail in Harare Zimbabwe with a focus on Joina City Shopping Mall. The researcher argued that retail shops desire an effective security program designed to aid prevention and reduction of crime by incorporating target features which make criminal activities less appealing for criminals. The study was carried out using structured and semi structured qualitative interview element of gathering data. There was also the use of self-administered questionnaires and assessment interviews to measure perceptions on security and safety, threats of crimes against retail shopping. The study found out that, a number of factors promote and reduce the risk of crime in business. It was also noted that crime risk differ according to a number of variables such as business location, type of premises, customer conduct, and protective security/surveillance. The study went on to conclude its findings stating that despite absence of official data on actual loss figures on business, substantial losses by business are generated by crime. It stated that it is thought that the highest proportion of losses in the majority of shopping mall tenants business is generated through three to four crime types: shoplifting, employee fraud, theft and shrinkage. For the purpose of the study the researcher assess the effectiveness of anti-fraud measures in the retail sector and according to Chikomba (2014), retail shopping facilities desire an effective security program to minimize fraud.

Taylor (2016) in his study on mobile payment technologies in retail, aimed to harness the learning from implementation of self-checkout and combining it with available information on mobile scanning and mobile point of sale. The researcher argued that
with the market being flooded with software and software products, retailers are exposed to a compelling case of mobile payment fraud. The study was drawn upon telephone interviews with retail security professionals in Australia and New Zealand. In relation to the current study on the effectiveness of anti-fraud measures in the retail sector, Tylor (2016), stated that with the market being flooded with software and products, retailers are exposed a compelling case of mobile payment, hence the convergence of variety of data sources in one domain require enhanced security protocol.

Hariss (2010) in his study “Fraudulent consumer returns: Exploiting the retailers return policy”, aimed at addressing the gap of illegitimate use of retailers return policy and factors permitting consumers to exploit retailers liberal return policies when fraudulently returning used or damaged goods. The researcher used in-depth interviews as the main data collection method. The interviews were selected and conducted amongst employees and customers. The researcher found out that ten main factors contributed to the likelihood of customers’ successfully, fraudulently return products.

Amasiatu and Shah (2014) on their study, aimed at providing an insight into the motive and nature of first party fraud in et-tailing. The authors used scholarly literature to synthesise existing research on first party fraud. They also used grey literature to help understand the motives and nature of this growing business problem. The findings revealed a myriad of schemes and motives for engaging in first party fraud. Relating to the current study on the effectiveness of anti-fraud measures in the retail sector, Amasiatu and Shah (2014) argue that their study makes case for increased managerial interest and active involvement in reducing first party fraud.

Kovacs (2016) in his study aimed at reviewing regulation of security of electronic payments, payment innovation and their vulnerabilities and recommendations for improvements. The researcher used a fraud case study that happened in Hungarian
Banking System. The author found out that fraud incident and the speed of penetration of new fraud techniques and methods caught the attention of payments service providers, customers, supervisors and overseers. Three recommendations were set on security of internet payments, payment across access services and mobile payments. According to Kovacs (2016) regulations were to be built on the revised Payment Service Directive to avoid fraud incident like the one the article initially portrait.

Abiodun (2013) in his study examined the challenge of online shopping in the retail industry in Nigeria. The data used was mainly obtained from secondary sources. The findings showed that indeed online shopping had challenges to its adoption. The challenges included cultural barriers, infrastructural challenge, security concern and perceived risk. These challenges led to the slow adoption of online shopping in Nigeria. The study made various recommendations which stipulated that, e-tailers should embark on advertising campaign to break the entrenched traditional shopping habits of Nigerian consumers. In relation to the current on the effectiveness of anti-fraud measures in the retail sector, Abiodun (2013), stated that the paper recommended the government to make laws (e.g. Cybercrime law) to prevent to protect online shoppers and retailers.

A study by Mishra (2006) analysed the use of two methods, internal control and random inspection of the locations at which employees’ work, to deter employee theft. Mishra (2006) stated that, an inspection strategy is designed in a way in which retailers try to minimize their cost while trying to prevent employees from stealing. The study used an analytical approach whereby employees were assumed to be strategic as they respond to the decisions made by the retailer. The study found out that, the solution of the game depends upon various parameters such as the cost and effectiveness of random inspections and of the internal control system. The paper determines the optimal frequency of inspection to be held, the total budget to be spent on inspection and the total expected retail shrinkage due to employee theft. The study also showed the extent to which an effective internal control system and the recruitment of honest employees
can benefit the retail organizations in preventing losses that are due to employee theft. In relation to the current study on the effectiveness of anti-fraud measures in curbing fraud in the retail sector, the study practical implications stated that, the retailer should try to reduce inspection cost and increases their effectiveness.

Mugari, Gona, Maunga and Chiyambiro (2016) embarked on a study in which they sought to identify types of cybercrime prevalent in the financial sector in Zimbabwe and to identify how effective the current measure in cybercrime in the financial sector of Zimbabwe were. Respondents were selected from four commercial banks in Harare. The findings indicated that hacking was a challenge in the financial sector in Zimbabwe, with an average of 75% of respondents acknowledging its existence at their work place. They also noted that education and training through seminars and workshops, tight security and constant changes of Information, Communication and Technology to meet up with the changes, installation and the constant updating of security measures such as anti-viruses, firewalls and firewalls data recovery sites were some of the measures that had been put in place to curb cybercrime. In relation to the study on the effectiveness of anti-fraud measures in the retail sector, Mugari (2016) concluded that cybercrime is prevalent in the financial institution with hacking, identity theft and malicious software being the most prevalent cybercrime. Control measures such as training, updating software’s and firewalls topped up the list of strategies to curb crime.

2.4 Gap Analysis/ Justification of the study

The study done by Mugari (2017) sought to explore the nature of cyberspace enhanced payment system for the retail sector in Zimbabwe, as well as to document the nature of cyber threats to the retail sector. The study focused more on the nature of cyber space and the threats that affect cyberspace in the retail sector. This study is of importance as it aimed at examining the effectiveness of anti-fraud measure put in the retail sector to curb fraud, the study involved frauds perpetrated through cyber space and so much
more. The study looked at the nature of retail frauds and the measures put in place to curb them.

The study done by Chikomba (2014) was aimed at raising awareness on crime risk against business in Zimbabwe. The study found out that there was an effective security programs were needed in the shopping facilities. The study was based on one shopping mall in Harare, Zimbabwe. The current study is of importance as it examined the effectiveness of anti-fraud measures already in place to curb fraud and it was a survey looking at more than one retail shop.

Tylor (2016) embarked on a study to harness the learning from implementation of self-check-out and combining it with available information relating to mobile scanning and mobile point of sale. The study was drawn upon telephone interview with retail security professionals in Australia and New Zealand. The current study is very important as it is done in Zimbabwe which is a developing country since the one by Tylor (2016) was done in developed countries. The study also used face to face interviews and self-administered questionnaires.

The study by Hariss (2010), was aimed at addressing the gap of illegitimate use of retailers return policy and factors permitting customers to exploit retailer’s liberal return policies when fraudulently returning used or damaged goods. The data used was collected from interviews only. The current research is of importance as it used both interviews and questionnaire as data. It is also dwelled on the measures that are put in place to stop fraud from happening and how important and improved they are after 8 years from the previous study.
Amasiatu and Shah (2014)’s study was aimed at providing an insight into the motives and nature of first party fraud in e-tailing. The study used its literature review to synthesise existing literature and used grey literature as well. Whilst, the current study aimed at finding out the types of fraud in the retail, the anti-fraud measures and their effectiveness in the retail sector. It used both primary data and secondary data.

Kovacs (2016)’s study aimed at reviewing the regulation of security of electronic payments, payment innovations and their vulnerabilities and recommendations for improvement. The study used the fraud case of the Hungarian Banking System. However, the current research dwelled on the Zimbabwean retail sector marking it justifiable to be embarked on.

Abiodun (2013) embarked on a study which aimed at examining the challenges of online shopping in the retail industry in Nigeria. His data was mainly secondary, whilst this study was conducted in the retail sector in Zimbabwe and data is both primary and secondary.

The study by Mishra (2006), sought to analyse the uses of internal control and random inspection of the locations at which employees’ work, to deter employee theft. The study was conducted in (2006), and the current study is of importance as it is done 12 years later. Various things have changed over time including internal control measures and their effectiveness.

Mugari, Gona, Maunga and Chiyambiro (2016)’s study sought to identify types of cybercrime prevalent in the financial sector in Zimbabwe and to identify how effective the current measures in curbing cybercrime in the Zimbabwean Financial sector were. The respondents were selected from four commercial banks in Harare, Zimbabwe.
Whilst this study selected its respondents from the retail shops in Harare, Zimbabwe, hence its importance.

2.5 Chapter Summary

This chapter looked at the conceptual framework clearly outlining the concept in retail fraud and the measure that are put in place to curb retail fraud. It further looked at the theories surrounding retail fraud on what causes the fraudster to commit the act of fraud. Finally it looked at the previous studies and then justified the current study.
CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter is going to explain how the research was conducted. The researcher will discuss different methods that were used in gathering data for the study. The chapter will focus on the research design, target population, sample size and sampling techniques, research instruments, validity of data of instruments, data presentation and analysis and end up with a chapter summary.

3.1 Research Design

Kothari (2004) defined research design as the arrangement of conditions for collection and analysis of data in a manner that combine relevance to the research purpose with economy in procedure. Thus the research design in the conceptual structure within which research is conducted and it constitutes a blue print of data collection, data measurement and the analysis of data. The preparation of such a design enables research to be as efficient as possible yielding maximum information. In other words, research design is meant to provide for the collection of relevant evidence with optimum effort, time and expenditure.

For the purpose of this study, the researcher used a descriptive survey research design. The descriptive survey research design permits the researcher to study relationship or events as they happen in normal human life situation, without making use of
manipulative techniques. Saunders et.al (2005), recommended the use of descriptive survey method due to the fact that an array of instruments for data collection and analysis such as questionnaires, interviews and observations are used and this in-turn enhances reliability and validity of the research findings. Descriptive survey method also enabled researcher to accommodate a large sample and be able to tap into factors and relationships not directly measurable. The ability of the descriptive survey method to collect more information made it possible for the information to be used for other purposes.

The researcher also selected descriptive survey because it relies on both primary data and secondary data. It enabled the researcher to turn qualitative data into numbers and even to employ statistical techniques to generalise findings from respondents. Descriptive survey method also maximises accuracy and minimise systematic errors.

3.2 Target Population

Wegner (1995) defines population as, any group of individuals that has one or two characteristics in common that are of interest to the research. According to Van Dalen (1978:77),” frame or target population is defined as that part of the population which the researcher would like to generalize.” It outlines the aggregate of all elements from where information is to be derived. In this research, the targeted population are workers of various retail shops located in Harare Central Business District, Zimbabwe.

3.3 Sampling Techniques

Pandey (2015) postulated that a sample refers to a small group that is selected as representative of the whole cluster. It works with the objective to obtain accurate and reliable about the cluster with minimum of cost, time and energy and to set out the limits of accuracy of such estimates. The researcher is going to us stratified random sampling and judgemental sampling techniques.
3.3.1 Stratified Random Sampling

Kumar (2011) argues that, in stratified random sampling the research attempts to stratify the population in such a way that the population within a stratum is homogeneous with respect to the characteristics on the basis of which it is being stratified. Assuming that relative proportion of each population is unattained. The retail business was divided into three categories that is the supermarkets, clothing and foot-ware and furniture shops. Each category was sampled as an independent sub-population out of which retail outlets were randomly selected from each strata.

3.3.2 Judgemental sampling

Judgemental sampling involves the selection of a group from the population on the basis of available information assuming as if they are representative of the entire population. According to Pandey (2015), a group of respondents may also be selected on the basis of intuition or on the basis of the criterion deemed to be self-evident. According to Kumar (2011), judgemental sampling involves only going to those people whom in your own discretion or opinion are likely to have knowledge on the required information and be willing to share it with you, or selecting a predetermined number of people who in your judgement are best positioned to provide you the needed information for your study.

For this study the judgemental sampling was used to make professional judgement. All interview respondents were picked using judgemental sampling. This was the best method for the researcher as it enabled the researcher to, judge which respondent in the selected retail had the required knowledge on retail fraud and the anti-fraud measures they have in place. The researcher also chose respondents judging by the individual roles in the retail outlets. Judgemental proved to be successful since most of the information the researcher would get was reliable.
3.4 Sample Size

Kitchenham and Pfieeger (2002) define a sample as a representative subset of the target population. In order to ensure validity of the research, a sample of 42 respondents was selected using judgemental sampling and stratified random sampling. Of the 42 respondents, 30 were for questionnaire whilst, 12 were for interviews. The targeted respondents were deemed to be representative sample of all retailers in Harare Central Business District. The sample was divided into three categories, the supermarkets, clothing and foot-ware and furniture shops. The researcher had to categories the retails so as to receive various views and it was necessary since it was difficult to study all retails in Harare.

Table 3.1 Frequency table Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Respondents</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super markets</td>
<td>13</td>
<td>30.9</td>
</tr>
<tr>
<td>Clothing and foot-ware</td>
<td>12</td>
<td>28.5</td>
</tr>
<tr>
<td>Furniture</td>
<td>12</td>
<td>28.5</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>11.9</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Source

3.5 Research Instruments

The researcher used several methods of research or data collection. Kothari (2004) refers an instrument in research as a tool or equipment used to collect data for example, questionnaires, interviews and observation. In this study, the researcher used self-administered questionnaires and interviews in carrying out the research.
3.5.1 Questionnaire

Kothari (2004) stated that, a questionnaire consist of a number of questions printed or typed in a definite order on a form of set of forms. The questionnaires were hand delivered and emailed to the respondents who were expected to read and understand the questions and write down the reply in the spaces meant for the purpose in the questionnaire itself. The respondents answered the questions on their own.

The use of questionnaire was an easy and convenient method of conducting the survey as questionnaire was printed. However, due to the increase in prices it was expensive to have the questionnaires printed, the researcher had to send some via email whilst some were hand delivered. The use of email reduced transport cost. This also enabled the researcher to collect large amount of data within a short period of time.

The use of questionnaires allowed respondents to answer at their own time and without any pressure. It also reduced errors since the respondents had enough time to attempt to the questions. Since respondents were limited, the reduction of errors meant that data provided would be clear and can be relied on. Since the questionnaire did not require for name or anything too personal apart demographic data, hence they answered freely without any prejudice.

However, the use of questionnaires proved to be tiresome. The researcher had to move from time to time to see if the questionnaires had been answered. The response rate was very slow as expected by the researcher and some of the questionnaire distributed were never returned since they had not been attempted, thereby, reducing the number of respondents. Some of the questionnaires’ questions were left un-attempted, whilst some stated that they did not understand the questions hence at some point the researcher had to explain in order for the questionnaires to be fully completed.
3.5.2 Interviews

According to Kothari (2004) the interview method of collecting data involves the presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. This method can be used through personal interviews, which the researcher asked questions and got the answers there and then. This was used so as to get accurate information free from bias. The researcher deeply analysed the problem and formulated the interview questions therefore this was done in order to get adequate information from the most appropriate persons.

The response rate of interviews was very good from that of questionnaires. All scheduled interviews were conducted although some changes had to be made. Interviews enabled the research to gain clarifications on certain aspects as well as key concepts from the interviewee which proved to be reliable. Interviewees provided more information they thought was necessary and useful. Interviews had more questions and answers hence, providing useful data.

Interviews also provided more clarification on the concept the questionnaire had asked without further explanations. The same questions from the questionnaire were answered by the interviewees and they were in-depth answers which provided explanations, possible reasons enabling the interviewer to shed some light on the questionnaire responds.

However, the interviews were time consuming. The researcher had to set an appointment and the time to interview seemed a bit long. Some of the respondents failed to meet their appointment prompting the available stuff to answer on their behalf which was a compromise which proved advantageous to the interviewer. At some point the researcher had to reschedule the interviews, eventually the respondents were available hence solving the problem.
3.6 Validity and reliability of data collection instruments

Pandey (2015) stated that, validity is when any measuring device or instrument is said to be valid when it measures what it is expected to measure and reliability as consistency throughout a series of measurements therefore. Kumar (2011) stressed that reliability is the ability of a research instrument to provide similar results when used repeatedly under similar conditions. Reliability indicates accuracy, stability and predictability of a research instrument thus, the higher the reliability the higher the accuracy or the higher the accuracy of an instrument, the higher the reliability.

To maintain validity and reliability the researcher conducted several procedures to enhance it. These procedures included pilot testing whereby the researcher visited one retail outlet in Harare CBD. There the researcher gave questionnaires to a few respondents. The pilot study was done so as to check whether a questionnaires yield the same results if applied repeatedly to the same object (retail shops) each time and this also enabled the researcher to check the clarity of questions and the reasonable length of the questionnaire. The research validity and reliability was also enhanced by the scrutiny by the project supervisor.

3.7 Data Collection Procedures

According to Kothari (2004), personal interview method requires two people, a person known as the interviewer asking questions generally in a face to face contact to the other person or persons called interviewee. The researcher personally distributed and collected questionnaire to respondents. Data was collected using both primary and secondary data. Reminders were periodically sent to the respondents for the date of collection of the questionnaire. The interview respondents were informed beforehand and appointments were made with the management of the retail under study so as to get permission to conduct the interviews. Questionnaire and interview guide were constructed. Interview response were jotted down during the interview, whilst questionnaires were collected after having been fully answered.
3.8  Data presentation, analysis and interpretation

Data collected was represented appropriately to the given scenario and situation using tables, pie chart and bar chart for ease of understanding and interpretation. Each data set is presented and discussed at the same time. Data gathered was subjected to both quantitative and qualitative analysis. Quantitative was analysed through the use of frequency tables and charts, percentages of actual figures was used to come up with conclusions that were used to make recommendations. Qualitative data analysis and presentation was done through content analysis.

3.9  Ethical Considerations

There are many stakeholders in research whether it is quantitative or qualitative. It is important to consider any ethical issues that might arise in relation to each of them. The various stakeholders in a research activity are the research participants or subjects, the researcher and the funding body, (Kumar 2011). There are many ethical issues that were considered in relation to the participants of the research activity, for instance when collecting information, seeking consent was a very important thing. Kumar (2011) stated that, when you collect data from respondents or involve subjects in an experiment, one need to examine carefully whether their involvement is likely to harm them in any way. If it is, one must make sure the risk is minimal. Minimum risk means the extent of harm or discomfort in the research is not greater than what is ordinarily encountered in daily life. Thus confidential and private information such as identity number were not required in the questionnaires. The researcher had to follow the codes of conduct set by the retails where the researcher looked for information.

3.10  Chapter Summary

This chapter looked into the research methodology used by the researcher to collect data. Basically, the chapter looked at the research design, population, research
instruments, validity and reliability, data collection procedures, data presentation, analysis and interpretation finally the ethical considerations.
CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

The chapter focuses on data presentation, analysis and discussion. The chapter discusses the major findings gathered from questionnaires and interviews conducted by the researcher.

4.1 Response rate

4.1.1 Questionnaire response rate

Table 4.1: Questionnaire response rate

<table>
<thead>
<tr>
<th>Nature of business</th>
<th>Questionnaire distributed</th>
<th>Questionnaire responded</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td>9</td>
<td>9</td>
<td>100%</td>
</tr>
<tr>
<td>Clothing and Foot-ware</td>
<td>9</td>
<td>8</td>
<td>88.9%</td>
</tr>
<tr>
<td>Furniture</td>
<td>9</td>
<td>7</td>
<td>77.8%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>27</strong></td>
<td><strong>90%</strong></td>
</tr>
</tbody>
</table>

Source: Primary Source

Table 4.1 indicates that a total of 30 questionnaires were distributed to different types of retailers. Of the 30 distributed to the respondents, 27 were responded to, signifying a 90% response rate as indicated by the above table. This signifies that a majority of the questionnaires were responded to.
4.1.2 Interview Response rate

Table 4.2: Interview response rate

<table>
<thead>
<tr>
<th>Nature of business</th>
<th>(N) interviews scheduled</th>
<th>(N) interviews done</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td>4</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>Clothing and Foot-ware</td>
<td>3</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Furniture</td>
<td>3</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>12</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary source

The researcher planned to conduct 12 interviews picking 4 respondents from supermarkets, 3 for each clothing and furniture shops and 2 from any other retail. Out of the 12 scheduled interviews, all 12 were conducted which translated into 100% responses rate as shown by the above table.

4.2 Demographic characteristics of respondents

Demographic data entails personal attributes of the respondents with respect to this research, demographic data include, age, gender, period of employment, category of employment, nature of business and highest level of education. Respondents’ demographic characteristics are presented on table 4.3.
4.2.1 Gender

The above diagram shows the gender distribution of the respondents. 70.4% of the respondents were males, whilst 29.6% of the respondents were females. This was due to the fact that the researcher found out that there were more men than women in the retail shops and the most of the females available were reluctant to answer the questionnaires.
4.2.2 Age of respondents

Table 4.3 shows the respondents age ranges. The age range was divided into 4 age groups. That is below 25, 25-29 years, 30-35 years, 35-40 and above 40. The above results were collected and they indicated that the modal age group is 30-35 years with 33.3%, followed by 25-29 years and above 40 with 18.5 % respectively. 35-40 years and below 25 with 14.8%. The result showed that those between the ages of 30-35 had the highest respondents because they were more vexed with their jobs and many things regarding their organisations.

4.2.3 Period of employment

The results shows that the modal period in employment was 5-6 years with 33.3%, followed by 6 years and above with 29.6% followed by 2-4 years with 22.2% and 2 years and below with 14.8% respectively. Those who have been employed with their organisation for a long time were keen to respond since they had knowledge of the fraud perpetrated during their course at the organisation and the measures that were implemented and even improved at that time.

4.2.4 Nature of business

The results indicate that supermarkets had 37% respondents followed by clothing and foot-ware with 33.3%, furniture with 29.6%.

4.2.5 Employment category

The results obtained indicates that general employees were the majority respondents with 55.6% followed by management with 29.6% and the owners with 14.8% respectively. The owners respectively had the least respondents because they were not always available at the organisation.
4.3 Types of Retail Fraud

Respondents were asked to indicate retail frauds which were prevalent in their organisations. The following results were obtained.

Table 4.4: Frequency of types of retail frauds

<table>
<thead>
<tr>
<th>Variable</th>
<th>Doesn’t Occur</th>
<th>Rarely Occur</th>
<th>Common</th>
<th>Very Common</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Card fraud</td>
<td>51.9%</td>
<td>40.7%</td>
<td>7.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Procurement fraud</td>
<td>18.5%</td>
<td>55.6%</td>
<td>25.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Embezzlement: Skimming and Larceny</td>
<td>0.0%</td>
<td>11.1%</td>
<td>11.1%</td>
<td>77.8%</td>
</tr>
<tr>
<td>Return fraud</td>
<td>11.1%</td>
<td>55.6%</td>
<td>33.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mobile payment fraud</td>
<td>22.2%</td>
<td>22.2%</td>
<td>55.6%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Primary Source

Table 4.4 shows that respondents indicated embezzlement in form of skimming and larceny as very common type of fraud with 77.8% with 11.1% of respondents responding that it is common. A total of 88.9% of respondents agreed that they face a challenge of embezzlement of funds at their work place. A total of 11.1% stated that at their work place embezzlement rarely occur meaning it occurs but probably after a long time. All respondents agreed that embezzlement occurs even though at different intervals. During interviews conducted, majority of the respondents stated that embezzlement was a very common fraud type that occurs within their organisation. Some stated that it is usually perpetrated by those responsible for receiving money from customer (cashiers) and those who are supposed to deposit money at the bank, the management or finance employees. According to Coenen (2011), cash skimming may involve unrecorded sales, whereby an employee sells items and receive payment but records neither the sale nor the payment and personally keep the proceeds and this is very common in the retail shops. Wells (2012), states that cash larceny occur when an employee intentionally takes away cash without the employers’ knowledge. Since the money stolen will have already been recorded it means it is stolen through bank deposit meaning it is mainly done by the management or those with authority as indicated by the interview responses.
Slightly above half (55.6 %) indicated that mobile payment fraud is common. However, 22.2% apiece indicated that mobile payment fraud rarely occur and does not occur respectively. From the interviews conducted, 7 of the 12 respondents stated that mobile payment fraud is very common. The respondents stated that, the use of eco-cash applications has proven to be a threat to their business. According to the Newsday report of May (2018), the Zimbabwe Information and Communication Technologies (ZITC) issued a warning of an increase in the number of vendors and small to medium enterprises receiving fake messages of transactions on their mobile money accounts. It further stated that Eco-cash is the most affected platform and android mobile phone applications are generating false transactions. Thus, from the respondents’ views it shows that indeed this is one common fraud. Again from a few of the interviews, the researcher observed that some respondents indicated that they do not face mobile payment fraud because they do not accept mobile money payment

A third of the respondents considered return fraud to be common. However, over half of the respondent (55.6%) considered its occurrence as rare. This showed that in most retails they do not have a return policy where they accept returns. However, 33.3% agreed that return fraud is common. From the interviews conducted, 5 out of the 12 respondents agreed that return fraud is common, especially those from furniture shops who claimed that they have had problems of the returning of damaged appliances. The 11.1% which indicated that return fraud does not occur shows that they refuse returned goods at all cost. A study by Harris (2010) indicated that there are various factors that permit consumers to exploit retailers return policy.

About a quarter of the respondents (25.9%) considered procurement fraud to be common with almost three quarters (74.1%) considering to be either having a rare occurrence (55.6%) or not occurring at all (18.5%). From the interviews conducted, 7 of the 12 respondents stated that procurement fraud rarely occurs as most of their goods are imported. However, 5 of the 12 respondents stated that procurement fraud is a very
big problem in their organisations. They stated that there is favouritism and use of bribes when procuring local goods especially in supermarkets, when procuring local goods.

Electronic card was reviewed to be the least occurring fraud with an overwhelming majority of (92.6%) indicating that it either rarely occur or doesn’t occur at all. Only 7.4% considered electronic card fraud to be common. From 6 of the 12 interview respondents, the researcher found out that electronic card fraud does not occur they believed that this was due to the economic meltdown hence only large retails use swipe machines whilst smaller ones accept cash only. However, 6 of the 12 respondents stated that they have faced electronic card at some occasions where one would come in with a stolen bank card and try to purchase goods. Sudjianto et.al (2010) in their study agreed that electronic card fraud may involve theft of physical card which is later used in shops by the thieves.

The respondents were asked if there were other prevalent frauds in their organisations, with a number indicating that there is theft by employees. They stated that there is theft of goods in stock, breakages and other forms of employee theft. The rest indicated that they did not know or had no idea on what to call the crime that were perpetrated. The interviewees were asked if they have reported any crime to the responsible authorities. 8 of the 12 stated that the criminals were arrested punished and suspended at their workplace whilst 4 of them stated that they did but the workers were simply transferred or demoted due to their relations with owners or management. The interviewees were also asked on the impacts of fraud in their organisation. All the respondents said they did not have official data however they stated that substantial losses by business are generated by crime. Chikomba (2014), in his study agrees that, despite absence of official data on actual loss figure on business, substantial losses by business are generated by crime.
4.4 Anti-fraud Measures Available

The respondents were asked to indicate the anti-fraud measures that are available to minimise/curb fraud at their organisations. The following results were obtained.

Table 4.5: Frequency of available anti-fraud measures

<table>
<thead>
<tr>
<th>Variable/Measure</th>
<th>Yes</th>
<th>No</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of authorisation protocol</td>
<td>100%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Documentation of paper and electronic transactions</td>
<td>100%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Monthly reconciliation</td>
<td>88.9%</td>
<td>0.0%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>88.9%</td>
<td>11.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Separation of duties</td>
<td>55.6%</td>
<td>33.3%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Assessing and monitoring the controls to address fraud risk</td>
<td>55.6%</td>
<td>11.1%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Incident response and remediation</td>
<td>77.8%</td>
<td>0.0%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Supplier Background Check</td>
<td>66.7%</td>
<td>11.1%</td>
<td>22.2%</td>
</tr>
</tbody>
</table>

Source: Primary Source

From table 4.5, there is a 100% yes on the availability of authorisation protocol indicating that all respondents have authorisation protocol at their work places. All interviews also mention that they have authorisation protocols at their work places. The responded argued that they do not do any transaction, or any other activity without authorization. Cashiers indicated that they get authorization from their supervisors especially those in supermarkets. They cannot making any changes on the till without having the supervisors’ authorisation, also the systems they use require authorization first. This they stated reduces cases of skimming at the work place. Stamler et.al (2015) also agrees stating that proper authorization also ensures that activities are carried out by individuals with adequate knowledge and range of control. He further states that observing authorization protocol, not only protects from operational errors, but also hampers the completion of fraudulent transactions.

The respondents also indicated a 100% on the availability of paper and electronic transaction. This shows that all agreed that there is documentation of paper and
electronic transactions for future reference and to help deter retail fraud and even theft. All of the interviewees agreed that there is the documentation of all transactions be it paper or electronic. They stated that their receipt machine provides duplicated copies one for the customer and another for record keeping. They indicated that the swipe machines they use were made to print out duplicated receipts one for the customer and once for them to safe keep. Some of the respondents stated that they used receipt books and invoice books. They showed the researcher the sample of the receipt and invoice books. The receipt books had two copies one for the customer and one that will remain in the book for reference and even audits whilst the invoice book had 4 copies, one for the customer, one for the accounts department, one for the sales department and one to remain in the invoice book. According to Stamler et.al (2015), documentation ensures accountability, it should allow the determination of the nature of the transaction, who performed it, who authorized it, and when the transaction was executed.

From the results, an overwhelming majority (88.9%) of the respondents indicated that they have monthly reconciliation at their organisation and that it is a measure used to curb retail fraud. A minority (11.1%) of the respondents indicated that they do not know meaning they are not aware or they do not practice such things. A majority of the interviewees, 8 out of 12, stated that monthly reconciliation were done at their work places. They stated that reconciliation enabled them to know the amount received by the organisation and the expense by the organisation. The reconciliation are said to be done using expense vouchers and the receipts. 4 of the 12 interview respondents stated that they were not sure whether reconciliation was done. This they stated was due to the fact that the owners were responsible for everything that had to do with the finances. However, according to Stamler et.al (2015), the purpose of reconciliation is to ensure accurateness, completeness, and validity of financial information. Wells (2012) supported this, stating that independent reconciliation as well as internal verification of accounts will be performed on ledger accounts as part of general controls in retails. This is done to avoid future problems.
About three quarters (88.9%) of the respondents agreed that they have physical security, whilst, 11.1% indicated that they have no physical security. This means that most of the retail have security whilst a few does not have security. As indicated by 8 of 12 interview respondents stated that they had physical security. The respondent stated that their physical security comprised of security guards, security cameras, bar code readers and electronic check-out machines. These they said was very effective as no one would be able to leave without their receipt checked by the security guards and the check-out machine detects anything that hasn’t been stole. This proved to be effective, however, the interviewees stated that sometimes the machine may malfunction hence they have to rely on the security guards. 4 of the 12 interviewees did not have physical security, asked why, they stated that since they are located in complex and some at the Harare Exhibition Park they did not see the need to hire security guards or require security cameras since the complex and the parks had their own security guards and cameras. However they agreed that security is very important. Chikomba (2014)’s study argued that shoplifting and break-ins are continuous problems hence most business reduce risk by increasing surveillance that is engaging store detectives, use of security cameras and or reduce crime by improving premise design. Coenen (2011), agreed to Chikomba (2014)’s assertion stating that physical security can help prevent the possibility of assert misappropriation.

Moreover, slightly above half (55.6) indicated that they practiced separation of duties at their work place whilst 33.3% indicated that they did not separate their duties whilst, a minority of 11.1% did not know. The results indicated that most retails did not have separation of duties due to economic reasons most retails employ a few people they can pay. From the interviews, 7 of the 12 interviewed respondent agreed that they had separation of duty, whilst, 5 of the 12 respondent stated that they did not have separation of duties. Those respondents stated that, they did not separate their duties. They stated that they did not have separation of duties because of economic problems to which the owners employed a few people so as to reduce wage bill and maximise on their profits. However, this puts them at risk of fraud. According to Wells (2012), appropriate segregation of duties and access control procedures regarding who makes ledger
transactions should be effectively followed. Stamler et.al (2015) argued in support stating that separation of duties ensures that nobody has sole control over the entirety of a transaction. This then means if organisations lack separation of duties they are bound to face retail fraud.

Slightly above half (55.6%) indicated that they assess and monitor their controls, whilst only 11.1% indicated that they did not monitor their controls and 33.3% indicated that they did not know. The 55.6% indicated that some of the retails indeed assessed and monitored the controls they have. 11.1% stated that they did not assess and monitor the controls, whilst, 33.3% indicated that they do not know. From 7 of the 12 interview respondents, it was noted that their organisations assessed and monitored their fraud control measures. They stated that, they monitored and made sure that the control measures are always up to date. Physical security is present, continuous updating of computer system and check-out machines is part of assessing and monitoring of fraud control measures. From the interviews 5 of the 12 respondents stated that they did not assess or monitor their fraud control measures. They stated that what was important to them was making sure they have security guards only. To which Stamler et.al (2015) argued against stating that monitoring fraud risks has two benefits, it provides periodic evaluation of anti-fraud control as well as independent evaluations of the fraud risk management program by internal and external auditors. From the result it showed that half of the retail assess their fraud controls whilst the rest fail to do so which put them at greater risk of fraud.

Incident response and remediation proved to be present in organisations with 77.8% agreeing that they have it whilst, 22.2% indicated that they do not know. From the interviews, 9 of 12 interview respondents argued that they have incident response and remediation where they investigate, report, hold hearings and give out punishment where necessary. Respondent stated that when a fraud has occurred they do thorough investigations internally, hold workplace hearing and if the culprit is found guilty they suspend them and eventually report the case to the police. They went on to state that in
big retails external auditors are even brought around to do some of the investigations. The respondents also mentioned that they have work policy that govern steps that are taken when someone is accused of fraud. 3 of the 12 interview respondents stated that they were not aware if there was any incident response and remediation. Stamler et.al (2015) states that, fraud risk management policy should be clear about corrective actions and remedies as a result of a finding of fraudulent action. He further stated that remedies can be in form of loss of privileges, suspension, demotion and termination. The findings then shows that retails indeed take incident response and remediation seriously.

The findings revealed that 66.7% did a supplier background check whilst, 11.1% indicated that they did not do a supplier background check and 22.2% indicated they did not know. Findings from the interviews indicated that 8 of the 12 respondents actual performed supplier background checks. This they said they would require the suppliers tax invoice, tax clearance and certificates of incorporation. This they stated they do so as to know whether the company or supplier they are engaging with is financially stable to supply goods and if there will not be a conflict of interest. The interviewees also stated that they require their suppliers to be insured in case of accidents on their way to deliver, so that no financial harm befalls both parties. However 4 of the interviewees stated that they do not require background checks since they import their goods from outside the country. Combined with the questionnaire respondents who indicated they did not do any supplier background check, the researcher found out that it was due to the fact that they import their goods hence they forgo such pleasantries? According to John (2003), performing background checks and integrity due diligence can ensure manufacturer are of a reputable standing. For larger retail organisations, this due diligence highlights the manufacturers’ interest, association, related parties and possible conflicts of interest.

The respondents were asked to indicate other anti-fraud measure they have apart from the ones on the questionnaire. The findings indicated that 54.5% of the respondents had stock take every weekend and some at month ends and also did periodic spot checks.
11.1% indicated they do periodic spot check and supervision of work by superiors every day. The remaining 34.4% indicated that they did not have any since the ones they had indicated on the questionnaire earlier where sufficient due to their retail sizes. From the interviews, respondents confirmed that indeed they did stock takes and periodic spot checks. They stated that they did stock take at every week end and write down reports for future use. Periodic spot checks were done without notice and randomly. The interviewees stated that periodic spot checks were very effective as they managed to catch fraudster at their workplace a year ago. One of the interviewees told the researcher that, in October 2018 one of their colleague who worked at store department was fired after the operations manager held a periodic spot check randomly and was caught to have been steeling, hence periodic spot checks prove to be an effective anti-fraud measure. Chikomba (2014) in his study argued that, the highest proportion of losses in the majority of shopping mall tenant business is generated through three or four crime types: shoplifting, employee fraud, theft and shrinkage, hence to reduce risk there is need to increase surveillance and engaging store detectives and use of CCTV.

4.5 Level of satisfaction and effectiveness of anti-fraud measures

4.5.1 Level of satisfaction

The respondents were asked to indicate the level of satisfaction they had on the measures present in their organisations. The following results were obtained.
Figure 4.1: Level of satisfaction

Source: Primary Source

From fig 4.1 shows that 66.7% of the respondents indicated that they were satisfied with the fraud measures they had at their workplaces. 33.3% indicated they were dissatisfied whilst none of the respondents indicated any form of being very satisfied very dissatisfied. This then means the respondents somehow most of the measures satisfying whilst the least of the respondents found them not satisfying. On this note interviewees were asked how they rate the employee’s level of knowledge with regards to the anti-fraud measures. The respondents went on to state that upon employment the employees go into basic induction where they are told of the fraud risk management policy. The Forensic Focus Volume 8(2013), states that the management should spear head and take steps to communicate periodically and in a practical manner its standards and procedures and other aspects of its programmes and controls to prevent and detect fraud.

4.5.2 Level of effectiveness

The respondents were asked to indicate in their own opinion the level of effectiveness of the anti-fraud measures. The following results were obtained.
The results from the above bar graph indicate the effectiveness of anti-fraud measures from authorisation, documentation of all transactions, physical security and separation of duties. Results from figure 4.2 indicate that the respondents found the anti-fraud measures in their organization effective at 63% whilst those who found it ineffective at 37%. Which shows a moderate range of effectiveness as to the level which would be expected. Upon interviews being asked to express how effective the anti-fraud measures have been, 7 of the 12 respondent that they were effective to some degree as they showed results from time to time. These results being that of discovering fraud quickly before devastating effects and the workers shunning fraud themselves. They also stated that it was effective as they have been able to provide quality goods and also being safe from external frauds. However, the respondents stated that, sometimes the measures were bypassed. 5 of the 12 respondents said that they were not very effective in their shops since they did not have separation of duties hence it is difficult for them to know whether the workers are not manipulating any weak internal control and covering it up. The interviews also stated that due to economic hardships and corruption scourging Zimbabwe the effectiveness of anti-fraud measures decreased and at times not effective at all. However, the Forensic Focus Volume 8(2013), argue that, retails must implement a standardised plan and process for tracking, reporting and responding to allegations of
misconduct. And where appropriate, the investigation process should allow for an investigation that is conducted independently of management.

Interviewees were also asked how often they present new anti-fraud measure and update old ones. Only 4 from the 12 respondents specified that they do it on a yearly basis. They do so by rotating some of their workers from one branch to another especially the management. However, 8 of the 12 respondents indicated that usually use old measure unless there is introduction of new technology, allegations of poor workmanship or a case of fraud has appeared. Hence from the interviews the researcher noted that the people who had the longest period of employment and management were usually the ones who were prone to commit the crimes since they have knowledge of the measures and how to manipulate the system. The Associated Certified Fraud Examiners (2004), agree with this assertion with its Report To The Nation showing that most employees and managers that have been around work and commit fraud tend to have long tenure with the organisation.

4.6 Recommendations

4.6.1 Recommendations to the organisation

The respondents were asked to indicate the recommendations to the improvements of the anti-fraud measures they had in their organisations. Majority of the respondents indicated that there should be strictness on the implementation of fraud management policies and strictness in the penalties and remedies as a result of fraudulent activities. A few respondents indicated that there should be availability of security cameras at their workplaces and rotation of duties whilst, some indicated that they did not know, meaning they had no idea on what could be recommended to improve the measures. From the interviews all of the respondents argued that, there is need for active involvement of the management to uphold fraud management policy and deter fraud. They also mentioned that their securities should be familiar with how security cameras work and those who did not have security cameras emphasised that their organisations
should have them in place. A study by Chikomba (2014) agrees with this assertion stating that store detectives should be engaged in the use of CCTV.

Another recommendation that came into light was the use of Steward Bank swipe machines. The respondents stated that to avoid cases of mobile payment fraud that has been on the rise, retailers should acquire Steward Bank Swipe machines that are linked to Eco-cash and use them. These swipe machines have a receipt that has names, hence even if one things of using swipe machines they stated that it will be difficult since the process will now involve a receipt having to be present with one’s name. The interviews also argued that, the retailers should update their firewalls more frequently, this they stated was fuelled by the recent OK Zimbabwe hacking case. As small retailers they became aware that if large retail shops like OK Zimbabwe systems could be hacked and defrauded of seventy thousand dollars what more them. Mugari (2017) in his study agrees with these recommendations, as he argued that cybercrime is indeed prevalent in the retail sector and argued that despite current measures being there, the measures seem to be inadequate, hence there is a great need for improvements.

### 4.6.2 Recommendations to the Zimbabwean government

An overwhelming majority of the respondents indicated that the government should deal with corruption first in-order for all the measure implemented to be successful. The respondents went on to state that the government should put in place stiffer penalties for those who commit the crime and for the others to understand the cost of committing a crime. Stamler et.al supports this idea stating that fraud risk management should be clear about corrective actions and remedies as a result of a finding of fraudulent action. A few of the respondents indicated that the government should intensify the cybercrime bill. From the interviews, mobile payment and electronic fraud seemed to be difficult to curb hence they advocated for the stiffening of its penalty. Abiodun (2013), in his study argued in favour of this assertion by recommending the government to make laws (eg Cybercrime law) to protect online shoppers and retailers.
4.7 Chapter summary

This chapter presented, interpreted and discussed data obtained during the research. Data was presented using tables, bar graphs and pie chart. Information was gathered using questionnaires and interviews. The next chapter shall focus on the summary, conclusions and recommendations.
CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The chapter summarises the research findings, make recommendations and conclude on the study.

5.1 Summary of the study

The study focused on the effectiveness of anti-fraud measures in curbing fraud in the retail sector. Chapter one focused on the background of the study, statement of the problem, research objectives and research questions and significance of the study. Assumptions of the study, delimitations, and limitations of the study structure of the study were also included in the first chapter. The study was guided by the following objectives:

i. To identify the nature of retail fraud in Harare CBD Retail Sector.
ii. To identify anti-fraud measures that are available in Harare CBD Retail Sector.
iii. To assess effectiveness of anti-fraud measures.
iv. To recommend improvements to anti-fraud measures available.

Chapter two focused on literature review. The chapter looked at researches that had been published. Information was gathered from various sources such as journals, books and newspapers. Chapter two looked at conceptual framework, theoretical literature and empirical evidence. Chapter three dealt with the research methodology. It focused on the research design, population of the study, sample size, sampling techniques, research
instruments. It also dealt with data collection procedures, data presentation and analysis procedures.

5.2 Summary of the findings

The researcher found out that embezzlement in form of skimming and larceny and mobile payment fraud are very prominent in the retail sector. Return fraud and procurement fraud rarely occur. Whilst electronic card fraud was not prominent due to the level of technology and use of plastic money in Zimbabwe. The majority of the respondents indicated that the use of eco-cash application has posed a big threat to business as it is being used to defraud retailers and vendors in Zimbabwe. The Zimbabwe Information Communication and Technology issued a high alert in 2018 for people to be alert for such cases.

The study uncovered the anti-fraud measures found in the retail sector. Most of the respondents indicated that they were available in their organisations. An overwhelming majority indicated the availability of authorisation protocol and documentation of paper and electronic transaction as an anti-fraud measure at their organisation. These were followed by monthly reconciliation and physical security respectively. Separation of duties and assessing and monitoring the fraud controls at the bottom of the list indicating that they are not available in all retail shops. The respondents indicated that besides availability of documentation and the indicated available measures, they did stock take and periodic spot checks at their workplaces. The respondent argued that these measures were of great use at periodic spot check was done randomly and without prior notice.

The researcher found out that, most of the respondents found the anti-fraud measures such as availability of authorisation protocol, documentation of paper and electronic transaction and physical security satisfying and effective. However a number of respondents found them not satisfying and ineffective. This was due to some criminals
successfully bypassing the measures. Despite the highest degree of respondents being satisfied and finding the measures effective, the fact that an average of the respondents indicated that they were not means the retails are still prone to retail fraud. The researcher found out that anti-fraud laws in Zimbabwe are not very effective. The respondents indicated that, corruption has rocked the country clearly affecting the justice system.

The researcher finally found out that there is need for strictness when implementing fraud management policies as a result of fraudulent activities. The management was recommended to be actively involved in upholding fraud management policy. Recommendations were also made to the government to put in place stiffer penalties for criminals who engage in retail fraud.

5.3 Conclusion

The researcher concludes that indeed the retail sector is plagued by fraud. The researcher noted that there are many fraud being perpetrated in the retail sector, the common fraud noted were embezzlement and mobile payment fraud. Anti-fraud measures are present in the retail sector. The results indicated that, most organisations commonly use, authorization, documentation and reconciliation to minimize fraud. The researcher noted that a few were not satisfied with the anti-fraud measures at their organisations as well as, finding them not very effective. However, the majority of respondents indicated that they were satisfied and found the measures effective.

Despite anti-fraud measures being available, there is still need for more effort to make them more effective than they are. Recommendations made, need the important key holders to actively play their roles for the anti-fraud measures, active involvement in the implementation of risk management and laws to be effective in curbing retail fraud.
5.4 Recommendations

Retail sector’s stakeholder mandatory involvement

In light of the above conclusion, it is recommended that the players in the retail sector take fraud risk seriously. The implementation of anti-fraud measures should be a serious issue and all stake holders mandated to be actively involved in the creating and monitoring of the fraud risk management policy.

Management’s active involvement

The management should be active in their workplaces, when implementing the fraud risk management policy. It is recommended that they strictly assess and monitor the work policies in conjunction with the risk management policy. The management should also make sure everyone is aware of these policies to avoid complications. They should spear head and lead by example.

Constant upgrading and introduction of new measures

Players in the retail sector are recommended to constantly upgrade and introduce new measures in their fraud risk management policy. The researcher feels retailers should constantly upgrade to new measures. The use of technology is recommended especially with the fact that there is cash crisis in Zimbabwe. It is recommended to use swipe machines and point of sales to reduce mobile payment fraud.

Government active involvement

The government is recommended to be actively involved and engaged in the retail sector. It can stiffen penalties of committing retail fraud. It should be actively involved
in raising awareness against corruption that has rendered a weak justice system. From the study the researcher recommends for active crime prevention awareness campaigns.

5.5 Recommendations for future research

The study recommend for further study on the introduction of plastic money and the impacts of cyber-crime on consumer behaviour and the retail sector. The study will have took at how plastic money has impacted consumer behaviour and the retail sector as well as the threats of cyber-crime that comes along with use of plastic money.

Another study can be done on the rise of online shopping and its effects on the local markets. The researcher will have to focus on the online shopping and how it is affecting local business shops and the local market.
REFERENCES


Alfred R https://www.ums.edu.my

Abiode S. A; Challenges Militating against Adoption of Online Shopping in Retail Industry in Nigeria; Journal of Marketing Management; 1(1); June 2013 pp. 23-33 retrieved 31/01/2019.


Associated Certified Fraud Examiners (2004); Report to the Nation

Boehmer M (2016); Business 2 Community; To 7 types of Retail Fraud and what you should do to avoid it.


Corporate Catalysts India Pvt Ltd (2014); http://www.cci.in retrieved 11 November 2018

COSO framework (2013)


Deloitte Touche Forensic Report (2014); Fraud Risk in the consumer product and retail sector; https://www.deloitte.com/in retrieved 11 November 2018

Deloitte Touche India Fraud Survey (2014); Indian Fraud Survey; edition 1; www.deloitte.com/in retrieved 18 November 2018

Ernst and Young (2009), Detecting Financial Statement Fraud. https://www.ey.com


Federal Bureau Investigations (2016)

Forensic Outlook; Emerging risk and challenges in retail and consumer (RPC) sector; www.ey.com/in retrieved 11 November 2018


Judgement No. HB 26/07

Judgement HH 205-15


Kitchenham B and Pfleeger (2002); Principles of research survey: part 5: populations and samples.


Kumar R (2011); Research Methodology a Step by Step Guide for Beginners; 3rd edition; Sage

Legal Dictionary; https://legaldictionary.net/tag/identity

Loss Prevention Media (2018); Retail Fraud

Lister (2007) ; A practical approach to fraud risk


Newsday Zimbabwe 30 May 2018; Upsurge in Mobile Money Fraud; https://www.newday.com retrieved 27/01/2019

68
Pandey S (2015); Research Methodology Tools and Techniques; Bridge centre


Price Waterhouse Coopers India (2013). Forensic Focus Volume 8. PwC Brand and Communications India. Retrieved on Google November 2018

Rae, K., & Subramaniam, N. (2008), Quality of internal control procedures: Antecedents and moderating effect on organisational justice and employee fraud. Managerial Auditing Journal, 23(2), 104-124. Retrieved 15/10/2018


Reserve Bank of Zimbabwe (2015)


The Herald; Man hacks into OK Zim system steal $70k; https://www.herald.com retrieved 31/01/2019


Van Dalen (1978); Research Methodology and Design


APPENDICES

APPENDIX 1: RESEARCH ASSISTANCE LETTER AND QUESTIONNAIRE

Bindura University of Science Education

Private bag 1020

Bindura

To Whom It May Concern

Dear Sir/Madam

RE: Request for Research Assistance

My name is Nomsa Nyasha Muwodzeri a student of Bindura University of Science Education. I am conducting an academic research study on “The Effectiveness of Anti-fraud measures in curbing fraud in the retail sector. A case study of Harare Central Business District”.

The study is a requirement for the awarding of a Degree of Bachelor of Commerce Honours Degree in Financial Intelligence. The study is aimed at identifying the nature of fraud in retails, the anti-fraud measures present and how they effectively curb retail fraud.

May you please assist me by participating in data gathering by completing the attached questionnaire? Participation is voluntary and you are allowed to withdraw from the study at any time without any prejudice. The responses will be treated with utmost confidentiality and will be sorely for research purposes.

Your cooperation is highly appreciated
Instructions

Complete in ink.

Please answer by ticking in the box and spaces provided.

Do not write your name on any page of the questionnaire.

Questionnaire

Section A

1. Indicate your gender

☐ Male ☐ Female

2. Indicate your age range

☐ Below 25 years ☐ 25-29 years ☐ 30-34 years ☐ 35-40 years ☐ above 40

3. Period of employment

☐ Below 2 year ☐ 2-4 years ☐ 5-6 years ☐ above 6 years

4. Nature of Business

☐ Clothing and Foot-ware ☐ Supermarket ☐ Furniture

5. Employment category

☐ Owner ☐ Management ☐ Employee ☐ Other

If other please specify

........................................................................................................

........................................................................................................
Section B

6. What are the common types of retail fraud you face? Tick where applicable

<table>
<thead>
<tr>
<th>Variables</th>
<th>Doesn’t Occur</th>
<th>Rarely Occur</th>
<th>Common</th>
<th>Very Common</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Card fraud</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement Fraud</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embezzlement: Skimming and Larceny</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return fraud</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile payment fraud</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. What other retail frauds are prevalent in your organization. Please indicate below if there are any.

………………………………………………………………………………………………………………………………………………

………………………………………………………………………………………………………………………………………………

………………………………………………………………………………………………………………………………………………

Section C

8. What are the available anti-fraud measures to minimise/ curb retail fraud?

<table>
<thead>
<tr>
<th>Variable/ Measures</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of authorisation protocol</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Documentation of paper and electronic transactions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly reconciliation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separation of duties</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Assessing and monitoring the controls to address fraud risk.

Incident response and remediation

Supplier background check

9. What other anti-fraud measures have your organization implemented to curb retail fraud? Please indicate below

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

Section D

10. What is your overall satisfaction with the anti-fraud measures available in your organization?

<table>
<thead>
<tr>
<th>Variable</th>
<th>Very Dissatisfied</th>
<th>Dissatisfied</th>
<th>Satisfied</th>
<th>Very satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. In your own opinion how effective are the anti-fraud measures.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Very ineffective</th>
<th>Ineffective</th>
<th>Effective</th>
<th>Very effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. In your opinion, to what extent are the anti-fraud laws effective in curbing retail fraud in Zimbabwe? Answer in the space below

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................
Section E

13. What do you recommend to help in the improvements of the anti-fraud measures in your organization to effectively curb fraud?

................................................................................................................................................

................................................................................................................................................

................................................................................................................................................

14. In your own opinion what can the government do to aid in the effectiveness of anti-fraud measures and the prevention of fraud in the retail sector?

................................................................................................................................................

................................................................................................................................................

................................................................................................................................................

End of questionnaire

Thank you for your co-operation
APPENDIX 2: INTERVIEW GUIDE

Interview Guide

Interview questions

1. What types of retail fraud are affecting your organization?
2. Have you ever reported any type of fraud to the responsible authorities and if you have how have they been dealt with?
3. What are the impacts of fraud in your organisations?
4. What are the current available anti-fraud measures?
5. How do you rate the employees’ level of knowledge of these anti-fraud measures?
6. How effective has these anti-fraud measures been.
7. How often do you present new anti-fraud measures and update the old ones.
8. In your opinion, to what extent are the anti-fraud laws effective in curbing retail sector fraud in Zimbabwe?
9. What would you recommend your organisation to do in the bid to improve the anti-fraud measures and the curbing of fraud?
10. In your own opinion what can the government do to aid in the effectiveness of anti-fraud measures and the prevention of fraud in retail?