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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

THE ROLE OF FORENSIC ACCOUNTING IN COMBATING FINANCIAL CRIMES IN SMEs IN BINDURA ZIMBABWE.

BY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF ACCOUNTANCY HONOURS DEGREE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION. FACULTY OF COMMERCE.

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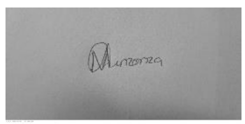
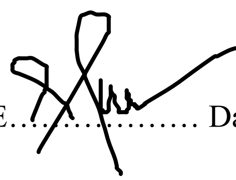
APPROVAL FORM

The signatories do hereby confirm this study was presented in line with the guide of the faculty, and endorsed by Bindura University of Science Education; a study with the title: “The Role of Forensic Accounting in Combating Financial Crimes in SMEs in Bindura, Zimbabwe” availed by Mitchell Ruvarashe Runzonza as a requirement for the Bachelors of Accountancy Honours Degree.

STUDENT’SSIGNATURE  Date 02/10/25

SUPERVISOR’S SIGNATURE……………… Date……………………

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DEDICATION

The work is devoted to my clan and colleagues who inspired me throughout my educational journey.

ABSTRACT

Financial crimes are increasingly becoming a global concern and Zimbabwean SMEs are not immune to this threat. This study investigates the role of forensic accounting in combating financial crimes within SMEs in Bindura, Zimbabwe. The study engaged a mixed-method with a target population of 227 registered SMEs in Bindura urban area. The research worked with stratified random selection method and a sample of 113 was selected for the study. Hundred and thirteen structured questionnaires and interviews were administered. Hundred and two questionnaires were returned and subjected to SPSS and AMOs. Major themes and patterns were identified. Interview data complimented quantitative data. The analyses involved confirmatory factor analysis to validate the measurement model and structural equation modelling (SEM) tested set hypothesis. Four hypothesis were tested to assess the feasibility of forensic accounting awareness, skills and implementation on financial crime reduction. The results showed that two hypothesis were strongly supported: H1 (β=0.399, $p<0.001$), signifying that forensic accounting awareness profoundly improves the implementation of forensic techniques, while H3 (β=0.403, $p<0.001$), revealed that possessing forensic skills positively influence implementation. H4 received marginal support (β=0.264, p=0.052), suggesting awareness may reduce financial crimes, although the relationship is weak without practical implementation and H2 is not supported (β= -0.055, p =0.682) indicating that the current level of forensic technique implementation has not significantly reduced financial crimes due to inefficiencies in application. The research recommends that regulatory authorities initiate widespread campaigns on the value of forensic accounting to SMEs successful operations. It further suggests fostering partnerships between SMEs and forensic experts for audit support, encourage government and academic institutions to provide accessible forensic accounting training programs tailored for SME environment.

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I sincerely thank my supervisor Dr Famba, for seeing me through this eye opening academic journey. Without his guidance the work of this magnitude would not have been realised. I also extend my thanks to colleagues, comrades in academia and my family. Without the Almighty of course everything is feeble.

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CHAPTER I

INTRODUCTION

1.0 Introduction

The study seeks to conduct an all-inclusive interrogation of the contemporary nurture of SMEs operations in Zimbabwe. The research further interrogates the efficacy of forensic accounting in mitigating financial crime within Zimbabwe's Small to Medium-sized Enterprises (SMEs). The absence of up to date fraud detection mechanisms encouraged the emergence of forensic in trying to counter financial crimes.

1.1 Background of the study

Kroll's (2023) objectifies that, worldwide financial crimes are increasing. The scholar, further notes that, Fraud and Financial Crime report a skyrocketing increase relayed by 400 high-ranking officials who were involved in a survey undertaken in three different countries. The survey further revels a 67% of confirmation rate affirming an ever increasing rate in financial crime in the succeeding year. Thus, the survey brings to the fore the necessity for amplified watchfulness and hands-on procedures in order to avert and single out financial crimes. Furthermore, 57% of respondents identified third-party gatekeepers as a specific factor that increases the risk of financial crime. The crimes such as fraud, money laundering and embezzlement, cause a significant threat not only (SMEs) but also to broader business community. SMEs are more susceptible owing to absence of robust internal controls, awareness of sophisticated detection and prevention methods which can solve crimes that cannot be picked out by traditional accounting practices.

According to the World Bank (2020), SMEs account for 90% of all enterprises globally and are crucial in encouraging growth for global economy through their (GDP). 50% of jobs globally are created by SMEs, according to the World Bank (2020). SMEs' susceptibility to financial crimes diminishes its importance. Financial crimes, according to Beebeejaun and Dulloo (2023), account about 800 billion to 2 trillion dollars yearly. Nasdaq and Verafin (2024) claim that illicit cash flows from the global financial system totalled more than $3.1 trillion. Approximately $346.7 billion is perceived as estimated amount that is funding human trafficking activities while $782.9 billion is observed as an amount sponsoring illegal drug and substance activities. An amount of about $11.5 billion is reported as supporting terrorist activities and money laundering being responsible for trillions of dollars. Thus a substantial amount is reported as funding a variety of deplorable crimes.

Due to the rise in commercial fraud and illegal activity, forensic accounting is becoming more widely acknowledged for its ability to improve internal controls, identify fraud and aid in litigation. Developed nations have begun to acknowledge forensic accounting as a potential weapon in the fight against financial crime. The escalation in financial crime is the motive behind the rising demand in forensic accounting worldwide, (Enofe et al, 2013). The study insist forensic accounting being critical for discovering and averting financial fraud through its function in combining investigative, auditing and accounting skills.

Nevertheless, there are main impediments to the full utilisation of forensic accounting in developing nations like Zimbabwe including parts within Sub-Saharan Africa. Inadequate experience, budgetary limitations and insufficient awareness on forensic accounting approaches are main challenges. Therefore, this implies significance of forensic accounting in thwarting deception and highlights its inevitability. Oyekumbi and Olorunsola (2023), objectify that, forensic accounting is more significant as compared to traditional auditing for enhancement of fraud detection and prevention within owner-managed SMEs. Moreover, Oyekumbi and Olorunsola (2023) point out that, SME owner-managers change their mind-set, business procedures be made more transparent and academic or professional institutions improve their forensic accounting.

Scholars the likes of Ofoeda et al, (2022), Ojukwu-Ogba & Osode,(2020), Olujobi & Yebisi,(2023) objectify that, illicit financial flows across Africa manifest in various criminal activities, including corruption, cybercrime, product imitation, Ponzi schemes, drug and human trafficking, identity theft, money laundering and financing of terrorism. These activities are typically characterized by the concealment of the true origins of illegally required fund, with efforts made to present them as though they were derived from legitimate sources (Compin, 2018; Mvunabandi et al. 2023). The World Economic Forum (2023) reports that (SMEs) represent approximately 95% of all formally registered businesses and contribute nearly 50% of (GDP) in sub-Saharan Africa. Despite their economic significance, SMEs remain highly susceptible to fraudulent activities due to weak internal control systems and limited capacity to implement effective fraud prevention, detection and investigation mechanisms (Association of Certified Fraud Examiners, 2018).

SMEs are the foundation of the Zimbabwean economy. According to GDP (International Trade Centre, 2023), about 90% initiatives in a state can be observed as SMEs. Such a substation number can be estimated to 50% of occupation however, insufficient knowledge of forensic accounting appears to be a risk in any industry. According to Njanike et al. (2009), examining the difficulties faced by financial institutions in Zimbabwe reveal the potential of forensic audit in minimizing fraudulent activities, a lack of material resources and technical know-how as barriers to successful fraud detection.

The function of forensic accounting in tackling financial crimes within Zimbabwean SMEs is the only subject of this study. Due to the fact that, SMEs in Zimbabwe have specific complications that demand for Zimbabwean grown-based answers, because the country proffers an exclusive environment for the study. SMEs are particularly disposed to financial crimes in Zimbabwe due to the country's financial unpredictability, several introduction of new currency and controlling short-comings.

1.2 Statement of the problem

SMEs are the basis for Zimbabwe's economy, with a substantial employment opportunity, poverty reduction and the highest income contribution towards the nation's GDP (ZIMSTAT, 2020). Notwithstanding the fact that, SMEs are defenceless to financial crimes such as fraud, embezzlement, and money laundering. According to Zimbabwe Anti-Corruption Commission (ZACC, 2020) has of late lost an estimated amount of around US $1.3 billion yearly to financial crimes, a substantial amount that impends economic constancy and investor confidence.

Nevertheless the harshness of this challenge, insinuate that there is undisputable inadequate of investigation and use of forensic accounting principles in fighting financial crimes within Zimbabwean SMEs. Forensic accounting has demonstrated ability in detecting, stopping and discouraging financial crimes (Crumbley et al, 2015; Albrecht et al, 2019). However, the contemporary works exposes a substantial gap in the appreciation concerning what ways forensic accounting can be efficiently practised in Zimbabwean SMEs to diminish financial crimes.

Consequently the current study seeks to address the research-gap through discovering the help of forensic accounting in Zimbabwean SMEs and determining how it can be successfully employed to resolve and mitigate financial crimes. This study provides valuable insights, recommendations for policymakers, regulatory bodies while contributing to the development of a more robust, effective framework for preventing and detecting financial crimes.

1.3 Purpose of the study

The study recommends to examine the input of forensic accounting in fighting financial crimes within SMEs in Zimbabwe. Nevertheless international credit given to forensic accounting as an effective strategy for thwarting and identifying financial crimes, its adoption in SMEs Zimbabwe, remain limited. Given the significant contribution of SMEs to GDP and employment creation in Zimbabwe, this study aims to address their vulnerability to financial crimes such as fraud and embezzlement.

1.4 Objectives of the study

By the end of the study the investigation should be able to:

(i) -assess the level of awareness and understanding of forensic accounting techniques among SMEs in Zimbabwe.

(ii) -determine the degree to which the implementation of forensic accounting techniques influences the reduction of financial crimes within SMEs in Zimbabwe.

(iii) -examine how the forensic skills and qualifications of accounting personnel affect the successful application of forensic accounting in SMEs.

(iv) -evaluate the direct together with indirect influence of forensic accounting awareness in decreasing financial crimes in SMEs in Zimbabwe.

1.5 Research questions

(i) What is the level of awareness and understanding of forensic accounting among SMEs in Zimbabwe?

(ii) To what extent and in which ways are SMEs in Zimbabwe implementing forensic accounting techniques to detect, prevent and reduce by SMEs to detect and reduce financial crimes?

(iii) What skills and qualifications do SME personnel possess that support the adoption and effectiveness of forensic accounting practices?

(iv) How does forensic accounting contribute to reducing financial crimes within SMEs in Zimbabwe?

1.6 Significance of the study

The contributions of the study include among many the capacity to provide actionable insights that could promote SMEs in Zimbabwe to combat financial crimes more effectively. Since SMEs often lack resources to implement robust fraud detection mechanisms, forensic accounting can offer cost effective and powerful means to mitigate financial risk. This can be accomplished by understanding the barriers and benefits of forensic accounting. Therefore, the study provides practical recommendations aimed at enhancing business resilience, financial governance and transparency.

To policy makers and government institutions

The study offers empirical evidence that guide policy formulation and institutional reforms targeted at promoting forensic accounting within the SME ecosystem. Government entities such as ZIMRA and ZACC can use research results to design monitoring guide-lines that incentivise forensic practices.

To the researcher

This research is undertaken to accomplish the requests for a Bachelor of Accountancy Honors degree. It aims to enhance the researcher's skills in critical thinking, data analysis, and problem-solving. Moreover, the study seeks to address gaps in existing literature and expand the understanding of the subject matter.

1.7 Assumptions

(i) SMEs are vulnerable to financial crime

The assumption is that SMEs in Zimbabwe are prone to financial crimes such as fraud, embezzlement, money laundering just like many developing economies due to factors such as lack of expertise and weak internal controls.

(ii) Forensic accounting can identify and thwart fiscal crimes

The study assumes that forensic accounting can spot and avert monetary crimes through its specialized tools and techniques such as data analysis, investigation procedures and fraud detection audits.

(iii) Financial crimes have a damaging influence on the conducive successful operations and development of SMEs

The study assumes that economic crimes have undesirable impression on the success and progress of SMEs and its competitive advantage in the market.

(iv) The findings from Zimbabwe can provide a broader context on SMEs

The study assumes that the findings can be used to developing countries in the Sub Saharan African region who might be facing similar financial and economic challenges.

1.8 Delimitations

(i) Sector focus

The study concentrates on SMEs and not extending to larger entities even though forensic accounting plays crucial role in all business sectors in combating financial crime.

(ii) Geographical focus

The study is geographically limited to SMEs in Bindura urban area. Thus making the findings and recommendations specifically for SMEs in Zimbabwe due to its business environment yet SMEs around the globe face similar challenges. Therefore the results can be used to get an insight into similar challenges.

(iii) Population Focus

The study is conducted by focusing on registered actively operating SMEs in Zimbabwe Bindura Urban Area. Leaving out the unregistered and informal businesses that may not have financial documents for the effective implementation of forensic accounting.

1.9 Limitations

The study should have focused on SMEs in the whole of Zimbabwe. However, due to financial and time constrains it is difficult to contact a survey of such magnitude. Therefore, a case study which is deemed representative of the Zimbabwean landscape in terms of the feasibility of using forensic accounting in combating fraudulent behaviours in SMEs in Bindura is utilised.

1.10 Definition of terms

Forensic accounting

Joseph (2023), define forensic accounting as a specialised field that goes beyond conventional checking by commissioning a variety of analytical strategies. Kaur and Mukherjee (2023), further define forensic accounting as a division of accounting that combines inspecting, accounting and fact-finding measures to detect and prevent financial fraud with the aim of providing data that can be used as evidence, both in court and in internal investigations of an organisation.

Financial crime

Financial crime occurs if an either an entity or a sizeable number of people group of people perform illegal activities using assets, money or financial tools for personal gain like cybercrimes, fraud and money laundering. According to International Monetary Fund (2001), financial crime is synonymous to peaceful performance that result in fiscal forfeiture.

Fraud

Henning (2009) defines fraud as a deliberate distortion of the truth with the intent to deceive another party, ultimately causing that party to relinquish something of value or forfeit a legal entitlement. Ohalehi (2018), notes that, the essential components of fraud include a dishonest act, a resulting benefit to the perpetrator and a corresponding loss to the victim whether an individual, institution or system. Within the context of (SMEs), fraudulent practices may take various forms, such as the misappropriation of funds, theft of inventory and the issuance of falsified invoices.

1.11 Summary

This section contextualises the study, highlighting increasing prevalence in financial crime and importance of forensic accounting in combating these issues within SMEs. It pronounces the objectives, declaration of problem and purpose of the research. The summary and definition of terms is provided. Next chapter is on literature review.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The chapter zeroes in on related studies on emergence in forensic accounting at global, regional and Zimbabwean context. Related studies are interrogated within the framework of forensic accounting for fraud prevention in both multinational corporations and (SMEs). The literature provides lens through which the current study can be examined, while also suggesting methodological and analytical possibilities for the research. The chapter employs a funnel approach, beginning with a global perspective, followed by a regional overview and concluding with a national perspective. It ends with an acknowledgment of the conceptual and theoretical frameworks that inform this research.

2.1 Evolution of Forensic Accounting

Forensic accounting, often recognised among prevalent areas in accounting (Wallace, 1991). Forensic accounting history, goes back much further than its recent surge in popularity. Its roots can be traced to early 19th-century Glasgow, Scotland but for much of its existence, the field operated in relative obscurity accounting (Wallace, 1991). It was not until high-profile corporate scandals and the introduction of stricter regulations brought its importance to light that forensic accounting gained the recognition it deserved.

According to Wallace, (1991), Forensic Accounting as a disciple saw its announcement through Maurice E. Peloubet in 1946 accounting. However, the field's practical application predates this, with Frank J. Wilson often regarded as its first prominent practitioner. Wilson's work in convicting Al Capone of tax evasion in 1931 demonstrated the power of forensic accounting in uncovering financial crimes, a field that was effective by end of World War II, only began to adopt formal methodologies and academic rigor in the 1980s (Grant Thornton,nd;Karabayr, 2019).

Forensic accounting played a key role in famous cases such as the O.J. Simpson trial, where experts evaluated his properties to determine civil costs (DiGabriele, 2008). Similarly, the field became indispensable during corporate scandals involving Enron, Tyco and WorldCom, where forensic accountants uncovered fraudulent practices that shook the business world (Ramaswamy, 2005).

The profession's formal growth accelerated in the 1990s and early 2000s. Institutions like the American College of Forensic Examiners (1992) and the American Board of Forensic Accounts (1993) were established, and the Journal of Forensic Accounting began publication in the year 2000.

The main focus of forensic accounting is more than just numbers, but patching together evidence, empathetic corporate inevitabilities and directing the lawful system to expose the truth (Crumbley et al, 2003). Its expansion has been influenced by concrete evidence sourced through collaboration with researchers and legal professionals (Zysman, 2004). Currently, forensic accounting can be perceived as one of the fundamental strategies in cabbing fraud, encouraging transparency and trust in both businesses and society.

2.2 Conceptual framework

Forensic accounting

International Network of Accountants and Auditors (INAA, 2024) insist that, forensic accounting is a focussed area that bring together core accounting knowledge, auditing processes and investigative techniques. The description projects forensic accounting as a distinctive financial discipline concerned with both fraud prevention and identification. On the same note, Rezaee et al (2004), see forensic accounting as a logical process that engages data collection and analysis, especially in circumstances such as fraud investigation, professional evidence and litigation support

The United Nations Office on Drugs and Crime (UNODC, 2021) defines forensic accounting as a discipline concerned with collecting, analysing and presenting accounting, financial, legal, administrative and tax-related data. It underscores that the primary function of forensic accounting is to provide financial analyses that are admissible in legal proceedings, thereby reinforcing its close connection with criminal justice processes and legal frameworks.

The study adopts the conceptual framework illustrated in Figure 2.1, which displayed the association of forensic accounting as independent variable and financial crime reduction as the dependent variable. This framework is developed from Walakumbura and Dharmarathna's (2022) conceptualisation of how forensic accounting knowledge influences fraud detection. The model posits that fraud detection is achievable only if each element of an organisation's objectives is represented fully functioning independent variables. Furthermore, the framework assist in identifying both the challenges that impede adoption of forensic accounting as well as advantages of integrating these practices within SMEs operations. The current research seeks to scrutinise the contribution of forensic accounting to the mitigation of financial crimes within Zimbabwean SMEs. Therefore, the conceptual model serves as a tool to evaluate the efficacy or lack of forensic accounting in preventing fraud and related crimes in this context.

Efficacy of the model is justified for substantial reasons. The model offer comprehensive understanding of multifaceted connections sandwiched between forensic accounting practices, fiscal delinquency prevention in SMEs. The model also enables the identification of key factors that contribute to the efficacy of Forensic Accounting in avoiding financial crimes in SMEs. The model allows for the examination of causal relationship between Forensic Accounting practices and financial crime prevention, providing insights into the mechanisms by which Forensic Accounting contributes to crime prevention. More so the model can be applied to other context that could make it possible to generalise findings and contribute toward the expansion of the best practices for Forensic Accounting in SMEs.

By using this model the current study aims at contributing to a profound reflection of relevance of Forensic Accounting in combating fraud in SMEs (Zimbabwe). Use of the model further avails opportunities for contributing towards the development of effective strategies for preventing financial crimes in this context

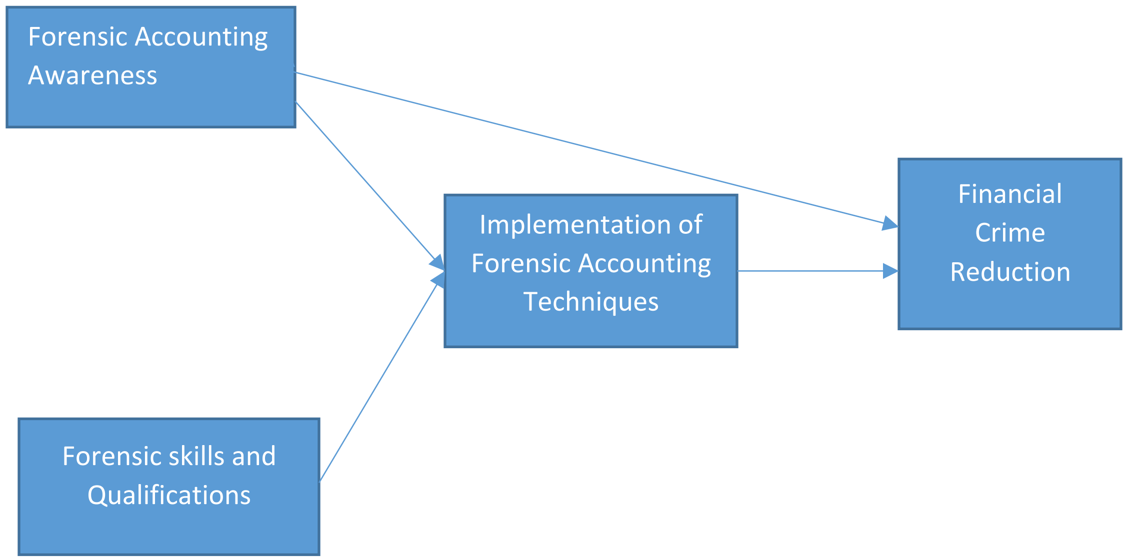

Figure 2.1: Conceptual framework

In support of the model is Ogwiji (2023) study on forensic accounting and financial crimes that confirms data, know-how and backing facilities of forensic accountant having important optimistic effects on financial crime. Alharasis et al. (2023), study along the same lines, looks at the incorporation of forensic accounting into instruction and specialised practices in Jordan, concentrating on deception and misstatement exposure and inhibition. Results of the research confirm the usability of the model by revealing a prominent absence of consciousness midst scholars and experts concerning the notion and implication of forensic accounting. In support of the current model, Rufus et al. (2015), developed a pyramid that exhibit the essential forensic accounting skills. The pyramid highlights necessity of Forensic Accounting procedures and delineates the key components required to achieve them. Notable, the pyramid emphasises the critical elements of Forensic Accounting rendering the Model comprehensive, inclusive and generalisable to wide range of accounting situations

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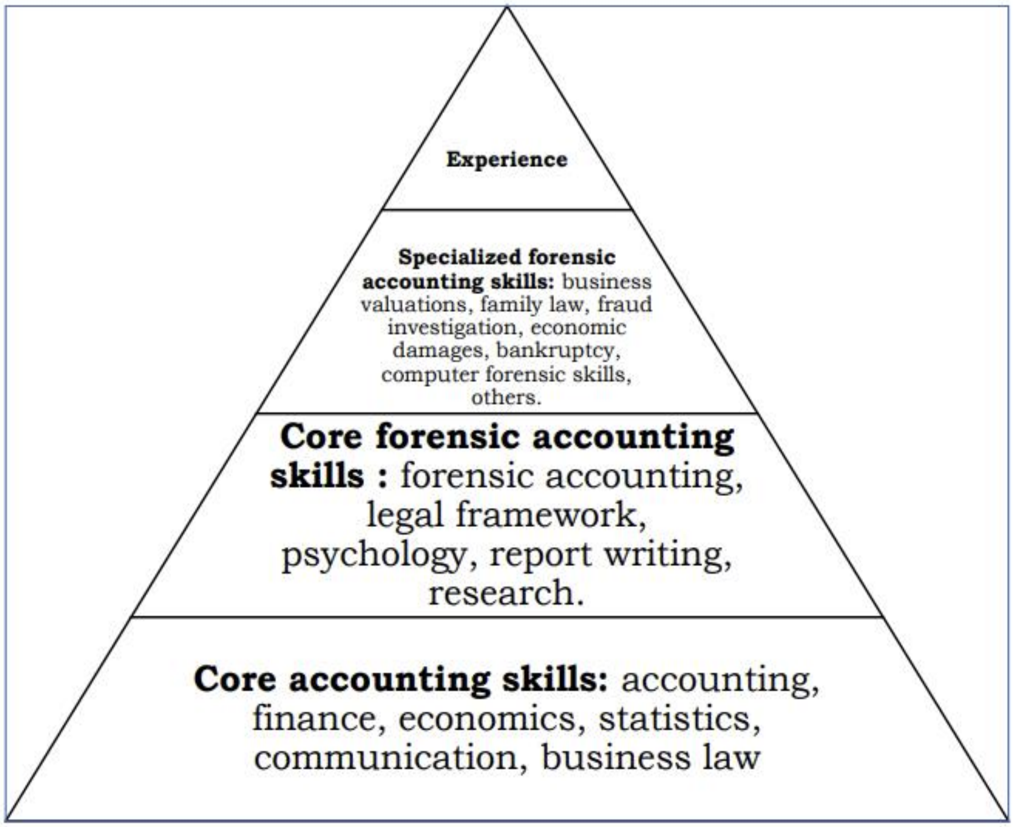

Figure 2.2: Pyramid of Forensic Accounting skills

However, to further understand attributes influencing financial crimes it is essential to study the theoretical framework that explains the motives and opportunities for fraud behaviour. Fraud triangle and fraud diamond are two widely recognised theoretical frameworks that provide insights into the causes of financial crimes. The study seeks to integrate the conceptual framework with the theoretical framework in an endeavour to proffer a comprehensive understanding issues that contribute to financial crime in SMEs and the role of Forensic Accounting in preventing and detecting crime.

2.3 Theoretical framework

The study utilises the Fraud Triangle Theory and Fraud Diamond Theory as theoretical frameworks to explore role of Forensic Accounting in combating financial crimes in SMEs. The Fraud Triangle Theory comprises of pressure, opportunity and rationalisation offers foundational framework for understanding motivations and circumstances that contribute to financial crimes in SMEs. Meanwhile the Fraud Diamond Theory which adds capability as a fourth element, offers more sophisticated and comprehensive understanding of complex factors that enable financial crimes. By integrating these two theories, the current research intends to establish an all-inclusive comprehension of the significance of Forensic Accounting in fighting financial crimes in Zimbabwean SMEs.

(a) The Fraud Triangle theory

Fraud triangle theory was introduced in the 1950s and formally presented in 1953 through Donald Cressey's publication 'Other People's Money: A Study in the Social Psychology of Embezzlement'. Cressey, a sociologist, penologist and criminologist, sought to comprehend underlying motivations that lead individuals breach trust. His study involved interviews with 133 inmates in three prisons, all of whom had been convicted of crimes involving the misuse of financial trust. Over a five-month period, Cressey conducted a total of 250 interviews with offenders who met two key conditions: who had initially assumed positions of trust in good faith and had ultimately violated that trust. Based on the research, Cressey concluded that three key elements must coexist for white-collar fraud to occur: financial pressure, opportunity to commit the act and rationalisation that justifies the behaviour.

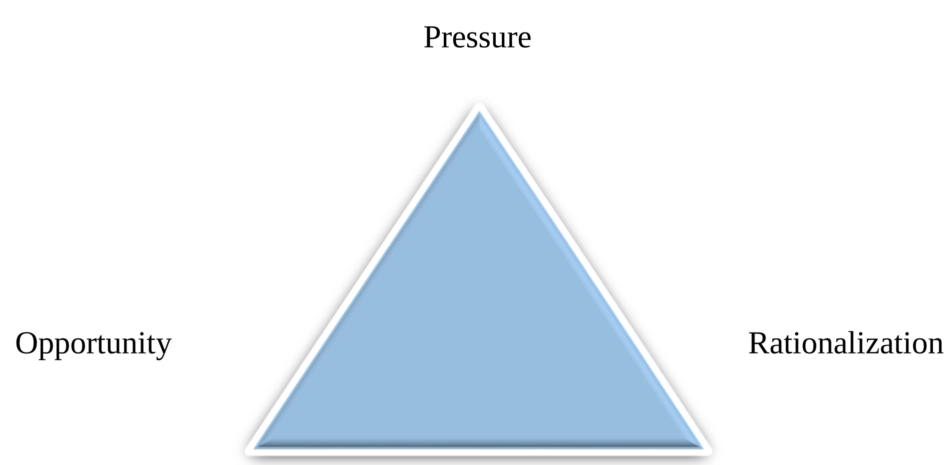

Fig 2.3 Fraud Triangle

Perceived Pressure

Pressure is the fiscal or individual stress that push an entity to obligate to fraud. Every person who commits fraud experiences some form of pressure that drives their actions. These pressure can be either financial like personal debt or family financial struggles or non-financial such as workplace stress or personal challenges (Abdullahi and Mansor 2015). Lister (2007) describes the compression to pledge deception as the foundation of the desire from within, emphasising its role as a contributing factor rather than a definitive cause and simply experiencing pressure does not guarantee fraudulent behaviour. The pressures are in three types, external influences, personal pressure and work-related stress.

Chen and Elder (2007) categorise pressure into six distinct types including personal problems, career aspiration, obligation, employee relationships and commercial dynamics. Albrecht et al (2008) simplified them to four categories: miscellaneous pressure, vice-related economic then job-related. Rae and Subramanian (2008) link pressure to motivations for fraud, particularly greed and personal financial struggles.

Opportunity

Opportunity arises due to weak internal controls or inefficient oversight that create chances to commit fraud without detection. According to Kelly and Hartley (2010), opportunity reflects the idea that individuals exploit available circumstances to their advantage. Even under extreme pressure, financial deception cannot happen deprived of the presence of a conducive environment (Hooper and Pornelli 2010). Chance has two dimensions: the integral vulnerability of the company's accounting systems to handling and the circumstances inside the company that might let dishonesty ensue Hooper & Pornelli (2010). Kenyon and Tilton (2006) note inadequate supervision, poor job rotation and insufficient segregation responsibilities can further increase opportunities for fraudulent behaviour.

Rationalisation

It refers to the process of justification of unethical behaviour by individuals just to align it with their personal value. Rationalisation is difficult to detect as it involves the inner thoughts and beliefs of the individual committing the fraud (Hooper & Pornelli 2010). Individuals who engage in fraudulent behaviour normally have a personality that permits them to justify their wrong doings. Such justification often stem from absence of feeble ethical perceptive (Rae and Subramanian 2008).

Rationalisation acts as a bridge between pressure and the opportunity to commit fraud (Howe & Malgwi 2006). Without rationalisation individuals proceed with fraudulent behaviour, even if the other fundamentals of the Deceit Threesome (pressure and opportunity) are evident. Rationalisation therefore plays a critical role in facilitating unethical conduct by allowing individuals to reconcile their self-perception and moral framework.

(b) Fraud diamond theory.

Wolfe and Hermanson in the CPA (2004), builds upon the earlier Fraud Triangle by accumulation of forth critical element which is capacity. Wolfe and Hermanson (2004) emphasise that while pressure, opportunity and rationalisation may align, deception is doubtful unless if the distinct possesses the ability to act on these conditions. They argue that capacity represents the necessary skills and attributes that empower an individual to commit fraud.

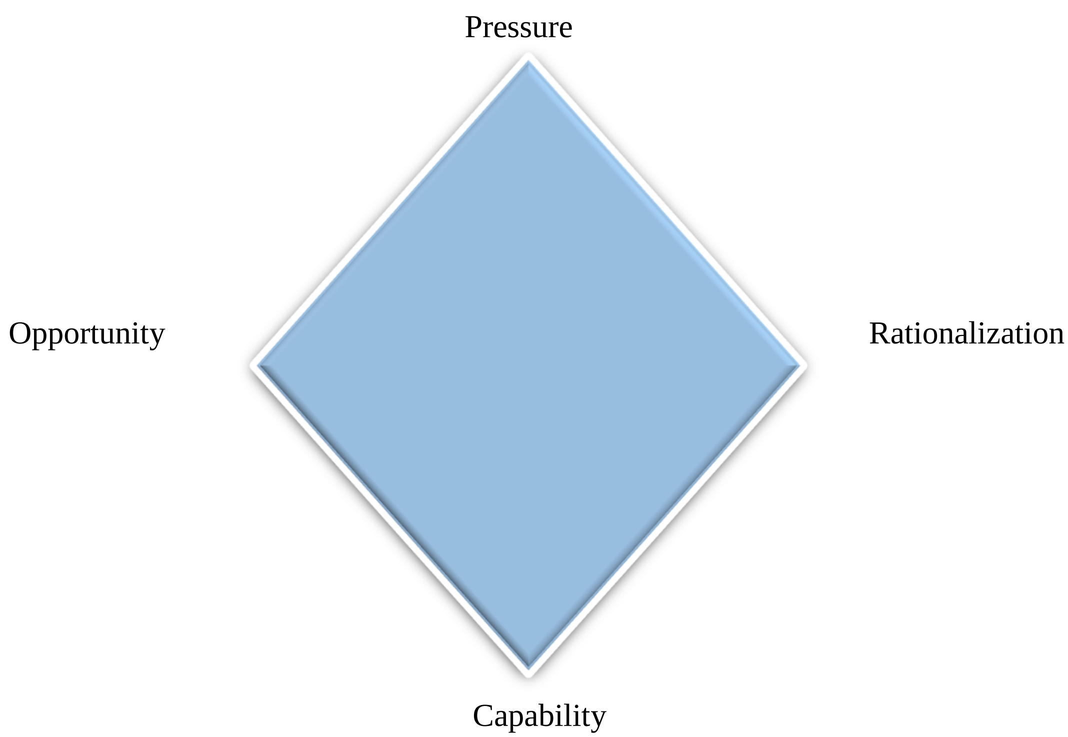

Fig 2.4 Fraud diamond

Capability

Capability refers to the in-built potential, ability and skills relevant for an individual to obligate deception successfully. It encompasses identifying a precise chance for deception while at the same time possessing the ability to grab the chance. Factors such as grade of employee, acumen, self-drive, anxiety, dishonesty and compulsion often contribute to an individual's capability to commit fraudulent acts Wolfe and Hermanson (2004). Mackevicius and Giriunas (2013) observe that it is not everyone that experiences inspiration, opportunity and rationalisation that succumb to deception much as they might want to but fail due to inadequate skills or expertise.

2.4 Empirical literature and hypothesis development

Oraby (2023) conducted a study in Saudi Arabia examining the impact of forensic accounting on the identification of financial fraud. Results indicated a significant positive correlation between forensic accounting practices, detection and prevention of fraudulent activities. Adopting a qualitative research design, the research investigated the impact of independent variables namely: forensic accounting techniques, financial reporting and internal control mechanism as the depended variable of fraud detection and prevention. Data collection used structured questionnaires and hypothesis testing which used least squares regression analysis.

H1: Forensic accounting awareness positively influences the implementation of forensic accounting techniques.

Mabior and Wanyama (2024) worked on the impact of forensic investigations on minimising financial fraud within commercial banks in South Sudan. The scholars adopted mixed-method approach and explanatory research design, they worked with 119 participants across nine commercial banks. Their findings show a strong positive connection concerning the strength of forensic investigations and decrease of financial fraud in the banks. The research insists upon significance of integrating radical tools such as data analysis, forensic accounting approach, together with the establishment of effective interior mechanism systems to increase the accomplishment of forensic inquiries (Mabior and Wanyama, 2024). Similarly Hashim (2024) accredited significance of forensic accounting in exposing deceitful activities and manipulations linked with accounting approximations. With analysis and forensic examination of financial statements, forensic accountants are capable of recognising abnormalities such as the increase or devaluation of financial outcomes (Hashim, 2024).

H2: Implementation of forensic accounting techniques significantly affects financial crime reduction.

Ogwiji (2023) piloted a research on the association concerning forensic accounting and financial crimes, engaging a cross-sectional approach and a survey design. From 110 circulated questionnaires, 53 were estimated useable and then scrutinised. The research uses PLS-SEM through SmartPLS 3.0 and IBM SPSS version 20.0 as core instrument for statistical analysis. Results show that, forensic accountants possess a remarkable and positive impact on fighting financial crime. Basically, the results endorse that key abilities of forensic accountants: predominantly their proficiency and litigation competences, play an important role in the uncovering, prevention and management of financial fraud. Similarity, Ezejiofor et al (2016), concluded that forensic accounting helps as a valued instrument in combating financial crimes within the banking sector and highlighting the significance of forensic audits in stimulating sound corporate control within businesses.

H3: Forensic skills and qualifications positively influence the implementation of forensic accounting techniques.

Enofe et al (2015) discovered influence of forensic accounting in decreasing financial crimes using a survey-based design. With a population of 150 entities, including professional accountants and employees from selected banking institutions. A grouping of balanced random sampling and stratified sampling methods was applied to select members. Data was collected by means of structured questionnaires established on a five-point Likert scale. The tool comprised demographic requests such as age and gender as well as pieces meant at measuring the role of forensic accounting in fighting financial crimes. Data analysis was piloted using the Statistical Package for Social Science (SPSS) version 20.0. Findings emphasised prominence of incorporating forensic accountants within the Nigerian banking sector. It established that forensic accounting is right instrument for confronting financial crimes, whereas traditional accounting methods fall short in efficiently communicating such issues.

Osariemen et al (2024) qualitatively examined the role of forensic accounting in discovering and inhibiting fraud within microfinance institutions. The study targeted eighteen participants working in Nigerian microfinance businesses. The study establish that, solicitation of advanced technological competencies in forensic accounting meaningfully reinforce the reliability of microfinance institutions, help fraud deterrence and nurture trust among investors and shareholders. Furthermore, the research insists that the future of forensic accounting in the microfinance sector is likely to be shaped by data analytics, artificial intelligence and block chain. Such advancements are anticipated to increase efficiency of fraud deterrence efforts. The results propose that management within Nigerian microfinance institutions are supposed to distinguish the tactical influence of forensic accounting and adopt proactive measures consequently (Osariemen et al 2024). In the same endeavour, Alharasis et al. (2023) examine the fusion of forensic accounting into academic and professional frameworks in Jordan, in relation to fraud and misstatement prevention. Their results show inadequate knowledge among both students and practitioners about the significance and possibility of forensic accounting. More so, the research recognised substantial relationship between fraud deterrence and detection efforts, the apparent value of forensic accounting, the availability of training programs and its broader application within the Jordanian context (Alharasis et al., 2023).

Dele Oladejo and Olorunsola (2023) research on role of forensic accounting in fraud prevention among owner-managed SMEs in Nigeria reveal that forensic accounting has seen substantial development and adoption in advanced economies however, its credit and operation is limited in Nigeria. The study emphasised the importance of entrepreneur's owner-managers understanding and application of forensic accounting techniques, extending outside conventional auditing and fact-finding practices. The study recommends incorporating forensic accounting within SME operations as contributing to both fraud prevention and detection. The study further recommends nurturing proactive mind-set among SME owner-managers, forming clear business processes and internal controls while promoting improved training in forensic accounting.

Madzivire et al (2020) the Zimbabwean experience, explore the effectiveness of forensic audit as a mechanism for fraud detection and prevention and concluding that there is a positive correlation between the level of education, training and the capacity to detect and curb fraud. Their study emphasised the acute role of litigation support services in improving the effectiveness of forensic auditing in identifying and preventing fraudulent behaviour (Madzivire et al 2020). Concurring is Murinda and Chiwariro (2023) study on the influence of forensic accounting on fraud detection within Zimbabwe's public sector expenditure cycle. Their results confirms the application of forensic accounting techniques as effectively uncovering fraudulent practices within public financial management systems (Murinda and Chiwariro 2023).

H4: Forensic accounting awareness positively influences financial crime reduction.

The majority of the researches show that there is a positive relationship between forensic accounting and financial crimes, with a number of them covering the public sector. However there are limited studies covering the private sector, especially the SMEs. Therefore, this study is going to examine the role of forensic accounting in combating financial crime in SMEs in the Zimbabwean context particularly Bindura urban areas registered SMEs.

2.5 Summary

The section gives a review of the empirical studies related to the topic. It further premises on the theories that relate to the area of study in the form of the conceptual framework and the theoretical frameworks. The chapter reveals that a number of researches done show a positive relationship between forensic accounting and financial crimes, with the majority covering the public sector. However there is limited studies covering the private sector, particularly the SMEs. This study aims to examine the role of forensic accounting in combating financial crime in SMEs in the Zimbabwe Bindura urban areas registered SMEs. The next chapter looks at the methodology for the study.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The chapter outlines approaches employed in investigating roles of forensic accounting in combating financial crimes within Zimbabwean SMEs. It presents study approach, design, population, sampling techniques, instruments, data collection procedures, ethical consideration and method used to ensure the research's validity and reliability.

3.1.1 Research design

The study engages both quantitative and qualitative research procedures. Creswell (2020), posits that, mixed-methods approach combines the strengths of the two paradigms in contributing to complete conception of the research problem. Tashakkori & Teddlie (2020) backing the tactic by triangulating outcomes and boosting reliability of the study. Methodology is supported by Mabior & Wanyama (2024) study in South Sudan. It establishes the usefulness of forensic inquiries in decreasing financial fraud using a mixed-methods and explanatory research design. In data gathering of both qualitative and quantitative nurture, the research focuses is to investigate not only quantifiable variables concerning forensic accounting practices and financial crime decline but also gain deeper insights from practitioners lived experiences.

Saunders, et al. (2012), point out that, study design aims at answering to precise enquiry interrogation. Such delineation points to systematic approach that lead to data gathering and scientific methods to analyse it. Quantitative data is engaged to measure patterns and relationships between forensic accounting techniques and fraud anticipation, while qualitative data discovers perceptions, problems and qualified factors that encourage adoption. This twofold design takes from past research such as Oraby (2024), who identifies a statistically significant link between forensic accounting tools and fraud uncovering. Qualitative insights is inspired by Osariemen et al. (2024), whose study on microfinance institutions highlights how human interpretations shape forensic interventions.

3.1.2 Justification

The design mitigates limitations associated with using a single method. It allows for data triangulation, increases the robustness of findings and adapts well to the dynamic context of SMEs (Onwuegbuzie et al 2023). Furthermore, the coming together of numerical data and contextual understanding offers a holistic interpretation of the impact of forensic accounting in Zimbabwean SMEs.

3.2 Population (Target population)

The all-inclusive cluster of characters that an investigator is concerned in investigating or defining is referred to as population (Babbie 2020). It is a whole of which a section is taken from. Babbie (2020) further defines target population as a specific set of characters that an investigator is fascinated with. Target population total is 227 registered SMEs operating in Bindura Zimbabwe. These included key stakeholders like SMEs owners, financial managers, forensic accountants and auditors who engage in financial decision-making or are involved in fraud detection and control. Target population is obtained from Bindura Municipality council database for January 2024. However, the database is not up to date with a total of 33 new registered SMEs as of year-end 2024.

Table 3.1: Target population of SMEs in Bindura

Category	Population
Pharmacy	12
Restaurant/takeaway	13
Service station	6
Driving school	9
Hardware	56
Micro Finance	10
General dealers	121
Total	227

Source: Bindura Municipality Council January 2024

3.3.1 Sampling

Sampling is concerned with identification of a representative part of the population meant for research Makwana et al (2023). The research engaged a sample that shows a transverse character of the population. The sample is randomly collected. Makwana et al (2023) describe stratified sampling as an effective way in capturing heterogeneous populations by dividing them into subgroups for more accurate representation. The sampling technique is consistent with Enofe et al (2015), who used it in their research on forensic accounting and financial crimes to reduce bias and increase data precision.

3.3.2 Sample size

The sample size for the current study is 113. The sample size is obtained through a formula proposed by (Chipeta 2020). The method and derivations are illustrated in the following section.

$$n = \frac{N\frac{z^2 p(1-p)}{e^2}}{\frac{z^2\, p(1-p)}{e^2} + N - 1}$$

Where:

n =sample size

N =total population size (227)

z= confidence interval (90 %or 0.9)

p= sample proportion (50% or 0.5)

e =margin of error (3% or 0.03)

Therefore the sample size:

$$n = \frac{227\frac{0.9^2(0.5(1-0.5))}{0.03^2}}{\frac{0.9^2(0.5(1-0.5))}{0.03^2} + 227 - 1}$$

Sample size = 113

Allocated the sample size on pro rata basis of total population.

Table 3.2: Sample of the Research

Category	Population	Sample
Pharmacy	12	6
Restaurant/takeaway	13	6
Service station	6	3
Driving school	9	4
Hardware	56	28
Micro Finance	10	6
General dealers	121	60
Total	227	113

Source: Authors computation (2025)

3.4 Instrument for the study

The study implements a mixed-method design that employ structured questionnaires and semi-structured interviews as primary research instruments. These tools are selected based on their relevance and effectiveness in collecting both qualitative and quantitative data.

3.4.1 Questionnaires

Questionnaire is a structured tool meant for gathering quantifiable responses on specific issues (Roopa and Rani, 2012). Questionnaire are widely regarded as a vital data collection tool in quantitative research due to their ability to standardise responses and ensure consistency in data gathering (Saunders et al 2019). Structured closed-ended questionnaires are distributed among SME owners and accounting personnel with the aim to gather statistically significant data on the perceptions, practices, effectiveness of forensic accounting techniques in detecting and preventing financial malpractices. Rensis Likert in 1932 invented a 5-point Likert scale which is set to calculate confirmation related to forensic accounting practices. The scale makes it possible to gather dependable and similar data for statistical analysis (Joshi et al, 2015). Surveys are authenticated by preceding research such as Oraby (2024), who used surveys in probing the role of forensic accounting in identifying financial fraud. On the same note, Ogwiji (2023) engages a transverse exploration design using questionnaires circulated to 110 respondents, with 53 effective responses examined to measure forensic accounting practices. Questionnaires are cheaper and effective particularly in working with a huge section representing the population (Bryman & Bell, 2015). Furthermore it enables statistical assessments and guarantees respondent secrecy (Creswell, 2020). Notwithstanding the fact that, respondents failure to interpret the question might be a risk in terms of questionnaire utility (Denscombe, 2014).

3.4.2 Interviews

Semi-structured interviews are meant to capture sentiments about the researched phenomenon on a one -on - one basis between the interviewer and the interviewee (Gill et al, 2008). The technique offers opportunity for probing were clarity is needed. (Yin, 2020). Interviews are valuable in providing pertinent information concerning the influence of forensic accounting within Zimbabwean SMEs. Semi-structured interviews provide ground for further examination, clarify vague reactions with an advantage of roping in related issues that sprout from the exchange (Creswell, 2014). Apart from the fact that the technique is time consuming, it can result in respondent providing anticipated answers and artificial reactions.

3.5 Data collection procedure

The instruments used in the current study were initially used with a small sample to evaluate relevance and reliability. Revisions were made to ambiguous questions. Feedback was sought to ensure content validity and questionnaire structure was revised to align with the study's objectives and with existing literature on forensic accounting, financial crimes and SMEs practices. A 5-point Likert scale is adopted to measure respondents' perceptions and attitudes. The interview guide is also developed in accordance with the research questions to obtain in-depth qualitative data from SMEs owners, financial and auditing operators. The final instruments were administered over a four-week period using a combination of physical delivery and online. Interviews were scheduled flexibly depending on participant availability. All responses were collected, stored and managed confidentially.

3.6 Data presentation and analysis

Collected data was analysed using IBM SPSS Statistics Version 27, IBM SPSS Amos Version 23. Thematic analysis was used to gather data in qualitative nurture. Structural equation was employed to determine relation between latent variables. Measurement and structural models were also presented. Results were offered in graphs, tables and pie charts.

3.7 Reliability and validity

In ensuring validity, the instruments were derived from established literature and aligned with the research objectives. Content validity is enhanced through pilot testing which allowed for refinement of ambiguous questions and ensured that the instruments measured what they intended to measure. Moreover, reliability is ensured through standardisation of questionnaire items using the Likert scale. Internal consistency is tested using Cronbach's Alpha where a coefficient of 0.7 or above is considered acceptable for reliability. Interview procedures are consistently applied across participants to ensure dependable and replicable data collection. In addition triangulation is also used by merging both qualitative and quantitative methods enhancing credibility and robustness of results.

3.8 Pilot test results

In ensuring reliability of research tools, 10 responses were obtained from pilot study and analysed using SPSS version 27. Cronbach's Alpha was used in determining internal consistency all variables are above 0.7 as illustrated by table 3.3. The acceptable value for Cronbach's Alpha ranges from 0.70 and above.

Table 3.4 Reliability Statistics

Construct Name	Cronbach's Alpha	Number of items
FAA	0.985	4
IFAT	0.968	4
FSQ	0.974	3
FCD	0.993	3

Source: Authors computation (2025)

3.9 Ethical considerations

The study adheres to the ethical research principles in protecting the human rights of participants. Thereby informing participant's purpose of the study through an informed consent form which explains their rights including the right to pull out at any point devoid of penalty. All participants anonymised to protect identities. No personal data is collected that would link responses to individual participants. Data collected is securely stored and used solely for academic purposes. Interview recordings were done with participant consent and no financial incentives were offered to avoid coercion.

3.10 Summary

The section offered the procedure engaged in examining the role of forensic accounting in fighting financial crimes in Zimbabwean SMEs. A mixed-methods is embraced to capture statistical and experiential data. Stratified sampling ensures broad representation and standardised tools (questionnaires and interviews) are made to solicit reliable and valid data. Ethical standards and methodological rigor are maintained throughout the process to enhance the quality and integrity of result

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents, analyses and interprets data collected from respondents in Bindura SMEs using a mixed approach. The quantitative data is analysed using SPSS and AMOS in the form of descriptive statistics, factor analysis and structural equation modelling (SEM). Qualitative insights are derived from semi-structured interviews. The chapter include demographic analysis, model fit indices, hypothesis testing results and discussions of findings aligned with existing literature. .

4.1. Demographic Data

Of the 113 questionnaires circulated, 102 were returned having been responded to. The response rate is 90.27%. The category of target business include pharmacy, restaurants, service station and micro finance, driving schools, general dealers and hardware. The following table shows the responds rate.

Table 4.1: Responses

Business grouping	Questionnaire		Reactions
	Intended	Physical	%
Pharmacy	6	6	100
Restaurant/takeaway	6	6	100
Service station	3	3	100
Driving school	4	4	100
Hardware	28	28	100
Micro Finance	6	6	100
General dealers	60	49	82
Total	113	102	90.27

Source: Authors computation (2025)

4.1.1 Number of years of experience in the current role

Being part of demographic information, participants indicated the number of years of experience. 43.1% of SMEs personnel has a range of 1-3 years while 24.5% has more than 6 years of experience as illustrated on figure 4.1.

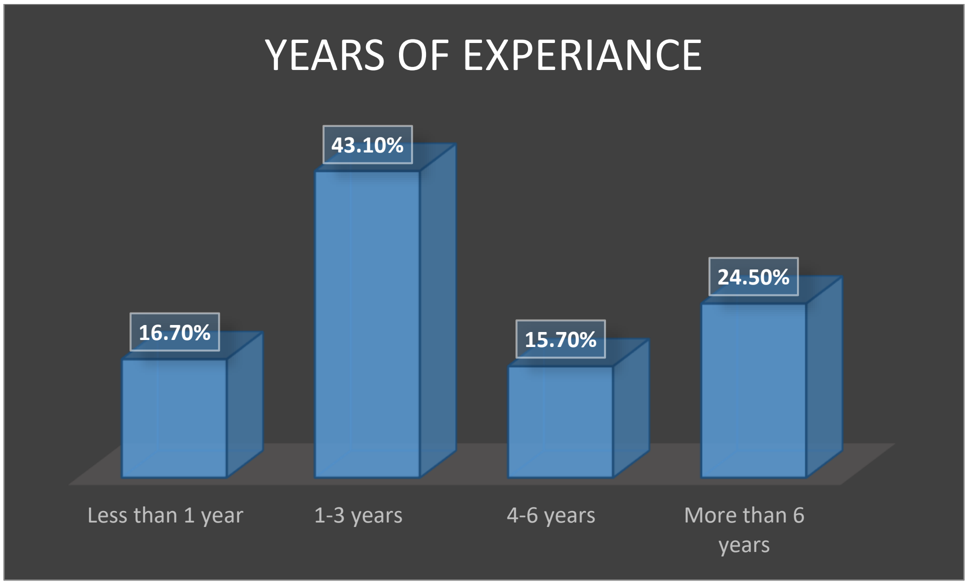

Figure 4.1: years of experience

54% percentage are SME Owners, Managers constitute 29%, Accountants or Auditors, 13% while loan officers create 4%.

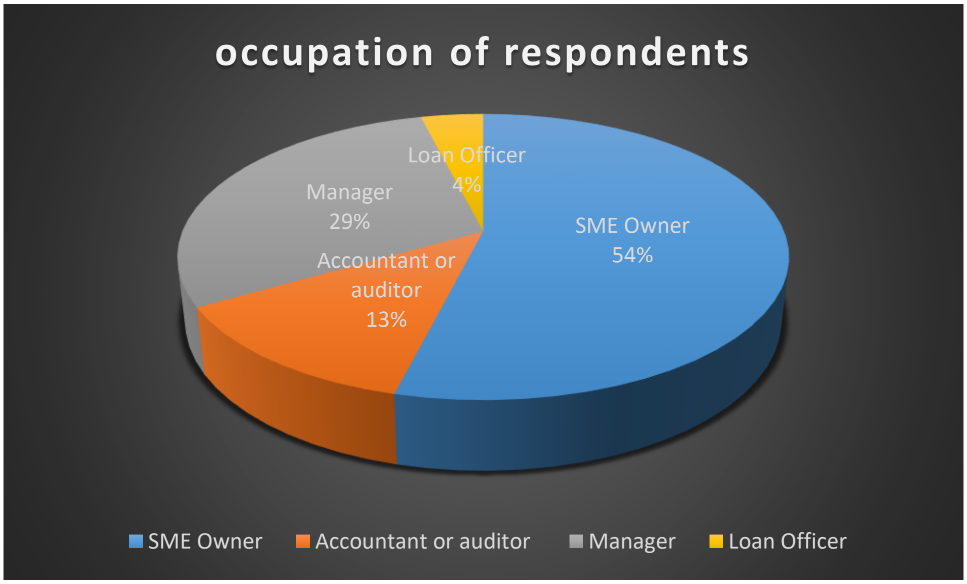

Figure 4.2: Occupation of respondents

4.2. Validity and reliability procedures

The measurement scale validation was conducted first by establishing the measurement model as illustrated in Figure 4.3. Followed by table 4.2 and 4.3 which display the standardised factor loadings for each construct items. According to Hair at al, (2019), Chi-square is impacted by bigger number therefore the researcher made use of other indices such as the Incremental Fit Index (IFI), Comparative Fit Index (CFI) for the evaluation of the model fit.

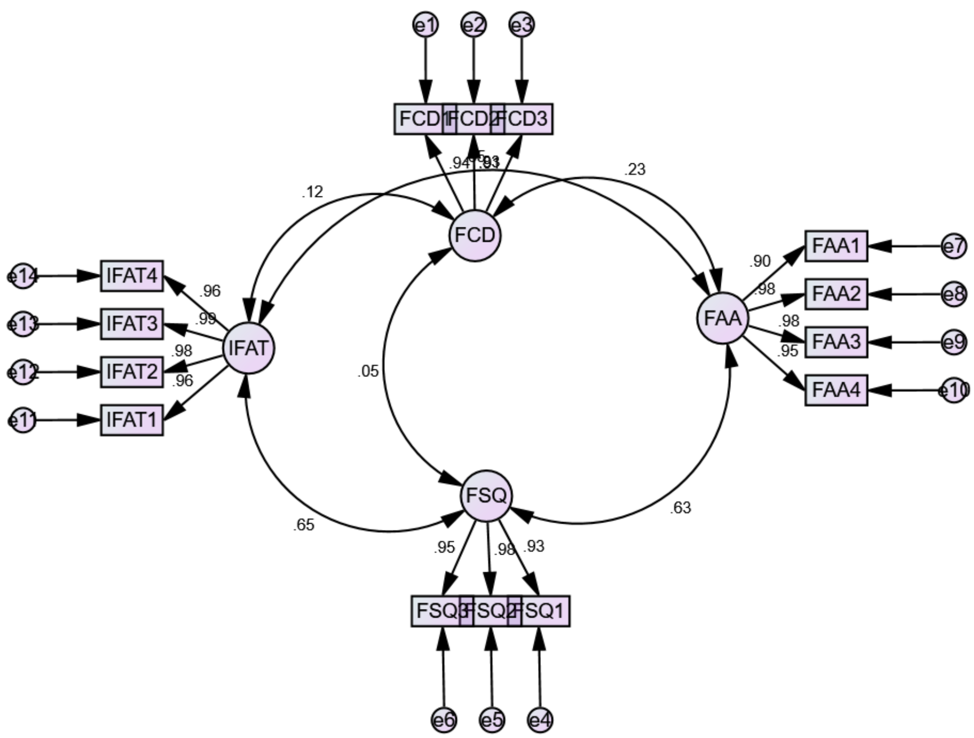

Figure 4.3 Measurement model of the study

Table 4.2: Model fit

Model Fit Index	Value	Acceptable threshold	Interpretation
CMIN/DF	1.962	< 3	Acceptable
CFI	0.969	≥ 0.95	Good fit
TLI	0.960	≥ 0.95	Good fit
RMESEA	0.098	≤ 0.08(ideal),≤ 0.10 acceptable	Acceptable
PCLOSE	0.001	> 0.05	Not ideal
NFI	0.939	≥ 0.90	Good fit

The overall model exhibits an acceptable-good fit, suggesting that the structural relationships specified align well with the observed data. The study proceeded to establish the construct validity and reliability as the model is considered fit. The research tested for the convergent validity for all the variables and accessed the discriminant validity as illustrated in table 4.3 below.

Table 4.3.1 Convergent validity and discriminant validity

	Average variance extracted(AVE)	Composite Reliability	Cronbach's Alpha		Shared	Variances	
				(1)	(2)	(3)	(4)
FAA(1)	0.906	0.975	0.973	1			
IFAT(2)	0.942	0.985	0.985	0.428	1		
FSQ(3)	0.912	0.969	0.968	0.4	0.43	1	
FSQ(4)	0.8	0.923	0.921	0.052	0.014	0.003	1

The study made use of the formula by Fornell and Larker, (1981) to calculate the average variance extract. All the variables have an average variance extract of more than 0.5 which is the threshold, indicating that there is sufficient convergent validity for the variables. Meaning there is a significant amount of common variance among items for each variable (Hair et al, 2019). The study further on accessed the discriminate validity by comparing the AVE and the shared variance. All the variables AVE were higher than the shared variance, showing that the discriminant validity was sufficient.

Reliability is evaluated using the composite reliability and the Cronbach alpha, both having coefficients that are higher than 0.7 which is the threshold. This indicate that all the variables are reliable. The study then proceeded to the hypothesis section.

4.3. Hypothesis Testing

The four hypothesis are examined using Structural Modelling Equation (SEM) and the findings are shown in figure 4.4 and table 4.4 below.

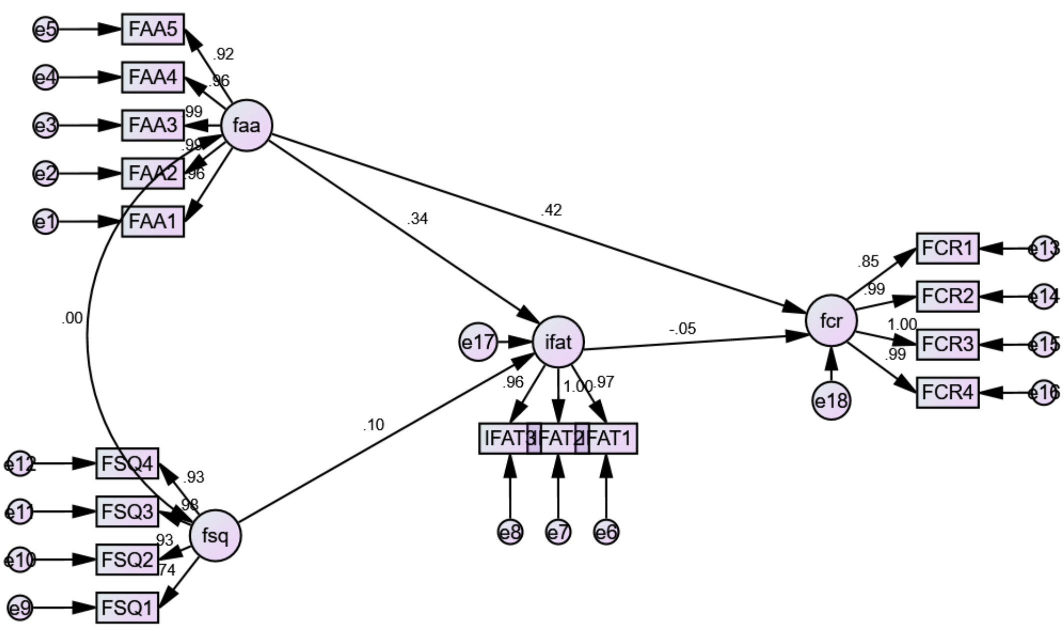

Figure 4.2: Structural model

Table 4.3.2: Hypothesis testing

Hypothesis	Path	Estimate	C.R	P- Value	Conclusion
H1	IFAT← FAA	.399	4.225	***	Supported
H2	FCD← IFAT	-.055	.-409	.682	Not Supported
H3	IFAT← FSQ	.403	4.289	***	Supported
H4	FCD← FAA	.264	1.941	.052	Marginal(weak support)

Interpretation and discussion of results

H1 results, demonstrate a strong and statistically significant positive relationship between forensic accounting awareness and implementation of forensic accounting techniques. The results aligns with Oraby (2023) and Alharasis et al, (2023), who concur that awareness of forensic accounting principles lead to higher adoption of investigative tools and practices. Bindura SMEs, survey results project increased awareness could lead to better application of forensic techniques.

H3's findings indicates a significant and positive relationship between forensic skills, qualifications and implementation of forensic accounting techniques. It reinforces the work of Enofe et al, (2025) and Dele-Oladejo and Olorunsola (2023), highlight that properly trained and qualified forensic professionals are more likely to effectively apply forensic methods. This suggest that investing in forensic accounting education for SME personnel could enhance practical application and outcomes.

H2, contrary to expectations, the relationship between implementation of forensic accounting techniques and financial crime reduction is negative and statistically insignificant. This contrasts sharply with findings by Mabior and Wanyama (2024) and Ogwiji (2023), who argue that application of forensic techniques significantly reduces financial fraud. The results in this study suggest that while SMEs may be aware and attempt to implement forensic tools, such tools and approaches are improperly applied due to lack of expertise and resource limitations.

H4, while the relationship between forensic awareness and financial crime reduction is not significant at the 0.05 level, it approached significance, indicating weak support. This suggest that awareness may have a limited direct impact on crime reduction, possibly through indirect mechanisms like heightened vigilance or ethical culture, in li with the findings of Madzivire et al,(2020) and Murinda and Chiwariro (2023). The marginal nature of this relationship highlights the need for further study and potentially larger sample sizes to detect subtler effects.

4.3.1 Thematic Analysis (Qualitative findings aligned with SEM results)

In complementing the Amos-based quantitative findings, thematic analysis is conducted on the interview data obtained from selected SME owners, accountants and managers in Bindura. Thematic analysis followed Braun and Clarke's (2006) six-phase process, permitting for the observation of pertinent main ideas that reflect participant's lived experiences and perceptions. These themes are mapped against the quantitative hypothesis findings to provide a deeper understanding.

(i) Theme 1: Limited Awareness of forensic Accounting practices (aligned with H1 and H2)

Many participants acknowledged that, they have heard of forensic accounting, but few have in depth knowledge or understanding of how to implement it. "We have heard about forensic audits, but that's usually for big companies or government scandals not SMEs like ours"- SME manager.

Alignment with quantitative results:

H1 (FAA-IFAT) is supported ($\beta=0.399$, $p<0.001$), shows awareness enhances implementation of forensic techniques.

H4 (FAA-FCD) has weak support ($\beta=0.264$, $p=0.052$), suggesting awareness may reduce financial crimes, but the relationship is not strong unless supported by actual implementation.

Interpretation

Qualitative responses confirm low forensic awareness, which directly affects technique adoption and only marginally affects crime reduction unless paired with action.

(ii) Theme 2: Lack of specialised forensic skills (Aligned with H3)

"Our training in accounting didn't cover much about investigations or digital tools. We handle finances, but forensic work is different."-internal auditor, SME.

Aligned with quantitative results

H3 (FSQ-IFAT) is strongly supported ($\beta=0.403$, $p<0.001$), indicating that possessing forensic skills significantly enhances implementation.

Interpretation

The thematic data supports the SEM path: lack of skills is a major barrier and increasing qualifications will directly enhance adoption of forensic techniques.

(iii) Theme 3: Minimal implementation of forensic techniques (aligned with H2-not supported)

Very few SMEs reported using forensic accounting methods

"We just check receipts and records manually. There's no real system to investigate fraud unless it's obvious."-SME owner

Alignment with quantitative results

H2 (IFAT-FCD) is not supported ($\beta= -0.055$, $p =0.682$). Despite adoption efforts, forensic technique usage has not significantly reduced financial crimes due to ineffective implementation.

Interpretation

Thematic evidence confirms that most SMEs are not using robust forensic techniques, explaining why even if implementation is attempted, its impact on fraud reduction remains insignificant.

(iv) Theme 4: Perceived benefits of forensic accounting

Some participants, especially those familiar with the concept, believe forensic accounting can be valuable for fraud detection and transparency.

"I believe if we have proper forensic checks, we would catch irregularities early. It's just that we don't have the resources or know-how."-SME owner –manager.

4.4 Summary

The findings reveal moderate awareness of forensic accounting but limited implementation and training. While FAA and FSQ predict implementation (IFAT), the IFAT variable does not significantly influence financial crime reduction. This suggest that additional contextual factors like organisational culture and regulatory support might mediate the relationship.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The section summarises the research, draws conclusions and offers recommendations for SMEs, researchers and policymakers.

5.1 The Summary

The research examined role of forensic accounting in combating financial crimes among SMEs Zimbabwe, Bindura. Objectives assessed awareness, implementation techniques, the influence of skills/qualification and the link to financial crime reduction. A sample of 113 respondents was used and data was collected via questionnaires and interviews. Moreover the data was analysed using SPSS, AMOS and thematic analysis. Despite limitations such as reluctance to disclose financial crime cases and limited availability of forensic experts, valid conclusions were drawn.

5.2 Summary of major findings

Awareness and qualifications exist only in a minority of SMEs. Furthermore general dealers (majority of respondents) lack knowledge and resources. The study's major findings show that:

- Forensic accounting awareness has a significant positive effect on implementation of forensic accounting techniques. Therefore awareness increase likelihood of implementing forensic techniques.
- Implementation of forensic accounting techniques does not significantly affect financial crime reduction. The implications being implementation without strategic and regulatory reinforcement is ineffective.
- Forensic skills and qualifications positively impact implementation of forensic accounting techniques. Implying that, skills and qualifications are crucial for successful application of forensic tools.
- Forensic accounting awareness marginally affects financial crime reduction. Awareness may contribute to better detection, although indirectly.

5.3 Conclusions

This work concludes that forensic accounting is capable of combating financial crimes in SMEs, but its impact is currently constrained by:

- ❖ Most SME participants lacked awareness of forensic accounting concepts and tools.
- ❖ There is a significant gap between awareness and actual implementation of forensic techniques. However, implementation alone does not guarantee financial crime reduction unless contextual factors such as governance and internal controls are in place.
- ❖ where implemented, forensic accounting significantly contributed to reducing financial crimes
- ❖ The lack of trained forensic accountants within SMEs hampers effective adoption and a small segment of SMEs in Bindura mainly managed by professionals are beginning to adopt forensic accounting practices

5.4 Recommendation for further study

- ❖ Government and academic institutions should offer affordable forensic accounting training programs.
- ❖ Regulatory bodies like ZIMRA and SMEDO should incorporate forensic accounting guidelines in SME compliance framework.
- ❖ Regulatory bodies should launch awareness initiatives to educate SMEs on the benefits of forensic accounting and encourage partnerships between SMEs and forensic experts for audit services.
- ❖ Further research that expand studies to urban SMEs and introduce case studies comparing high and low adopting SMEs are recommended.

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APPENDICES

APPENDIX A: QUESTINNAIRE

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

B210743B is my identity, final year scholar at Bindura University of Science Education conducting an investigation concerning ***Role of forensic accounting in combating financial crimes in SMEs in Zimbabwe.*** The study is for the fulfilment of my Bachelor's degree in Accounting. Please feel free to express your insights, are purely meant for academic pursuance only. Therefore all your responses are kept confidential and you not in any way exposed to harmful situations what-so-ever. I acknowledge your commitment in completing this form, in so doing you are not obliged to reveal your identity.

Kindly complete this form by ticking on the indicated space provided.

Research Title: ***The role of forensic accounting in combating financial crimes in SMEs in Zimbabwe.***

Target Respondents: SME owners, accountants, internal auditors and forensic accountants.

Format: Close-ended questions primarily using a 5-point Likert scale.

Section A: Demographic Information

1. **Which of the following Business category are you part of**

   - ○ Pharmacy
   - ○ Restaurants/takeaway
   - ○ Service station
   - ○ Driving school
   - ○ Micro finance
   - ○ General dealers
   - ○ Hardware

2. **Indicate your Occupation**

   - ○ SME Owner
   - ○ Accountant or auditor
   - ○ Manager

3. **Indicate the Years of experience in current role**

   - ○ Less than 1 year
   - ○ 1-3 years
   - ○ 4-6 years
   - ○ More than 6 years

Section B: Forensic Accounting Awareness (FAA)

Please rate the following statements using a Likert Scale: **mark the box with your respond**

(1=Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

Statement	1	2	3	4	5
The term, "forensic accounting." I am at home with it					
SMEs in my area are aware of forensic accounting as an instrument against financial crime.					
I have attended any training / seminar on forensic accounting.					
Forensic accounting is commonly practiced by SMEs in Bindura.					

S**ection C: Implementation of Forensic Accounting Techniques (IFAT)**

Mark the box with your respond

Statement	1	2	3	4	5
Our organisation uses forensic tools like data mining or digital audit trails.					
We conduct fraud investigations using forensic methods.					
External forensic accountants are consulted when fraud is suspected.					
Our audits integrate forensic accounting techniques.					

Section D: Forensic Skills and Qualifications (FSQ)

Mark the box with your respond

Statement	1	2	3	4	5
Our accountants possesses forensic accounting qualifications.					
Our staff are trained to identify and handle financial crime indicators.					
We regularly upskill our staff in forensic accounting tools and processes.					

Section E: Financial Crime Reduction (FCR)

Mark the appropriate space.

Statement	1	2	3	4	5
The number of financial fraud cases has reduced over the past 3 years.					
Our controls have become more effective due to forensic accounting practices.					
Financial losses due to fraud have decreased in our organisation.					

I appreciate your effort and contributions

APPENDIX B: INTERVIEW GUIDE

B210743B is my identity, final year scholar at Bindura University of Science Education in the Accounting Department. Undertaking a research on the role of forensic accounting on combating financial crimes in SMEs in Zimbabwe. It is a prerequisite for my study to undertake a study as part of my qualification. I am collecting data from SMEs using interviews. Therefore, I am requesting your assistance in answering asked. Your contributions are in confidentially and purely for academic purposes.

(v) What is the level of awareness and understanding of forensic accounting among Zimbabwean SMEs?

(vi) To what extent and ways are SMEs in Zimbabwe implementing forensic accounting techniques to detect, prevent and reduce financial crimes?

(vii) What skills and qualifications do SME personnel possess that support the adoption and effectiveness of forensic accounting practices?

(viii) How does forensic accounting contribute to reducing financial crimes within SMEs in Zimbabwe?