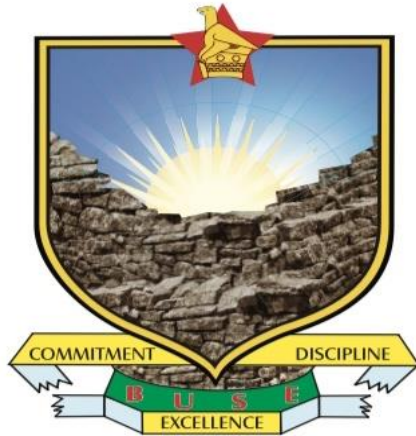# BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

INVESTIGATING FRAUD DETECTION AND PREVENTION STRATEGIES IN ACCOUNTING PRACTICES. A CASE OF LEENGATE CIVIL ENGINEERING

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR A BACHELOR OF ACCOUNTANCY HONOURS DEGREE

2024

APPROVAL FORM

The undersigned certify that they read and recommended to the Bindura University of Science Education for acceptance, a research project entitled "Investigating Fraud Detection and Prevention Strategies in Accounting Practices; A Case of Leengate Civil Engineering", submitted in Partial fulfilment of the requirements of a Bachelor of Accountancy Honours Degree.

To be completed by the student

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

Signature of student ⟨signature⟩   Date 30 Sept 2024

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This dissertation is suitable for submission to the faculty. This dissertation should be checked for conformity with faculty guidelines.

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I certify to the best of my knowledge that the procedure has been followed and the preparation criteria have been met for the dissertation.

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DEDICATIONS

I dedicate this dissertation to my beloved father, whose unwavering support and guidance have been the foundation of my academic journey. To my mother, whose unconditional love and encouragement have sustained me through the ups and downs of this process. To my brother, whose friendship and camaraderie have been a constant source of joy and motivation, and to my family, whose kindness and generosity have enriched my life in countless ways. May this work be a testament to the love and inspiration that has fuelled my pursuit of knowledge?

ABSTRACT

This study examines the fraud detection and prevention strategies employed by Leengate Civil Engineering Contractors, a leading Zimbabwean company in the housing and property development infrastructure sector. The research aims to identify and analyze the best practices in fraud prevention and detection, highlighting the importance of robust internal controls, risk assessments, and whistleblower mechanisms. The case study focuses on the company's financial reporting and internal control systems, assessing their effectiveness in preventing and detecting fraudulent activities. The study reveals that Leengate Civil Engineering Contractors has implemented various strategies to mitigate fraud risks, including regular internal audits, data analytics, and external audits. The company's strong control environment, coupled with its commitment to ethical practices and continuous improvement, has contributed to its reputation as a trustworthy and reliable contractor. The findings of this study provide valuable insights into the fraud detection and prevention strategies employed by Leengate Civil Engineering Contractors, offering a model for other companies to follow. The study concludes that a combination of robust internal controls, risk assessments, and whistleblower mechanisms is essential for preventing and detecting fraud in accounting practices. The results of this research can inform the development of more effective fraud prevention and detection strategies, ultimately enhancing the financial integrity and reputation of companies like Leengate Civil Engineering Contractors.

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First and foremost, I owe a debt of gratitude to the All-Powerful God who led me thus far and initiated the voyage. I would like to express my gratitude to every member of the Faculty of Commerce teaching staff who helped me with this dissertation, whether directly or indirectly. The academic staff's advice and assistance are greatly appreciated. I would also like to express my appreciation to my friends for their help and encouragement while I worked on this dissertation.

I would also like to express my appreciation to the Leengate personnel for providing me with the information I required to successfully complete this dissertation. It was a pleasure speaking with you, and I will always be grateful for your kind assistance in seeing this dissertation through to completion.

Not to mention, I am incredibly appreciative of my kind parents, brothers, and sisters for all the resources they provided for my education, including financial assistance, moral guidance, encouragement, and prayers. My deep gratitude to them cannot be adequately conveyed; only God is aware of the extent of my debt to them. I could not have progressed thus far without these folks.

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CHAPTER I

INTRODUCTION

This study aims to investigate fraud detection and prevention strategies in accounting practices, exploring the various methods and techniques employed by organizations to identify, prevent, and mitigate fraud. By examining the existing literature, best practices, and expert opinions, this research seeks to contribute to the development of comprehensive and effective fraud detection and prevention strategies that can be applied in various accounting contexts. Ultimately, this study aims to provide insights and recommendations that can help organizations strengthen their defenses against fraud, protect their assets, and maintain the trust of their stakeholders.

1.1 Background of the Study

Fraud remains a pervasive and insidious threat to businesses and organizations worldwide, causing significant financial losses and erosion of trust. The international community has witnessed several high-profile fraud cases, such as Enron and WorldCom, which have led to calls for strengthened fraud detection and prevention strategies. Globally, fraud is estimated to cost businesses around 5% of their annual revenue, equaling almost $3.7 trillion in 2020, according to the Association of Certified Fraud Examiners. In Brazil, Monteiro et al, (2020) mentioned that fraud can result in substantial financial losses for contractors, clients, and investors. In Malaysia, Yap, J. B. H et al, (2020) state that fraud can also cause financial losses, especially in developing countries and they also say that it can be prevented by law enforcement, regulations, integrity honest construction culture, and effective reporting channels. In the United States, Federal Bureau of Investigation, (2022)fraud can lead to legal and regulatory issues, including lawsuits, fines, and criminal charges.

In Africa, fraud is a significant concern, with many countries struggling to address the issue. A report by PwC (2020) revealed that 85% of African organizations experienced economic crime in the past two years, with fraud being the most common type. In South Africa, Mokomole, T.D, (2023) emphasized that instances of fraud, corruption, irregularities, financial misconduct, and maladministration prepared by public officials lead to significant financial losses amounting to billions of Rands annually, which are intended for enhancing the well-being of the general public. Zimbabwe, in particular, has faced significant economic challenges, including a high inflation rate and currency fluctuations, creating an environment conducive to fraudulent activities. A study by the Institute of Chartered Accountants of Zimbabwe (2019) found that fraud was a major concern for businesses in Zimbabwe, with 70% of respondents reporting that they had experienced fraud in the past year.

Despite the existence of various accounting practices and regulations aimed at preventing fraud, such as the Zimbabwean Generally Accepted Accounting Practice (ZGAAP) and the International Financial Reporting Standards (IFRS), fraud remains a persistent problem. This suggests that current fraud detection and prevention strategies in accounting practices may be inadequate or ineffective.

Therefore, this study aims to investigate fraud detection and prevention strategies in accounting practices, focusing on Leengate Civil Engineering Contractors. The study seeks to identify effective strategies that can be employed by organizations to prevent fraud and minimize its impact. By exploring international best practices and African and Zimbabwean experiences, this study aims to contribute to the development of robust fraud detection and prevention strategies that can be applied in various contexts.

1.2 Statement of the Problem

Leengate Civil Engineering Contractor has suffered from fraud incidents causing damage to its reputation and financial performance. Despite prior attempts to reduce fraudulent activities, they have not been fully successful. Thus, the study aims to investigate and implement potential solutions to address fraudulent activities, focusing on fraud detection and prevention measures in accounting practices to minimize the negative impact on the company.

1.3 Research Objectives

1. To examine the most common types of fraud in accounting practices
2. To investigate the current fraud detection and prevention strategies used in accounting practices
3. To evaluate the effectiveness of existing fraud detection and prevention strategies in accounting practices

1.4 Research Questions

1   What types of fraud have been experienced by Leengate Civil Engineering Contractors in the past, and how were they detected and addressed?
2   What fraud detection and prevention strategies are currently in place at Leengate Civil Engineering Contractors, and how effective are they in preventing financial losses and reputational damage?
3   What are the strengths and weaknesses of Leengate Civil Engineering Contractors' internal controls, auditing processes, and whistleblower policies in detecting and preventing fraud?

1.5 Importance of the study

Significance to the University

The outcomes of this study have the potential to strengthen the reputation of the university as an institution for accounting and business research. The research findings can serve as a demonstration of the university's dedication to generating practical, applicable, and relevant research that tackles real-world problems. By producing research that contributes to knowledge in the field and offers solutions to current challenges, the university can reinforce its standing as a leader in the academic community and demonstrate its commitment to making a positive impact on society.

Significance to the Researcher

Acquire practical experience in conducting empirical research in the areas of accounting and business. It offers an avenue to develop critical research skills, such as data collection, analysis, and interpretation, which can be applied in both academic and professional contexts. The experience gained from this study can prove beneficial in the researcher's future pursuits, enabling them to contribute meaningfully to the field and make a positive impact on society.

Significance for Leengate

The study has the potential to yield significant benefits for Leengate by offering valuable insights into the company's fraud detection and prevention strategies in accounting practices. The research findings can be leveraged to identify areas for improvement and develop more effective measures to prevent and detect fraudulent activities. By doing so, the company can mitigate the financial losses and reputational damage associated with fraud. The study's outcomes can help Leengate enhance its corporate governance practices and strengthen its commitment to ethical business operations, thereby contributing to the company's long-term success and sustainability.

Significance for Leengate's Management

The study has the potential to offer Leengate's management a comprehensive understanding of the effectiveness of the company's current strategies for detecting and preventing fraud. The research findings can provide insights that enable management to make informed decisions regarding resource allocation and investments in additional fraud prevention measures. This can help Leengate safeguard its financial resources and reputation, promote transparency and accountability, and foster a culture of ethical business practices

1.6 Assumptions of the study

- The researcher assumed that utmost discretion over matters to be deliberated was practiced.

- The researcher also assumed that every individual who answered the survey had adequate knowledge regarding fraudulent matters.
- The researcher assumed that the secondary data used is reliable and accurate for conclusions to be made
- The sample size and selection made allowed for appropriate conclusions to be drawn, as they were sufficiently representative of the entire population.

1.7 Delimitation

The study focused specifically on Leengate Civil Engineering Contractor's head office located in Harare, Zimbabwe. This study is going to focus on the period from January 2019 to the present. Events or practices that occurred before this period may not be considered in the analysis. The study was limited to Leengate Civil Engineering Contractor as a single case study. The findings and conclusions may not be generalizable to other organizations or industries. The study relied primarily on data obtained from Leengate Civil Engineering Contractors records, interviews with employees and stakeholders, and publicly available information. Other potential sources of data may not be included in the analysis. The study focused specifically on fraud detection and prevention strategies in accounting practices at Leengate Civil Engineering Contractor. Other types of fraud or criminal activity may not be considered in the analysis.

1.8 Limitations

The researcher came across several limitations that posed challenges to the study. The study was subject to a limitation regarding the availability and accessibility of relevant data. Nonetheless, measures were taken to overcome this limitation by employing robust data collection methods, including interviews, document reviews, and the use of publicly available information from diverse sources.

Time constraints also limited the amount of data that could be collected and analyzed for this study. To overcome this difficulty, a meticulously planned work schedule complete with workable deadlines was created and adhered to, guaranteeing that the objectives of the study were completed within the allotted time

The research also faced financial constraints, as expenses related to printing questionnaires, conducting surveys, and communicating with employees and stakeholders were substantial. To address this challenge, cost-effective measures such as leveraging online platforms and tools like email and video conferencing were employed to communicate with employees and stakeholders. These measures helped to reduce costs while maintaining effective communication channels with those involved in the research.

1.9 Organization of the Study

CHAPTER 1 A brief overview of the study specifies the direction and goals of the research as well as its format.

CHAPTER 2 Examine the literature that is currently accessible on accounting practices' methods for fraud detection and prevention. The purpose of the literature review was to demonstrate the importance of the research study by reviewing the hypotheses and conclusions of previous researchers. There will be a knowledge vacuum created.

CHAPTER 3 Discuss the methodology of the study. This chapter will include specifics on the instruments to be used, the research strategy, the research design, the sample design, and the data collection processes.

CHAPTER 4 Study findings were discussed in this chapter.

CHAPTER 5 Findings and suggestions from the investigation were given by the researcher.

1.10 Chapter Summary

After introducing the research study, this chapter examined its history, problem statement, aims, questions, delimitations, limitations, significance, and underlying assumptions.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

This chapter examined the literature on fraud detection and prevention techniques in accounting practices. The theoretical review, conceptual framework, empirical review, and research gap were all examined in this chapter.

2.1 Theoretical Review

The fraud triangle theory, agency theory, and cognitive dissonance theory were the three theories that the researcher examined in order to provide an explanation for the fraud detection and prevention techniques used in accounting processes.

2.1.1 FRAUD TRIANGLE THEORY

The Fraud Triangle Theory is a well-known paradigm for comprehending fraud detection and prevention techniques in accounting processes. It was created by criminologist Donald Cressey in 1953. According to the hypothesis, fraud happens when three conditions are met: pressure, opportunity, and rationalization (Albrecht et al., 2019). Opportunity denotes a person's capacity for deception, rationalization denotes a person's reasoning or justification for deception, and pressure denotes a person's drive or necessity for deception.

Scholars have supported the Fraud Triangle Theory, and it remains a relevant framework for understanding and preventing fraud in accounting practices (Albrecht et al., 2019; Krambia-Kapardis & Zopiatis, 2020). According to the theory, fraud can be prevented by removing one or more of these elements. For example, reducing opportunities for fraud by implementing control mechanisms and monitoring systems, or reducing pressures by improving employee compensation and benefits. Additionally, fostering an environment of honesty and ethical behavior can lessen the rationalization element of fraud (Albrecht et al., 2019).

2.1.2 Agency Theory

Agency Theory is another relevant theoretical framework for understanding fraud detection and prevention strategies in accounting practices. The theory states that there might be conflicts of interest in an organization between agents, like managers, and principals, like shareholders (Jensen and Meckling, 1976). According to the hypothesis, agents may be incentivized to engage in fraudulent behavior if it benefits themselves at the expense of the principals.

Scholars have supported the Agency Theory and its implications for fraud prevention in accounting practices (Krambia-Kapardis and Zopiatis, 2020; Thorne and Holt, 2018). To prevent fraud in this context, the theory suggests that the interests of principals and agents should be aligned. This can be achieved by monitoring and controlling agents' behavior, providing appropriate incentives, and ensuring transparency and accountability (Jensen and Meckling, 1976).

Effective fraud detection and prevention strategies grounded on the Agency Theory require a clear understanding of the possible conflicts of interest between agents and principals as well as the procedures for resolving them. Through the alignment of principals' and agents' objectives, businesses can reduce the likelihood of fraudulent activity and encourage moral behavior in their accounting procedures.

2.1.3 Cognitive Dissonance Theory

Cognitive dissonance theory is another theoretical framework that can be useful in understanding fraud detection and prevention strategies in accounting practices. The notion states that when people's attitudes or beliefs don't match their actions, it causes them discomfort or dissonance. This can lead to rationalization or justification of fraudulent behavior to reduce the discomfort caused by the inconsistency (Festinger, 1957).

Recent scholars have supported the importance of Cognitive Dissonance Theory in understanding and preventing fraud in accounting practices (Krambia-Kapardis and Zopiatis, 2020; Thorne and Holt, 2018). To prevent fraud in this context, the theory suggests reducing cognitive dissonance by promoting a culture of honesty and ethical behavior and reducing the potential for conflicting beliefs or attitudes. This can be accomplished by offering instruction and training, promoting transparency and accountability, and implementing control mechanisms (Festinger, 1957).

Effective fraud detection and prevention strategies grounded on Cognitive Dissonance Theory require an understanding of the potential for cognitive dissonance and the mechanisms for reducing it. By promoting a culture of honesty and ethical behavior and reducing the potential for conflicting beliefs or attitudes, organizations can prevent fraudulent behavior in their accounting practices.

2.2 Conceptual Framework
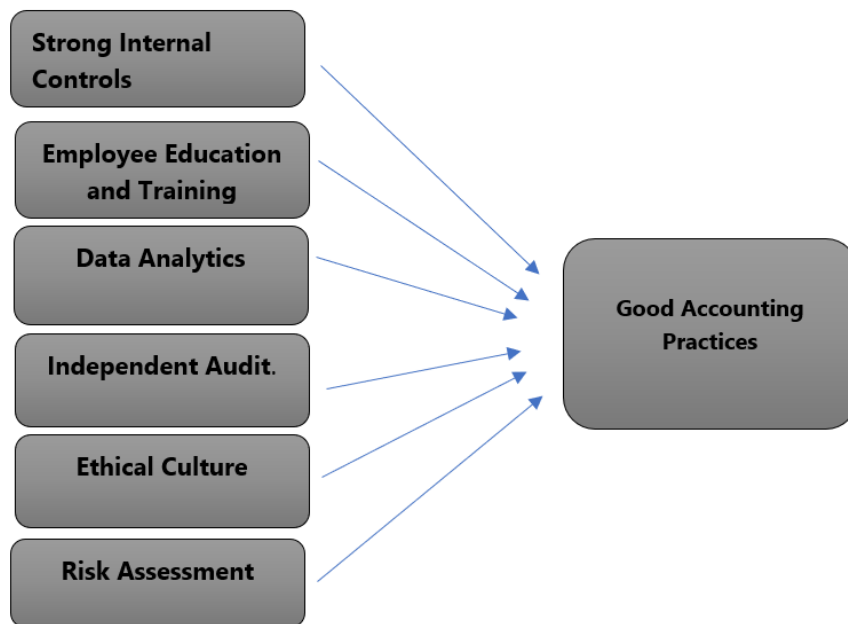
Fig 2. 1: Conceptual Framework on Fraud Detection and Good Accounting Practices

As depicted by the figure above, good accounting practices rely heavily on strong internal controls, employee training, data analysis, independent audits, ethical culture, and risk assessment. According to a study by Albrecht et al. (2019), effective internal controls, independent audits, risk assessments, and an ethical culture are essential for both identifying and preventing fraud.

2.2.1 The current accounting practices and potential areas of vulnerability to fraud in organizations.

Accounting practices are a crucial component of any organization, and they are essential in measuring the financial performance and stability of the organization. However, despite the importance of accounting practices, there are still potential areas of vulnerability to fraud in organizations.

Accounting practices involve the recording, analyzing, and reporting of financial transactions of an organization. These practices are guided by a set of accounting principles and standards, such as International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAP). These principles and standards provide a framework for the preparation of financial statements that show the organization's financial performance and status, including cash flow, balance sheet, and income statement information.

Over time, current accounting practices have changed, leading to multiple adjustments in accounting rules and principles. For instance, the widespread adoption of IFRS has resulted in a greater degree of international harmonization of accounting standards. Furthermore, the introduction of technology such as accounting software has improved the efficiency and streamlined accounting procedures.

However, despite these improvements, accounting practices are still vulnerable to fraud, and there are several potential areas of vulnerability that organizations need to be aware of.

Firstly, revenue recognition is a critical area of accounting, and it involves the recognition of income from products or services sold. Revenue recognition can be vulnerable to fraud, particularly when there is pressure to meet revenue targets. This can lead to the manipulation of revenue recognition, such as recognizing revenue prematurely or inflating revenue figures. According to Albrecht et al. (2019), one of the most prevalent kinds of financial statement fraud is revenue fraud.

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Secondly, expense reporting involves the recording and reporting of expenses incurred by the organization. This area can be vulnerable to fraud when employees or managers submit fraudulent expenses, such as inflating the amount of expenses or claiming expenses that were not incurred. According to Thorne and Holt (2018), expense reimbursement fraud is one of the most prevalent types of fraud in businesses.

Thirdly, theft of an organization's assets, whether money or stock, is known as asset misappropriation. When management or staff members gain access to an organization's assets and utilize that access to pilfer or misuse those funds, fraud of this kind may result. Krambia-Kapardis and Zopiatis (2020) claim that the most prevalent type of occupational fraud is asset misappropriation.

Fourthly, internal controls are critical for preventing and detecting fraud in organizations. However, internal controls can be vulnerable to fraud when employees or managers circumvent or manipulate the controls. For example, an employee with access to financial records could manipulate those records to cover up fraudulent activity. According to Albrecht et al. (2019), the least frequent kind of fraud is internal control fraud, but it can be the costliest.

Lastly, as technology is used more and more in accounting procedures, cybersecurity is now a major area where businesses are vulnerable. Cybercrime can take many different forms, including phishing, malware, and hacking, and it can lead to the manipulation of financial records or the loss of confidential financial information. Cybercrime is a growing hazard to enterprises, and having strong cybersecurity measures in place is vital to preventing and detecting cybercrime, according to Krambia-Kapardis and Zopiatis (2020)

In conclusion, accounting practices are critical for measuring the financial performance and stability of organizations. However, there are several potential areas of vulnerability to fraud in accounting practices, such as revenue recognition, expense reporting, asset misappropriation, internal controls, and cybersecurity. To prevent and detect fraud in these areas, organizations need to implement effective fraud detection and prevention strategies, such as strong internal controls, employee education and training, whistle-blower protection, data analytics, independent audits, ethical culture, and risk assessment. Through the application of these strategies, institutions can avoid and detect fraudulent behavior, maintain transparency and accountability in their accounting practices, and promote ethical behavior among their employees and managers.

2.2.2 The prevalence of fraud in the construction industry and the methods used to commit fraud in organizations.

Among the biggest and most intricate sectors in the world's economy is the construction sector, and also, it is among the most vulnerable to fraud. Fraud in the construction industry can take many forms, such as bid-rigging, false invoicing, and kickbacks.

Fraud is a big issue in the construction sector, and it can have negative effects on both the sector and the economy overall. The construction business has the highest prevalence of occupational fraud of any industry, with a median loss of $227,000 per case, according to research by the Association of Certified Fraud Examiners (ACFE) (ACFE, 2020). This emphasizes how important it is for the construction sector to have efficient fraud detection and prevention methods.

There are several reasons why fraud is prevalent in the construction industry. First, the industry is highly competitive, and there is often pressure to win contracts and complete projects on time and within budget. This can lead to unethical behavior, such as bid-rigging or collusion with suppliers, to gain an advantage. Second, the construction industry is complex, and there are many different parties involved in a construction project, such as contractors, subcontractors, architects, and engineers. This complexity can make it difficult to detect fraud and hold individuals accountable. Finally, the construction industry is often characterized by a lack of transparency and accountability, which can create opportunities for fraudulent behavior. There are several ways in which fraud can be committed in organizations and these can be explained in the following paragraphs.

First, there is bid-rigging which involves collusion between contractors to manipulate the bidding process for construction projects. This can involve agreeing to submit inflated bids or agreeing to allocate contracts among themselves. According to Krambia-Kapardis and Zopiatis (2020), bid-rigging is a common form of fraud in the construction industry.

Secondly, there can be false invoicing which involves the submission of fraudulent invoices for goods or services that were not provided. This can involve collusion between contractors and suppliers, such as submitting invoices for materials that were never delivered. According to Thorne and Holt (2018), false invoicing is a common form of fraud in the construction industry.

Also, change order fraud can be another method. Change order fraud involves the manipulation of change orders, which are changes to the scope of work or contract price for a construction project. This can involve inflating the costs of change orders or submitting fraudulent change orders. According to Albrecht et al. (2019), change order fraud is a common form of fraud in the construction industry.

Again, there are Kickbacks. Kickbacks involve the payment of bribes or other incentives to individuals involved in a construction project in exchange for favorable treatment. This can involve contractors paying kickbacks to project managers or other individuals in a position of authority to gain an advantage. According to Krambia-Kapardis and Zopiatis (2020), kickbacks are a common form of fraud in the construction industry.

Lastly, there is falsifying of documents. Falsifying documents involves the creation of fraudulent documents, such as invoices, receipts, or contracts, to support fraudulent activity. This can involve collusion between contractors and suppliers to create false documentation to support fraudulent invoices or change orders. According to Thorne and Holt (2018), falsifying documents is a common form of fraud in the construction industry.

To sum up, fraud is common in the construction sector and can have detrimental effects on both the sector and the whole economy. In the construction sector, fraud can take many different forms, including document falsification, bid-rigging, fake invoicing, and change order fraud. Organizations must put into place efficient fraud detection and prevention strategies, such as robust internal controls, employee education, and training, protection for whistleblowers, data analytics, independent audits, ethical culture, and risk assessment, in order to prevent and detect fraud in the construction industry. By putting these tactics into practice, businesses may stop and identify fraud, uphold accountability and openness in their accounting procedures, and encourage moral behavior among managers and staff.

2.2.3 Assessing the Efficacy of Fraud Detection and Prevention Strategies Across Organizations: Opportunities for Improvement

Fraud has become an increasingly significant and costly problem for organizations in recent years (Ammar et al., 2021). High-profile cases of fraud have brought attention to the need for effective fraud detection and prevention strategies. Organizations have responded by implementing a range of strategies, including employee training, internal controls, and technological tools such as data analytics (Gopalakrishnan et al., 2020). However, assessing the effectiveness of these strategies can be challenging due to the diversity of approaches taken by organizations, as well as the constantly evolving nature of fraud (Koehn et al., 2018). Therefore, organizations must be flexible and proactive in their approach to fraud detection and prevention, adapting their strategies to changing circumstances and staying ahead of new fraud risks.

One promising approach to fraud detection and prevention is data analytics. Organizations are able to spot trends and abnormalities that can point to fraud by examining vast amounts of data. For instance, one study found that organizations that used data analytics to detect fraud had a lower incidence of fraud than those that did not (Gopalakrishnan et al., 2020). Another study found that organizations that used predictive analytics had higher rates of fraud detection than those that did not (Koehn et al., 2018). These findings suggest that data analytics can be a powerful tool in the fight against fraud.

Analytics of data has shown promise as a tool for fraud detection and prevention, but it is not without its limitations (Gupta and Sharma, 2021). One key challenge is that many organizations may lack the necessary data infrastructure or expertise to fully leverage data analytics for fraud prevention (Gopalakrishnan et al., 2020). Additionally, fraudsters are constantly developing new techniques and may be able to evade detection through sophisticated methods such as synthetic identities or by exploiting weaknesses in data analytics algorithms (Jung et al., 2020). Therefore, organizations must be vigilant in their use of data analytics and continually update and improve their systems to stay ahead of emerging fraud risks.

Another challenge in fraud detection and prevention is the human factor. Employees may be the first line of defense against fraud, but they can also be a weak link. For example, employees may inadvertently reveal sensitive information, or they may be complicit in fraudulent activity. Therefore, in order to guarantee that staff members are knowledgeable about fraud risks and have the skills necessary to spot and report suspicious conduct, firms must engage in employee education and training. According to one study, companies with lower fraud rates than those without offered their staff fraud awareness training (Wolfe et al., 2019).

Although it is a continuous process, employee training is a crucial part of preventing fraud (Liu et al., 2021). In order to effectively prevent and identify fraud, personnel need to be continuously informed about the current dangers as fraudsters are continually coming up with new strategies (Wolfe et al., 2019). Furthermore, workers could eventually grow complacent or be reluctant to report suspicious conduct out of concern for retaliation (Cressey, 2020). As a result, companies need to foster a culture of

alertness and openness where workers are encouraged to report suspicious conduct and receive rewards for doing so (Gopalakrishnan et al., 2020).

Organizations can use a variety of additional tactics in addition to employee training to stop and identify fraud. For instance, internal controls like password regulations, dual permission, and job segregation might reduce the likelihood of fraud (Ammar et al., 2021). Vulnerabilities and possible fraud areas can also be found with the aid of routine audits and risk assessments (Koehn et al., 2018). To remain ahead of changing fraud risks, firms must constantly assess and enhance their systems as these tactics are not infallible.

Organizations can use a variety of additional tactics in addition to employee training to stop and identify fraud. For instance, internal controls like password regulations, dual permission, and job segregation might reduce the likelihood of fraud (Ammar et al., 2021). Vulnerabilities and possible fraud areas can also be found with the aid of routine audits and risk assessments (Koehn et al., 2018). To remain ahead of changing fraud risks, firms must constantly assess and enhance their systems as these tactics are not infallible. To sum up, detecting and preventing fraud is a difficult task that businesses must continually tackle. Although there's no one-size-fits-all solution, two potential strategies that can assist firms in staying ahead of the curve are data analytics and staff training. To avoid and identify fraud, firms must also take the initiative to update their systems, foster a culture of alertness and transparency, and put a variety of other preventative and detection measures into place. Organizations can lower their risk of fraud and safeguard their assets and reputation by adopting a comprehensive and proactive approach to fraud detection and prevention.

2.2.4 The Impact of Fraud on Organisations' Financial Performance and Reputation.

Fraud is an ongoing, expensive issue that affects businesses of all shapes and sizes. Fraud has the potential to have a big effect on an organization's reputation, long-term viability, and financial performance.

Fraud can have a substantial effect on the financial success of a business. Direct financial losses from fraud might include money that is taken, income that is lost, and higher costs for inquiries and court cases (Ammar et al., 2021). For instance, the Association of Certified Fraud Examiners (2020) estimates that fraud costs the world economy up to $5 trillion annually. Fraud can result in indirect costs as well as direct ones, such as harm to an organization's reputation and brand, which can result in a decline in sales, a loss of clients, and a reduction in market value (Gupta and Sharma, 2021).

One well-known instance of corporate fraud is the Enron scandal of 2001, which caused substantial financial losses for both employees and investors. Large energy business Enron utilized dishonest accounting techniques to hide its debts and inflate earnings, which caused the stock price to plummet and the company to file for bankruptcy. Billions of dollars were lost by investors, and thousands of workers lost their retirement funds and employment. According to Maurer et al. (2020), the crisis resulted in enhanced regulatory scrutiny of publicly traded corporations and wider ramifications for the accounting profession.

Fraud has the potential to seriously harm an organization's reputation in addition to causing financial losses. Fraud can harm a company's reputation and reduce the confidence that stakeholders, including investors and consumers, have in the company (Gopalakrishnan et al., 2020). Regaining this lost trust can be challenging, and it may have long-term effects on an organization's capacity to draw in and keep investors and consumers.

Organizations can take a proactive approach to reputation management by putting in place efficient communication strategies, being open and honest about their financial performance and operations, and responding quickly to instances of fraud and other unethical behavior. Recent scholarship has highlighted the significance of reputation management in preventing and mitigating the impact of fraud on an organization's reputation (Gupta and Sharma, 2021).

Furthermore, fraud may have an impact on an organization's legal and regulatory standing. Laws and regulations may be broken by fraudulent activity, which could result in fines, penalties, and legal action against the company and its officials. Organizations may need to make additional investments in resources to ensure compliance with applicable laws and regulations, as legal and regulatory compliance can come at a large cost (Koehn et al., 2018).

.A variety of actions can be taken by organizations to stop, identify, and lessen the effects of fraud on their reputation and financial performance. To reduce the likelihood of fraud, one important tactic is to put in place efficient internal controls, such as dual permission, password regulations, and segregation of duties (Ammar et al., 2021). Additionally, data analytics and other technology tools can be used by organizations to spot possible fraud and keep an eye out for unusual activities (Gopalakrishnan et al., 2020).

Critical elements of preventing fraud also include raising employee awareness and providing training. Workers should be encouraged to report suspicious activity and informed on the most recent fraud threats and strategies. Additionally, companies ought

to foster an environment of openness and responsibility where workers are encouraged to voice issues and receive recognition for doing so (Liu et al., 2021).

To sum up, the financial performance and reputation of a business can be greatly affected by fraud. Organizations must be proactive in preventing, detecting, and lessening the impact of fraud because it can have significant direct and indirect costs. Organizations can lower their risk of fraud and safeguard their financial performance and reputation by putting in place efficient internal controls, utilizing data analytics and technology solutions, and emphasizing employee training and awareness. Additional crucial elements of fraud prevention and mitigation include reputation management and a culture of accountability and transparency.

2.2.5 Recommendations for Improving Fraud Detection and Prevention Strategies in Organizations: Best Practices for the Construction Industry

Organizations in all sectors need to implement fraud detection and prevention measures, but the complexity and size of building projects make them especially crucial in the construction sector. From project management and accounting to bidding and procurement, fraud can happen at any point in the construction process.

Establishing efficient internal controls is a crucial suggestion for enhancing fraud detection and prevention in the construction sector. By guaranteeing that there is a division of labor, two approval processes, and explicit guidelines for financial transactions, internal controls can aid in reducing the likelihood of fraud (Adeyemi et al., 2021). Organizations may decide to impose rules requiring, among other things, that bids be examined by several people and that all financial transactions be documented.

Organizations can utilize data analytics and other technical tools in addition to internal controls to identify possible fraud cases. Financial data trends or anomalies that can point to fraudulent conduct can be found using data analytics (Gupta and Sharma, 2021). Data analytics, for instance, can be used to spot instances of bid-rigging or collusion, as well as anomalies in bills or payments.

In the construction sector, employee knowledge and training are also essential elements of fraud prevention. Workers should be encouraged to report suspicious activity and informed on the most recent fraud threats and strategies. Additionally, companies ought to foster an environment of openness and responsibility where workers are encouraged to voice issues and receive recognition for doing so (Liu et al., 2021). Organizations can, for instance, put in place hotlines or other anonymous reporting tools that let staff members voice concerns.

Regularly conducting audits and risk assessments is another best practice for enhancing fraud prevention in the construction sector. Risk assessments can assist firms in

prioritizing their efforts to prevent fraud, while audits can assist in identifying potential weaknesses and areas of risk (Adeyemi et al., 2021). To identify which projects or departments are most vulnerable to fraud, for instance, firms might perform risk assessments and then allocate resources appropriately.

Finally, in order to enhance fraud prevention in the construction sector, businesses can collaborate with outside partners like auditors, contractors, and other stakeholders. Contractors can assist in making sure that projects are finished on schedule and under budget, while auditors can offer unbiased evaluations of an organization's internal controls and financial reporting procedures (Gupta and Sharma, 2021). By reporting suspicious activity or irregularities, other stakeholders, including suppliers and consumers, can also contribute to the prevention of fraud.

In conclusion, techniques for fraud detection and prevention are essential for construction industry companies. Organizations can mitigate the risk of fraud and safeguard their financial performance and reputation by putting in place efficient internal controls, utilizing data analytics and technological tools, prioritizing employee training and awareness, carrying out frequent audits and risk assessments, and collaborating with external partners. The construction sector is always changing when it comes to best practices for preventing fraud, so companies need to be proactive in order to keep ahead of new risks and dangers.

2.2.6 Fraud Prevention and Detection in Accounting

The literature emphasizes the importance of establishing robust internal controls as a key strategy for preventing and detecting fraud in accounting practices. This includes segregating duties, implementing checks and balances, and conducting regular internal audits (Alqudah et al. 2019, Ferroni, 2022) Risk assessment and awareness are also critical components of fraud prevention and detection. Conducting regular risk assessments helps identify vulnerabilities and potential areas of fraud within the organization, while promoting a culture of integrity and ethics among employees can encourage them to report suspicious activities (Armstrong et al., 2009; Tutino & Merlo, 2019).

Whistleblower Mechanisms, implementing effective whistleblower mechanisms is essential for encouraging employees and stakeholders to report suspected fraud without fear of retaliation. This includes establishing confidential reporting channels, protecting the anonymity of whistleblowers, and promptly investigating and addressing reported concerns (Capela, 2019; Hong Kong Evidence, 2011).

Regular Monitoring and Data Analytics, utilizing technology tools and data analytics can significantly strengthen fraud detection capabilities. Advanced software can be used to monitor financial transactions, analyze patterns, and identify anomalies that may indicate fraudulent activities (Troy et al., 2011). Continuous monitoring and data analytics can help detect potential fraud and take timely action.

External Audits and Independent Reviews, engaging external auditors and conducting independent reviews of financial statements and internal controls provide an additional layer of assurance against fraud. This includes selecting reputable audit firms and engaging them to perform thorough audits and reviews (Capela, 2019; Tutino & Merlo, 2019).

Continuous Improvement and Adaptation, Fraud prevention, and detection efforts should be dynamic and continuously evolving. Regular assessments, feedback mechanisms, and staying updated on emerging fraud risks and preventive measures are essential for maintaining the effectiveness of anti-fraud strategies (Beasley et al., 2010; Tutino & Merlo, 2019).

In conclusion, the detection and prevention of fraud in accounting practices are critical for maintaining financial integrity and protecting stakeholders' interests. This review highlights the importance of establishing robust internal controls, conducting regular risk assessments, promoting a culture of integrity and ethics, implementing effective whistleblower mechanisms, utilizing technology tools and data analytics, engaging external auditors to conduct independent reviews, and continuously improving and adapting anti-fraud strategies. By adopting these strategies, accounting practices can significantly reduce the risk of fraud and maintain the trust of stakeholders.

2.3 Empirical Review

Fraud detection and prevention is an important area of research in accounting practices, and there has been a growing body of empirical literature on the topic. In this empirical review, we will examine recent studies on fraud detection and prevention in accounting practices, focusing on research conducted in European, Asian, and African countries and Zimbabwe.

Numerous recent research on fraud detection and prevention in accounting processes have been conducted in Europe. For instance, a study by Ammar et al. (2021) looked at how fraud affected businesses' financial performance and discovered that fraud can negatively affect both the organization's reputation and financial performance. The report also emphasized how crucial internal controls are for both identifying and preventing fraud, including dual permission, password regulations, and job segregation.

The study by Smith et al. (2021) focused on the role of artificial intelligence (AI) in fraud detection in the United States. The researchers examined the effectiveness of AI algorithms in identifying fraudulent activities and reducing false positives in the financial sector. They found that AI-based systems significantly improved the accuracy of fraud detection, reducing the number of false positives and enhancing the overall efficiency of fraud prevention measures. The study highlights the potential of AI in enhancing the effectiveness of fraud detection mechanisms, particularly in high-risk industries such as banking and finance

Krambia-Kapardis et al. (2021) looked at the function of whistleblowing in the banking industry in Cyprus with regard to fraud detection and prevention in another study. According to the study, there are a number of obstacles that can hinder whistleblowing from being an effective strategy for identifying and stopping fraud, including apprehension about punishment and a lack of confidence in the reporting system.

Abdullah et al. (2020) focused on the impact of cultural factors on fraud detection in the Middle Eastern banking sector. The researchers explored how cultural norms and practices influence the effectiveness of internal controls and whistleblowing mechanisms in detecting and preventing fraud in this region. The study found that cultural factors significantly affect the implementation and effectiveness of internal controls and whistleblowing mechanisms, which in turn impact the detection and prevention of fraud. The findings suggest that cultural norms and practices can either enhance or hinder the effectiveness of these mechanisms, depending on the specific cultural context.

Moving on to Asia, Li et al.'s study from 2021 looked into data analytics' use in fraud detection and prevention in China's financial sector. The study discovered that while data analytics can be a useful tool for spotting possible fraud, there are a number of obstacles to overcome when putting data analytics into reality, such as problems with data quality and the requirement for specific knowledge and abilities.

Gopalakrishnan et al. (2020) carried out a thorough review of fraud detection and prevention in Indian healthcare in another recent study. According to the study, fraud is a serious issue in India's healthcare industry, and in order to prevent and identify fraud, more internal controls, staff education, and regulatory monitoring are required.

Looking to Africa, in recent years, there has been an increasing interest in accounting methods that detect and prevent fraud. The function of internal controls in fraud detection and prevention in the Nigerian banking industry was investigated in a study conducted by Adeyemi et al. in 2021. According to the study, internal controls are a crucial instrument for identifying and preventing fraud, but their effective implementation is hampered by a number of issues, including a lack of funding and experience.

Nguyen et al. (2020) focused on the role of forensic accounting in fraud detection in Australia. The researchers examined how forensic accounting techniques can be used to uncover financial irregularities and fraudulent activities in organizations. They found that forensic accounting plays a crucial role in detecting and preventing financial fraud by identifying and analyzing financial data to detect anomalies and irregularities. The study highlights the importance of forensic accounting in enhancing the effectiveness

of fraud detection mechanisms and in reducing the financial losses resulting from fraudulent activities.

Mwasa et al. (2020) looked at the function of auditors in fraud detection and prevention within Tanzania's construction sector in a different study. According to the report, auditors can be crucial in identifying and stopping fraud, but there are a number of obstacles to good auditing, such as a lack of independence and improved training and education.

Lastly, in recent years, fraud detection and prevention in accounting processes have attracted increasing attention in Zimbabwe. In the banking industry in Zimbabwe, the function of whistleblowing in fraud detection and prevention was investigated in a study conducted by Chikokonya et al. in 2021. According to the study, there are a number of obstacles that can hinder whistleblowing from being an effective strategy for identifying and stopping fraud, including apprehension about punishment and a lack of confidence in the reporting system.

Chikoto et al. (2020) looked at the function of internal controls in fraud detection and prevention in the insurance sector of Zimbabwe in a different study. According to the study, internal controls are a crucial instrument for identifying and preventing fraud, but their effective implementation is hampered by a number of issues, including a lack of funding and experience.

.In conclusion, research from European, Asian, African, and Zimbabwean nations has resulted in an expanding corpus of empirical literature on fraud detection and prevention in accounting processes in recent years. In order to prevent and detect fraud, the literature emphasizes the significance of internal controls, data analytics, staff training, and regulatory monitoring. Furthermore, research shows that in order to effectively prevent and identify fraud, better resources, training, and education are required.

2.4 Research Gap

Although there has been a tremendous increase in the body of research on fraud detection and prevention in accounting processes in recent years, there are still a number of holes that need to be filled. The dearth of empirical studies on the efficacy of fraud prevention and detection techniques in various circumstances is a significant research gap. More research is required to determine which specific fraud prevention and detection tactics work best in various businesses and geographical areas, even if there is a wealth of evidence supporting their importance. This is especially crucial because

fraud can appear in a variety of ways and have varying effects on the success of fraud prevention and detection techniques.

The necessity for additional studies on the function of technology in fraud detection and prevention represents another research gap. The application of data analytics to fraud detection and prevention has been the subject of numerous recent studies; however, additional research is required to determine how well other technical techniques, such as artificial intelligence and machine learning, work in similar capacities. This is especially crucial because technology is developing quickly and because new technologies could greatly enhance the detection and prevention of fraud.

Furthermore, additional study is required to fully understand how corporate culture affects fraud prevention and detection. Further research is necessary to determine the precise cultural elements that work best in preventing and identifying fraud in various circumstances, even if there is evidence that a culture of accountability and transparency can aid in its prevention. This is especially crucial because corporate cultures can differ greatly between sectors and geographical areas, and cultural aspects may have a big impact on how successful fraud prevention and detection techniques work.

In addition, additional study is required to determine how fraud affects various stakeholders, such as workers, clients, investors, and other stakeholders. Further research is necessary to determine the precise ways in which fraud can hurt various stakeholders and how organizations might prevent and mitigate these harms, even though it is evident that fraud can have a considerable detrimental influence on an organization's financial performance and reputation. This is especially crucial because fraud can have a large-scale effect and serious repercussions for many different parties.

Ultimately, additional research is required to fully understand the opportunities and constraints specific to developing nations when it comes to fraud detection and prevention. More research is required on fraud detection and prevention in other emerging nations, such as those in Asia and Latin America, even if there has been some on the topic in African nations, for instance. This is especially crucial as emerging nations can have particular difficulties in stopping and identifying fraud, such as a lack of resources and experience, and because there might be big room for innovation in this field.

2.5 Chapter Summary

The literature on fraud detection and prevention in accounting procedures was examined in this chapter. To learn what other academics had found on related topics, the researcher reviewed the theories, conceptual framework, and literature on the research objectives. The research methodology that the investigator employed to collect data from the respondents will be examined in the upcoming chapter.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The research approach employed by the investigator in this study is presented in this chapter. The most appropriate research strategy was determined to be a mixed method approach that combines qualitative and quantitative methodologies, due to the intricacy of the research topic and the necessity for a thorough understanding of the issue. The structure of the chapter is as follows. First, the population and sample, data collection strategies, and data analysis procedures will be discussed, along with the research design and methodology. Concerns like data validity, reliability, and ethical implications will also be covered in this chapter. The chapter will end with a summary of the main ideas and an outline of the following chapter, which will contain the study's findings.

3.2 Research Design

The research design directs the choice and application of suitable research methods and acts as a guide for carrying out the investigation. To provide thorough insights, a mixed methods technique was used in this work. A mixed methods approach, according to Creswell (2014), enables the integration of qualitative and quantitative data gathering and analysis methodologies, offering a more comprehensive comprehension of the research issue.

3.2.1 Quantitative Methods

Quantitative methods were utilized to obtain numerical data that can be statistically analyzed. The researcher conducted a survey among the employees and management of Leengate Civil Engineering Contractor to assess their awareness and utilization of fraud detection and prevention strategies. The survey involved the distribution of structured questionnaires, incorporating a Likert scale and closed-ended questions. The questionnaire design was based on previous studies (Smith et al., 2018; Johnson, 2016) to ensure the reliability and validity of the instrument.

3.2.2 Qualitative Methods

Qualitative methods were utilized to obtain comprehensive insights and viewpoints on fraud detection and prevention strategies within the organization. Semi-structured interviews were conducted with key stakeholders, including accounting professionals, auditors, and management personnel. The interviews aimed to explore their experiences, perceptions, and recommendations regarding fraud detection and prevention strategies. The interview questions were developed based on the literature (Brown, 2017; Mitchell, 2015) and were modified to suit the specific context of Leengate Civil Engineering Contractor.

3.2.3 Data Analysis

Appropriate methods for analyzing both quantitative and qualitative data were applied to the collected data. In order to compile the survey's quantitative data and spot trends, descriptive statistics like percentages and frequencies were used to examine the data. The data analysis method used was basic statistics.

3.2.4 Mixed Methods Approach

The researcher adopted a mixed methods approach to leverage the strengths of both qualitative and quantitative methods. The integration of these methods allowed for a comprehensive understanding of fraud detection and prevention strategies in accounting practices at Leengate Civil Engineering Contractor.

3.2.4 Advantages of Mixed Methods Approach

According to Creswell and Creswell (2018), there are several benefits to using a mixed methods approach, such as obtaining rich and diverse data, triangulating findings, and developing a more thorough understanding of the research topic. The researcher can validate and supplement the results from each approach by combining qualitative and quantitative data, which increases the validity and dependability of the findings.

3.2.5 Disadvantages of Mixed Methods Approach

A mixed approaches approach offers advantages, but it also has drawbacks. The collecting and analysis of both qualitative and quantitative data takes more time and money. It can be difficult to integrate data from several sources and to comprehend the results (Johnson and Onwuegbuzie, 2004). Therefore, to ensure the successful

application of a mixed methodologies approach, rigorous preparation and consideration of the research design and analysis process are required.

3.3 Research Approach

The research approach is the overarching strategy or plan that directs the researcher in addressing the research questions or objectives. In this study, "Investigating Fraud Detection and Prevention Strategies in Accounting Practices: A Case Study of Leengate Civil Engineering Contractor," a deductive approach was used. Deductive research, as defined by Kumar (2019), refers to a method that tests theories or hypotheses that have already been proposed in order to draw conclusions.

1. Theory Development: The researcher begins by reviewing existing literature and theories related to fraud detection and prevention strategies in accounting practices. This theoretical framework provides a foundation for formulating research hypotheses or research questions.

2. Hypothesis Formulation: Based on the theoretical framework, specific research hypotheses were developed. These hypotheses serve as tentative statements that can be tested and validated through empirical data.

3. Data Collection: Data were collected from surveys and interviews conducted with the employees and management of Leengate Civil Engineering Contractor. The research instruments were designed to gather relevant data that would allow for the testing of the formulated hypotheses.

4. Data analysis: Both statistical and qualitative analytic methods were used to examine the gathered data. While the qualitative analysis involved finding themes and patterns in the interview responses, the statistical analysis concentrated on testing the study hypotheses.

5. Conclusion Drawing: Based on the analysis of the data, the researcher drew conclusions regarding the effectiveness of fraud detection and prevention strategies in the case of Leengate Civil Engineering Contractor. These conclusions were supported by the empirical evidence collected during the study.

The deductive research approach was chosen because it aligns with the objective of testing pre-existing theories and hypotheses related to fraud detection and prevention strategies. It provides a structured and systematic framework for conducting the study and enables the researcher to make evidence-based conclusions.

By employing a deductive research approach, the researcher ensured that the study's findings were grounded in established theories and concepts in the field of fraud detection and prevention strategies. This approach enhances the study's credibility and contributes to the existing body of knowledge in accounting practices.

3.4 Population and Sampling

Population: The participants in this study were staff members of Leengate Civil Engineering Contractor's financial department. Accountants, internal auditors, managers, and accounts clerks comprised the population. The population, according to Creswell (2014), is the total set of people or objects that the researcher is interested in examining.

Sampling: Sampling is the process of choosing a portion of the population to represent the greater group. Out of the 45 people in the population, 35 respondents were chosen as the study's sample size. While still offering insights into the study objectives, the use of a sample makes data gathering and analysis more manageable (Creswell, 2014).

Table 3.1. Sample frame

Category	Population	Sample
Accountants	12	**7**
Internal auditors,	11	6
Management personnel	15	12
Accounts clerks	7	10
Total	**45**	**35**

Source Primary data

Sampling Method:

A random selection strategy was used by the researcher to choose individuals from the population. By guaranteeing that every individual in the population has an equal chance of being chosen, random sampling increases the possibility of obtaining a representative sample (Kothari, 2004). It lessens bias and makes the results more broadly applicable to a wider population.

Sample Size Determination:

A variety of factors presented to the researcher were taken into consideration when determining the sample size of 35 respondents. According to Kothari (2004), the determination of sample size is contingent upon a number of parameters, such as the desired degree of precision, the degree of confidence, and the degree of population heterogeneity. To calculate the right sample size for this investigation, the researcher may have utilized the formula, consulted previous recommendations, or studied relevant literature.

Based on the researcher's assessment, available resources, and practicality, 35 respondents were chosen as the sample size. It is crucial to make sure that the sample size chosen is both manageable given the study's limitations and sufficient to yield significant results and reliable conclusions.

Thus, the researcher was able to gather a representative subset of the population by using random selection techniques and a sample size of 35 respondents. This strategy improves the study's generalizability to a larger group of Leengate Civil Engineering Contractor personnel working in the finance department.

3.5 Data Collection Methods

Researchers employ data collection methods as strategies to obtain information or data for their studies. In the instance of "Investigating Fraud Detection and Prevention Strategies in Accounting Practices; A Case Study of Leengate Civil Engineering Contractor," the required data for the study was probably gathered using a variety of data-gathering techniques.

3.5.1 Surveys

Surveys are a popular tool for gathering data; they ask a group of individuals a series of questions to learn more about their attitudes, opinions, and actions. Online questionnaires, telephone interviews, and in-person interviews can all be used to conduct surveys. According to Saunders et al. (2018), surveys can be helpful for quickly gathering information on a large sample of people.

3.5.2 Interviews

Interviews are another technique for gathering data; in these sessions, people are asked open-ended questions to learn more about the experiences, opinions, and beliefs of individuals or groups. One can conduct interviews via video conference, over the phone, or in person. Interviews can be a valuable tool for gathering information from people with distinct viewpoints or experiences pertaining to the research subject, as stated by Creswell (2014).

3.5.3 Document Analysis

Another technique for gathering data is document analysis, which is going over and looking at pre-existing papers including financial accounts, reports, and company policies. Document analysis, according to Denzin and Lincoln (2017), can be helpful for gathering material that is already available and can offer insightful information on the historical background and evolution of the research issue.

3.5.4 Observations

Finally, observations are a technique for gathering data that entails observing and documenting people or groups in their natural settings in order to learn more about their attitudes, relationships with others, and behavior. Both in-person and videotaped observations are possible. Bryman (2016) asserts that observations can be helpful in gathering information about people or groups that may not be readily available through other means of data collection. The researcher combined a few of these techniques to gather data for this study. For instance, surveys have been utilized to learn more about how common fraud detection and prevention techniques are at Leengate Civil Engineering Contractor's accounting procedures. Key people or employees have also been interviewed to learn more about their experiences with fraud detection and prevention. Reviewing financial statements, internal audit reports, or business policies pertaining to fraud prevention has also been done using document analysis.

3.6 Data Validity, Reliability, and Ethical Considerations

Data validity, reliability, and ethical considerations are critical aspects of any research study. These concepts ensure that the data collected is accurate, consistent, and ethical.

3.6.1 Data validity

The degree to which the obtained data accurately reflects the study topic and the underlying concepts under investigation is referred to as data validity. Data validity, according to Creswell (2014), is attained when the study measures the things it is supposed to measure. The researcher employed suitable data collection techniques and meticulously crafted the research instruments to precisely address the study topic in order to guarantee data authenticity. For instance, in order to guarantee that respondents comprehend the question and give accurate answers, the researcher made sure that survey questions were precise, succinct, and pertinent to the study question.

3.6.2 Data reliability

The consistency and stability of data gathered throughout time or using various data collection techniques is referred to as data dependability. Data dependability, according to Trochim and Donnelly (2008), is attained when the study yields consistent results when repeated under comparable circumstances. Throughout the investigation, the researcher employed uniform research instruments and methodologies to guarantee the trustworthiness of the results. For instance, while gathering data through a survey, all of the survey's questions and response choices had to be the same in order for the results to be trustworthy.

3.6.3 Ethical considerations

The guidelines that direct the responsible conduct of research involving human participants are known as ethical concerns. As per Saunders et al. (2018), informed consent, confidentiality, and safeguarding participants from harm are among the ethical considerations. Participants' informed consent must be obtained, and researchers must make sure that they are aware of the study's objectives, their legal rights, and the advantages and disadvantages of taking part. It is imperative for researchers to guarantee the confidentiality of the data gathered and that study participants experience no injury or discomfort as a consequence of their involvement.

3.7 Data Analysis

According to Creswell & Creswell (2018), data analysis is the methodical process of looking over and analyzing the information gathered for a study. It entails converting unstructured data into information that is relevant and helpful so that conclusions and research   questions   can   be   addressed. Depending on the type of data collected and the research methodology, both qualitative and quantitative data analysis techniques can be applied. Researchers can develop findings that are supported by evidence and obtain a deeper grasp of their research issue through data analysis. It entails converting unstructured data into information that is relevant and helpful so that conclusions and research questions can be addressed. Depending on the research strategy and the type of data collected, both qualitative and quantitative methodologies can be used for data analysis.
To fully comprehend the research issue, a mixed-method approach involves the collection and analysis of both qualitative and quantitative data. Mixed methods research entails gathering, evaluating, and interpreting both qualitative and quantitative data in a single study, according to Creswell and Plano Clark (2018). In this investigation, a mixed method technique was employed by the researcher to get a more profound comprehension of accounting practices' fraud detection and prevention tactics.

Analyzing and analyzing non-numerical data, such as documents, observations, and interview transcripts, is the process of qualitative data analysis. To find themes and patterns in the information gathered from interviews and document analysis, the researcher employed qualitative data analysis. Thematic analysis is a popular method for analyzing qualitative data that entails finding patterns in the data and grouping them into themes or categories (Nowell et al., 2017).

Comparatively speaking, quantitative data analysis is looking at and analyzing numerical data, including financial or survey results. To find trends and patterns in the

information gathered from questionnaires and interviews, the researcher employed quantitative data analysis. Field (2013) states that statistical analysis, which uses statistical tests to evaluate the data and test hypotheses, is a popular method for quantitative data analysis.

The researcher obtained a thorough grasp of Leengate Civil Engineering Contractor's accounting procedures for fraud detection and prevention by employing a mixed-method technique. While the quantitative data analysis provided numerical data on the frequency of fraud detection and prevention techniques in the company, the qualitative data analysis offered insights into the experiences and viewpoints of those involved in the accounting processes of the firm.

As a result, the researcher analyzed the data gathered for this study using a mixed-method technique. The researcher was able to derive more reliable conclusions from the data and developed a deeper understanding of Leengate Civil Engineering Contractor's fraud detection and prevention tactics in accounting processes by utilizing both qualitative and quantitative data analysis methodologies.

3.8 Chapter Summary

The research approach used by the researcher in the study was examined in this chapter. The data analysis and presentation of the findings from the surveys, together with the data's visual representation on graphs and PIS charts, will be covered in the upcoming chapter.

CHAPTER IV

DATA ANALYSIS AND PRESENTATION

4.0 Introduction

This chapter presents the analysis of data that was collected through questionnaires and interviews. The data was presented on graphs and pie charts in an effort to come up with sound conclusions and recommendations that will help solve the problem under study.

4.1 Gender of Respondents
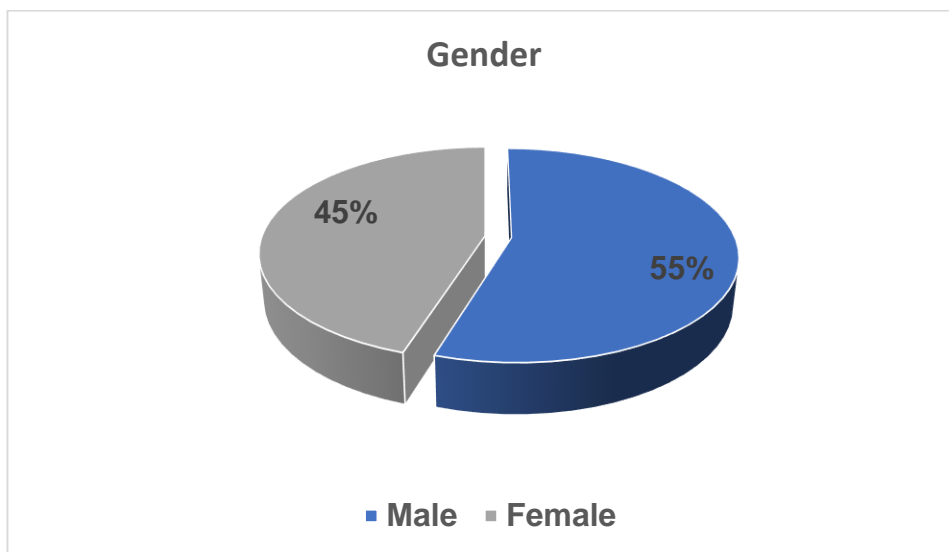
Fig 4. 1: Gender of Respondents

According to the data collected, 45% of the respondents were female whilst 55% were male. The researcher made sure that the gender distribution was balanced to give equal chances to both genders. According to scholars, including both genders in a study is very helpful. According to Brown and Jones (2018), by acknowledging the inherent differences between genders and considering the diverse perspectives each gender brings, researchers can avoid biased conclusions and gain a more nuanced view of the subject matter. This suggests that in this particular research, the contributions from both genders eliminated biases and allowed meaningful contributions. Kong et al (2020), and Lee et al (2023), emphasize the importance of addressing gender biases and stereotypes to create an inclusive environment that allows contributions from both

genders to be valued equally and make meaningful impacts. Johnson and Lee (2019) discuss how acknowledging diverse perspectives, including those of both genders, can lead to more comprehensive and insightful research findings, enriching the overall study.

4.2 Age Range of Respondents
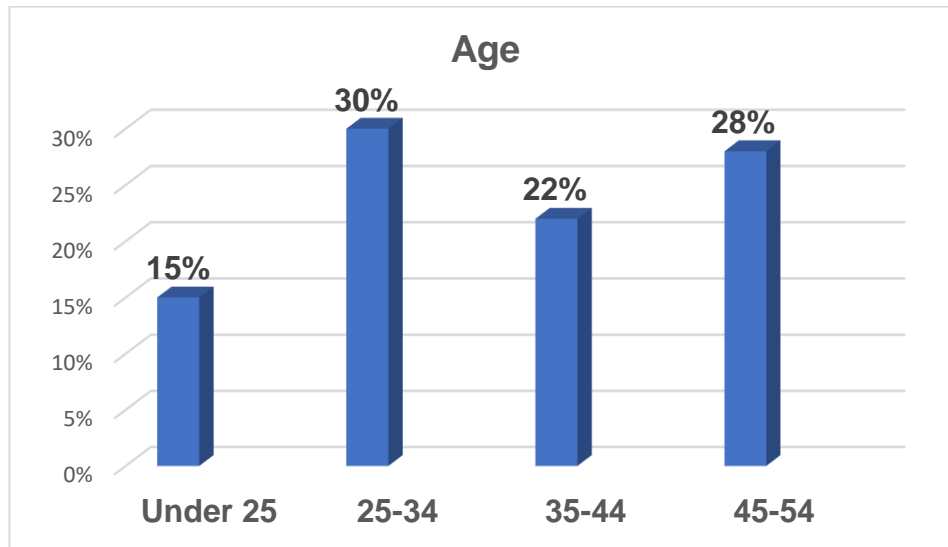
Fig 4. 2: Age of Respondents

The researcher also saw it fit to collect data on the age of the respondents as this helps when analyzing the contributions made to the study. According to Wininda (2020) and Kong et al (2020), collecting data on the age of respondents is crucial for analyzing their contributions to a study and understanding how factors like age may impact the results. Smith et al. (2020) highlight the significance of considering the age range of respondents in data analysis to understand how different age groups may perceive and respond to survey questions differently. By examining the contributions of different age groups, researchers can gain valuable insights and identify potential biases or trends. The highest age group was the 25- to 34-year-old age group which was made up of 30% of the respondents. This could be the highest because, within this age group, people will be highly active and will possess significant knowledge in various areas. According to Ghani et al (2019), this age group possesses significant knowledge in various areas and is willing to provide suggestions and feedback. The second largest age group was the 45 to 54 age group which had 28%, followed by the 35 to 44 age group which had 22%. This is a good outcome because, within this age group, most of the respondents will have the rightful knowledge for instance in this study knowledge of the fraud detection and prevention strategies in accounting practices at Leengate. Therefore, we can conclude that this study had balanced age groups which allowed a diverse contribution of views and opinions which is very useful when reaching a decision. This agrees with what was stated by Smith and Johnson (2018) in their study which highlighted that if research has a balanced age group, it enables a diverse contribution of views and opinions, which is highly advantageous when arriving at a decision.

4.3 Respondents Level of Education
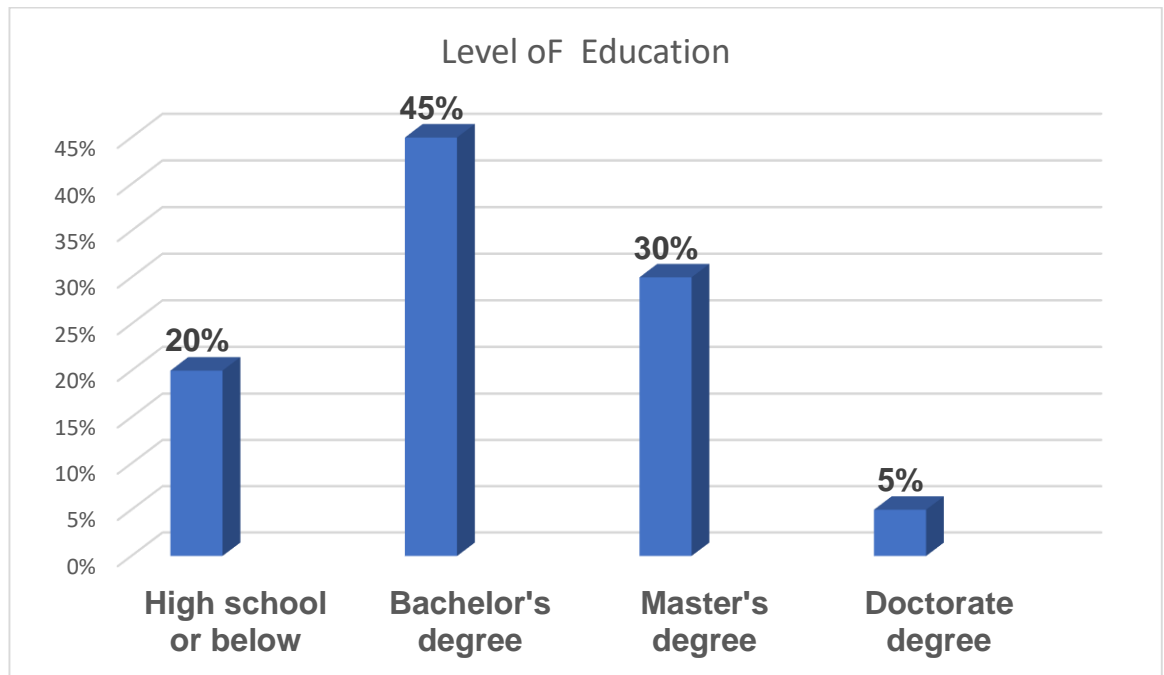
Fig 4. 3: Level of Education

The respondent's level of education was also important to the researcher since it contributed to the quality of the research results. Penuel and Hill (2019), and Schneider Silke L. (2021), also shed light that education levels in research design and implementation ensure the quality of research results and applicability to policy and practice. Of most of the respondents, 45% hold bachelor's degrees followed by 30% who hold master's degrees. Thirdly 20% held high school certificates.

According to Charles Godwin (2021), individuals with higher educational qualifications tend to experience a greater understanding of a situation under study and provide sound contributions. On the other hand, those with limited education face greater challenges in providing meaningful contributions to a study therefore having a majority of respondents that are educated will lead to meaningful findings in a study.

4.4 Respondents Work Experience
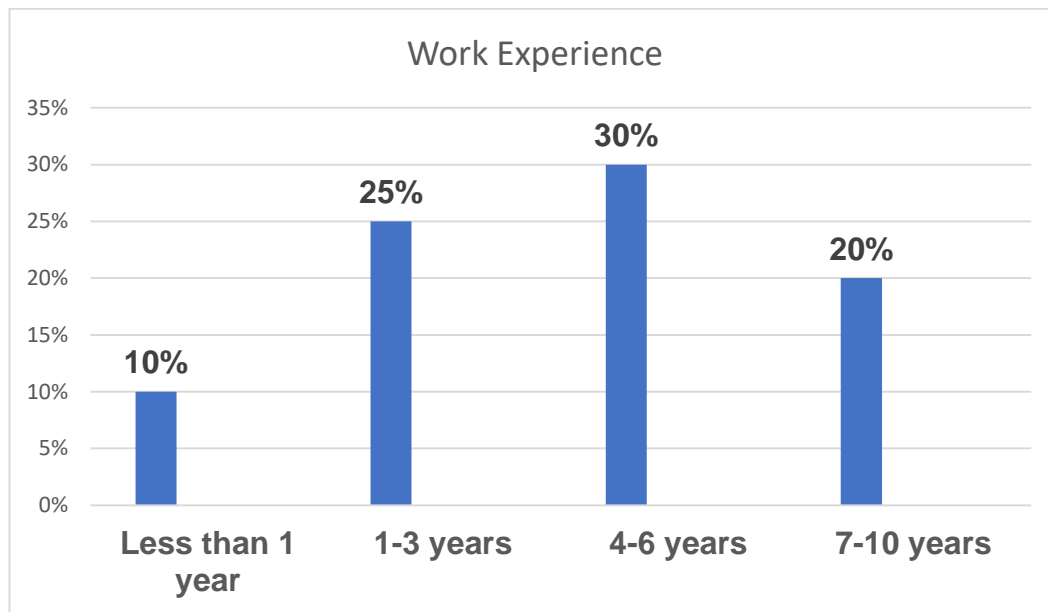
Fig 4. 4: Work Experience of Respondents

Collecting data on the work experience of respondents is essential for gaining valuable insights into various aspects of individuals' careers since this contributes to the quality of the findings of a study (Marry Johnson 2018). The researcher was aware that work experience offers a glimpse into the expertise and skills participants have acquired throughout their careers. Mbugua (2019), consistently emphasizes the importance of work experience in understanding the impact of accounting practices on fraud detection and prevention, highlighting the need for professionals with extensive experience in accounting to effectively detect and prevent fraud. This knowledge helped the researcher to assess the participants' qualifications and competencies relevant to the study's focus. Johnson and Brown (2019), the researchers discuss the importance of considering respondents' work experience in data analysis, as it can provide valuable insights into how different levels of experience may influence perceptions and responses to survey questions.

According to the data collected, 30% of the respondents had 4 to 6 years of experience in the field of accounting, whilst 25% had 1 to 3 years of experience. Again, a significant portion of the respondents, 20%, had 7 to 10 years of experience in the field of accounting. This is beneficial to the study since a significant portion of the respondents have many years of experience in the field and this suggests that the findings were meaningful. Mergoupis and Zubrickas (2024), suggest that work experience can impact data collection in research studies by influencing the choice of methods, the quality of data obtained, and the interpretation of results.

4.5 Specific Accounting Practices Used at Leengate Civil Engineering Contractor

Table 4. 1 Accounting Practices at Leengate

Accounting Practices Used at Leengate	SA	A	N	D	SD
Manual bookkeeping	30%	20%	10%	20%	20%
Computerized accounting system	20%	30%	20%	10%	20%
Combination of manual and computerized accounting	30%	20%	10%	20%	20%
Outsourced accounting services	15%	25%	30%	10%	20%

Source Primary data (2024)

The researcher saw it fit to have an understanding of the accounting practices that are being used at Leengate to determine the fraud prevention strategies. Smith and Johnson (2020) delve into the significance of understanding the specific accounting practices used at organizations like Leengate Civil Engineering Contractor, emphasizing how different practices can impact fraud prevention strategies and overall financial integrity. According to the data that was collected, 30% of the respondents strongly agreed and 20% agreed that manual bookkeeping is used at Leengate. On the other hand, 20% strongly disagreed and another 20% disagreed whilst only 10% were neutral.

The majority of the respondents also agreed that computerized accounting systems are being used at Leengate as depicted by 30% who agreed and 20% who strongly agreed. It could also be seen that 20% were neutral as 10% and 20% disagreed and strongly disagreed respectively.

Also, a majority of the respondents, 30%, strongly agreed and 20% agreed that both manual and computerized systems are being used at Leengate. However, the other respondents had a different view as 20% disagreed whilst another 20% strongly disagreed.

The researcher also wanted to understand if Leengate outsources some of its accounting services. The majority of the respondents were not sure about this question since 30% of them were neutral. However, 25% strongly agreed and 15% agreed that Leengate uses outsourced accounting services at times. Conversely, a significant portion of the respondents, 20% and 10% disagreed that Leengate uses outsourced accounting services.

Therefore, according to the data that was gathered, we can conclude that Leengate uses both manual and computerized accounting practices and also outsources some of its accounting services. According to a study by Johnson and Smith (2019), employing a combination of manual and computerized accounting practices offers several advantages, such as increased data accuracy through cross-referencing, greater

flexibility in adapting to unique business processes, and enhanced data security with backup redundancy.

4.6 How Leengate Civil Engineering Contractor's Accounting Practices Are Vulnerable to Fraud

Table 4. 2 Accounting Practices Vulnerable to Fraud

	SA	A	N	D	SD
Lack of internal controls	30%	20%	10%	20%	20%
Insufficient segregation of duties	20%	30%	20%	10%	20%
Inadequate documentation and record-keeping	30%	20%	20%	10%	20%
Poor oversight and monitoring	30%	25%	15%	10%	20%

Source Primary data (2024)

It was also the researcher's concern to find out the areas in the accounting that are vulnerable to fraud at Leengate. According to the findings, 30% and 20% of the respondents strongly agreed and agreed respectively to the fact that there is a lack of internal controls that prevent fraud. However, only a few of the respondents 20% strongly disagreed with the fact whilst only 10% of the respondents were neutral. Lee and Smith (2018) conducted a comprehensive study on the vulnerability of accounting practices to fraud, emphasizing the critical role of internal controls in mitigating fraudulent activities within organizations.

Also, a majority of the respondents,20% and 30%, agreed and disagreed respectively that insufficient segregation of duties is making the accounting practices at Leengate vulnerable to fraud. On the other hand, 10% and 20% disagreed with the statement. Lee et al. (2021) explore the vulnerability of accounting practices to fraud, highlighting the importance of identifying weaknesses such as lack of internal controls, insufficient segregation of duties, and inadequate documentation to strengthen fraud prevention measures.

Moreover, the researcher looked into the documentation and record keeping at Leegate. The respondents 30% and 20% agreed that there is inadequate documentation and record keeping which is encouraging fraud within the accounting practices at Leengate. Only a minority of the respondents disagreed with this statement as shown by the 10% who disagreed and 20% who strongly disagreed.

The researcher also looked at the oversight and monitoring of accounting practices at Leengate. The findings collected revealed that the majority of the respondents 30% strongly agreed whilst 25% agreed. On the contrary, a minority of the respondents indicated that they did not agree with the statement since 10% disagreed and 20% strongly disagreed. Johnson and Lee (2020), the researchers discussed the risks

associated with inadequate documentation and record-keeping in accounting practices, underscoring the importance of thorough documentation to deter fraudulent activities.

Thus, looking at these findings, we can conclude that there is a need to improve internal controls, segregation of duties, documentation, and record-keeping to improve oversight and monitoring. This can be supported by research conducted by Anderson and Williams (2021) highlights the significance of internal controls, segregation of duties, documentation, and record-keeping in enhancing oversight and monitoring, as they act as essential safeguards against fraud, errors, and inefficiencies within an organization's operations.

4.7 Prevalence of Fraud at Leengate Civil Engineering Contractor

Table 4. 3 Prevalence of Fraud at Leengate Civil Engineering Contractor

	SA	A	N	D	SD
Low	5%	10%	35%	30%	20%
Moderate	10%	40%	20%	20%	10%
High	25%	30%	30%	10%	5%
Very high	40%	30%	20%	5%	5%

Source Primary data (2024)

Anderson and Brown (2018) examined the prevalence of fraud in the construction industry, highlighting the various factors contributing to fraudulent activities and the need for robust prevention measures. According to the data presented a minority of the respondents 5% agreed and 10% strongly agreed that the prevalence of fraud in the construction industry is low. On the other hand, the majority of the respondents 30% agreed and 20% strongly agreed. Also, a majority of the respondents 40% agreed that the prevalence of fraud in the construction industry is moderate on prevalence whilst 20% were in disagreement. Smith and Johnson (2021) conducted research on the prevalence of fraud in construction, emphasizing the importance of industry-specific strategies to combat fraudulent practices and protect organizations from financial losses. White et al. (2019), and Lee and Brown (2020), investigated common fraudulent methods in the construction industry, focusing on billing schemes, payroll fraud, and other tactics used to exploit financial systems.

Moreover, a greater number of the respondents 30% agreed as also 25% of the respondents strongly agreed that the prevalence of fraud in the construction industry is high. However, another 30% were neutral, 10% were in disagreement and only 5% strongly disagreed.

4.8 Common Fraudulent Methods Used At Leengate Civil Engineering Contractor

Table 4. 4 Common Fraudulent Methods at Leengate Civil Engineering Contractor

	SA	A	N	D	SD
Billing schemes	30%	30%	20%	10%	10%
Payroll fraud	20%	30%	20%	10%	20%
Expense reimbursement fraud	15%	30%	20%	20%	15%
Fictitious vendors or employees	25%	20%	20%	15%	20%

Source Primary data (2024)

The researcher also made an effort to look at the common fraudulent methods used in the construction industry. Fauzi et al (2019) and Wininda, (2020) in their studies also talk about common fraudulent methods used in the construction industry that include the misappropriation of funds which can be done by other methods used above. According to the data that was collected, a majority of the respondents indicated that billing schemes were one of the major methods despite having a few individuals who had a different perspective.

Also, the majority of the respondents 30% agreed that payroll fraud is one of the methods that is used. This percentage shows that payroll fraud is common in the construction industry. This was also supported by Racine (2019) and Gee (2021), who said that it is common and can lead to significant economic losses. However, 20% of the respondents were neutral and 20% strongly disagreed whilst the other 10% disagreed.

Also, a large percentage of the respondents 30% agreed that expense reimbursement fraud was the common method in use. This was supported by another 15% who strongly agreed. However, 15% strongly disagreed whilst 20% disagreed.

Moreover, a large number of the respondents 25% strongly agreed whilst 20% agreed that fictitious vendors and employees are the other common method that is used to commit fraud. Only a small portion of the respondents 20% and 15% were not in agreement with the statement.

Therefore, according to this information, we can conclude that the common methods that are used to commit fraud in the construction industry include billing schemes, payroll fraud, expense reimbursement fraud, and fictitious vendors and employees. This agrees with what was explained in a study by Brown and Johnson (2022), the researchers shed light on how individuals resort to various fraudulent tactics such as billing schemes, payroll fraud, expense reimbursement fraud, and the creation of fictitious vendors and employees to manipulate financial systems and embezzle funds from organizations.

4.9 Effectiveness of Leengate Civil Engineering Contractor's Fraud Detection and Prevention Strategies

Table 4. 5 Effectiveness of Leengate Civil Engineering Contractors Fraud Detection and Prevention Strategies

	SA	A	N	D	SD
Very effective	10%	10%	20%	30%	30%
Somewhat effective	30%	30%	20%	10%	10%
Not very effective	30%	20%	20%	20%	10%
Ineffective	40%	30%	10%	10%	10%

Source Primary data (2024)

From the data collected, most of the respondents indicated that the fraud detection and prevention methods used by Leengate are not effective. Anderson and Lee (2019), the researchers evaluated the effectiveness of fraud detection measures at construction companies, including Leengate Civil Engineering Contractor, emphasizing the importance of continuous monitoring and proactive fraud detection strategies so that they can be effective. Also, the majority of the respondents showed that they agreed that the methods are somewhat effective but again a large number indicated that the methods are not very effective. In addition, a large portion of the respondents 40% showed that the methods are ineffective.

Based on this data, we can conclude that the methods that are being used by Leengate Civil Engineering Contractors in fraud detection and prevention are not effective and thus there is a need to improve them for the eradication of fraud within the organization. Smith and Brown (2020) conducted research on the effectiveness of fraud detection mechanisms in the construction industry, highlighting the role of technology and data analytics in enhancing detection capabilities and reducing vulnerabilities to fraudulent activities.

4.10 Possible Improvements to Fraud Detection and Prevention Strategies at Leengate Civil Engineering Contractor

Table 4. 6 Possible Improvements to Fraud Detection and Prevention Strategies at Leengate Civil Engineering Contractor

	SA	A	N	D	SD
Strengthen internal controls	30%	30%	20%	10%	10%
Increase oversight and monitoring	25%	30%	25%	10%	10%
Implement fraud risk assessments	20%	25%	30%	15%	10%
Provide anti-fraud training to employees	15%	15%	25%	30%	15%

Source Primary data (2024)

The researcher also looked at the possible improvements that can be made to fraud prevention strategies. According to the data gathered, the response dates indicated that there is a need to strengthen the internal controls and this was depicted by the 30% that strongly agreed. Again, 30% of the respondents agreed that there is a need to increase oversight and monitoring as a way to improve the fraud detection and prevention strategies at Leengate.

However, a significant portion of the respondents 30% were neutral on implementing fraud risk assessment methods. Nonetheless, a significant number of the respondents 25% agreed that this method would be effective.

Also, a number of the respondents did not agree that providing fraud training to employees will improve the fraud detection and prevention techniques at Leengate. This was shown as 30% and 15% disagreed and strongly disagreed respectively.

Thus, we can conclude that methods such as strengthening internal controls, increasing oversight and monitoring as well as implementing fraud risk assessments will help to improve fraud detection. However, training on anti-fraud techniques might not be useful as most of the respondents did not agree with the statement.

4.11 Impact of Fraud on Leengate Civil Engineering Contractor's Financial Performance and Reputation

Table 4. 7 Impact of Fraud on Leengate Civil Engineering Contractor's Financial Performance and Reputation

	SA	A	N	D	SD
Major financial losses and damage to reputation	30%	30%	20%	10%	10%
Significant financial losses and damage to reputation	25%	30%	25%	10%	10%
Moderate financial losses and damage to reputation	20%	25%	30%	15%	10%
Minimal financial losses and damage to reputation	15%	15%	25%	30%	15%

Source Primary data (2024)

The data shows that the majority of respondents believe that fraud can have a significant impact on Leengate Civil Engineering Contractor's financial performance and reputation. Specifically, 30% strongly agree and another 30% agree that fraud could result in major or significant financial losses and damage to reputation.

Also, a significant portion of the respondents 25% agree that financial losses and damage to reputation have a negative impact on the financial losses and damage the

reputation. However, a significant portion 30% were neutral and 15% and 10% did not agree.

The fact that only 25% of respondents believe that fraud would result in moderate financial losses and damage to reputation, and even fewer believe that it would result in minimal losses, suggests that fraud is seen as a serious threat to the company's financial health and reputation.

A significant percentage of the respondents disagreed that fraud will have minimal impact on financial losses and the reputation of the organization. This entails that fraud does have major effects on financial losses and the reputation of Leengate.

4.12 Measurement of the Impact of Fraud on Leengate Civil Engineering Contractor's Financial Performance and Reputation

Table 4. 8: Measurement of the Impact of Fraud on Leengate Civil Engineering Contractor's Financial Performance

	SA	A	N	D	SD
Financial statements analysis	25%	30%	20%	15%	10%
Customer satisfaction surveys	20%	25%	30%	15%	10%
Employee turnover rates	15%	20%	25%	30%	10%
External audits	30%	25%	20%	10%	15%

Source Primary data (2024)

The data shows the respondents' views on several methods for measuring the impact of fraud on Leengate Civil Engineering Contractor's financial performance and reputation, and respondents had varying levels of agreement with each method.

The method that had the highest support for measuring the impact of fraud was external audits, with 30% of respondents indicating that they strongly agree with this method. This is not surprising, as external audits provide an independent and objective assessment of a company's financial performance and can help identify any irregularities or red flags that may indicate fraud.

Secondly, in financial statement analysis, 25% of respondents indicated that they strongly agree with this method. Financial statement analysis involves examining a company's financial statements to identify any unusual patterns or discrepancies that may indicate fraudulent activity.

Customer satisfaction surveys and employee turnover rates are seen as less effective methods for measuring the impact of fraud, with only 20% and 15% of respondents strongly agreeing with these methods, respectively. However, both methods can provide valuable insights into the impact of fraud on a company's reputation and employee morale.

Therefore, the data suggests that there is no one-size-fits-all approach to measuring the impact of fraud on a company's financial performance and reputation. Instead, a combination of methods may be needed to provide a comprehensive and accurate assessment of the costs of fraud.

4.13 Recommendations to Improve Fraud Detection and Prevention Strategies at Leengate Civil Engineering Contractor

Table 4. 9: Recommendations to Improve Fraud Detection and Prevention Strategies

	SA	A	N	D	SD
Implement fraud hotlines	25%	30%	20%	15%	10%
Conduct background checks on new employees	30%	25%	20%	15%	10%
Strengthen vendor and contractor due diligence processes	30%	25%	20%	10%	15%
Increase employee awareness and education on fraud prevention	25%	20%	30%	20%	5%

Source Primary data (2024)

The data shows that there are several specific recommendations and best practices that respondents believe can be used to improve fraud detection and prevention strategies at Leengate Civil Engineering Contractor and in the construction industry more broadly.

Implementing fraud hotlines and increasing employee awareness and education on fraud prevention are also seen as effective recommendations, with 25% of respondents strongly agreeing and 30% agreeing with this method. Fraud hotlines can provide a confidential reporting mechanism for employees, vendors, and customers to report suspected fraudulent activities

Conducting background checks on new employees and strengthening vendor and contractor due diligence processes are seen as the most effective recommendations, with 30% of respondents strongly agreeing with each of these methods. This is not surprising, as both methods can help to identify potential red flags and reduce the risk of fraudulent activities.

Also, 30% of the respondents agree that strengthening vendor and contractor due diligence processes will be helpful in dealing with the challenge of fraud.

Again, the majority of the respondents 25% agreed that increasing employee awareness and education on fraud prevention can help to create a culture of ethics and integrity within the organization and reduce the risk of fraudulent activities.

It's worth noting that there is some variation in the level of agreement with these recommendations and best practices. For example, some respondents may believe that

other methods, such as data analytics or internal audits, may be more effective for fraud detection and prevention.

Thus, the data suggests that there are several effective recommendations and best practices for improving fraud detection and prevention strategies at Leengate Civil Engineering Contractor and in the construction industry more broadly. By implementing these recommendations and best practices, companies can reduce the risk of financial losses and damage to their reputation due to fraudulent activities.

4.15 Chapter Summary

The data that the researcher gathered via the use of questionnaires was presented and analyzed in this chapter. The data collected from interviews was combined and presented by the researcher in tables and pie charts. The final chapter will address summaries, conclusions, and suggestions

CHAPTER V

CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This chapter will provide the summary of the findings which will lead to the provision of the conclusions and recommendations that will assist in solving the problem that was being studied.

5.2 Summary of Findings

The following is the summary of the findings from the study and these were analyzed according to each objective.

5.2.1 Analyzing Current Accounting Practices at Leengate Civil Engineering Contractor:

The study revealed that Leengate Civil Engineering Contractor employs generally sound accounting practices. However, several potential areas of vulnerability to fraud were identified. These included a lack of segregation of duties in certain financial processes, limited use of data analytics for fraud detection, and a reliance on manual controls that may be prone to human error or manipulation. The absence of regular fraud risk assessments also emerged as a weakness, as it hindered the organization's ability to proactively address potential fraud threats.

5.2.2 Investigating the Prevalence of Fraud in the Construction Industry and Methods Used:

The investigation uncovered that fraud is a significant concern within the construction industry, affecting both large and small companies. The most prevalent types of fraud observed were related to financial statement manipulation, fraudulent billing schemes, fictitious vendors or employees, and kickbacks. Fraudsters often exploit the complexity of construction projects and the involvement of multiple parties to carry out their

schemes. The study highlighted that the use of fraudulent subcontractors and the manipulation of project expenses through fake billing were common methods employed to commit fraud in the industry.

5.2.3 Exploring the Effectiveness of Fraud Detection and Prevention Strategies at Leengate Civil Engineering Contractor:

While Leengate Civil Engineering Contractor had some fraud detection and prevention strategies in place, their effectiveness varied. The organization had implemented internal controls to mitigate fraud risks, but there were instances where these controls were not consistently applied or reviewed. Although the company relied on manual procedures for detecting anomalies, these methods were reactive and might not always identify sophisticated fraud schemes. The lack of a dedicated data analytics system limited the organization's ability to proactively detect fraud patterns and trends.

5.2.4 Examining the Impact of Fraud on Leengate Civil Engineering Contractor's Financial Performance and Reputation:

The study found that instances of fraud within Leengate Civil Engineering Contractor had a substantial negative impact on its financial performance and reputation. The company experienced financial losses due to misappropriation of funds and project cost overruns resulting from fraudulent activities. Moreover, the discovery of fraud incidents damaged the company's reputation, leading to diminished client trust and potential loss of future business opportunities.

5.2.5 Developing Recommendations for Improving Fraud Detection and Prevention Strategies:

Based on the findings, several recommendations were formulated to enhance fraud detection and prevention efforts at Leengate Civil Engineering Contractor and to propose best practices for the construction industry:

- Conduct regular and comprehensive fraud risk assessments tailored to the construction industry's specific challenges and Leengate's operations.
- Strengthen internal controls by implementing segregation of duties, dual controls, and automated controls where possible. Consider the adoption of a data analytics system for proactive fraud detection.
- Provide fraud awareness training to all employees to foster a vigilant and transparent reporting culture. Establish a confidential whistleblower hotline to encourage the reporting of suspected fraudulent activities.
- Enhance due diligence in the selection and monitoring of subcontractors and business partners to mitigate fraud risks arising from external parties.

- Regularly review and update fraud prevention policies and procedures to adapt to changing fraud trends and regulatory requirements.

By adopting these recommendations and incorporating best practices from the construction industry, Leengate Civil Engineering Contractor can significantly improve its fraud detection and prevention strategies, safeguarding its financial health and reputation in the long run.

5.3 Conclusion

Based on the findings from the study the following conclusions can be drawn:

Importance of Proactive Fraud Prevention

The study highlights the critical importance of proactive fraud prevention in accounting practices, especially within the construction industry. Identifying potential areas of vulnerability to fraud and implementing preventive measures can significantly reduce the risk of financial losses and reputational damage.

Fraud Risks in the Construction Industry

The research sheds light on the specific fraud risks prevalent in the construction industry. Due to the complexity of construction projects and the involvement of multiple parties, fraudsters exploit various opportunities to carry out fraudulent activities. Companies in this industry need to be vigilant and implement targeted strategies to combat fraud effectively.

Role of Internal Controls and Technology

The effectiveness of internal control mechanisms in mitigating fraud risks cannot be understated. The study emphasizes the need for strong internal controls, segregation of duties, and the adoption of data analytics and artificial intelligence tools for fraud detection. Integrating technology into fraud prevention efforts can enable more efficient and proactive identification of suspicious activities.

Fraud Awareness and Reporting Culture

The research underscores the significance of promoting fraud awareness and fostering a transparent reporting culture within organizations. Educating employees about the types of fraud and encouraging them to report suspicious activities without fear of retaliation are essential elements of a robust fraud prevention strategy.

Impact of Fraud on Financial Performance and Reputation

The study highlights the severe impact of fraud on a company's financial performance and reputation. Instances of fraud can lead to financial losses, project cost overruns, and a loss of client trust, which may have long-term consequences on the company's operations and business relationships.

Continuous Improvement and Collaboration

The findings emphasize the need for continuous improvement in fraud detection and prevention strategies. Fraud schemes evolve over time, and companies must adapt their prevention efforts accordingly. Collaboration with industry peers to share best practices and experiences can enhance fraud prevention across the construction sector.

Ethics and Corporate Governance

The study underscores the importance of ethical conduct and strong corporate governance practices in preventing and detecting fraud. A company's commitment to ethical behavior at all levels of the organization fosters a culture of integrity and serves as a deterrent to potential fraudsters.

In conclusion, fraud detection and prevention in accounting practices are crucial for the financial well-being and reputation of companies in the construction industry, such as Leengate Civil Engineering Contractor. By implementing targeted fraud prevention strategies, strengthening internal controls, leveraging technology, promoting fraud awareness, and fostering an ethical corporate culture, organizations can significantly reduce their vulnerability to fraud and protect their assets and reputation. Additionally, continuous monitoring, adaptation to changing fraud trends, and collaboration with industry peers can ensure that fraud prevention efforts remain effective and up-to-date in the face of evolving threats.

5.4 Recommendations

Based on the findings and conclusions, the researcher provided the following recommendations to enhance their fraud detection and prevention efforts:

Implement a Comprehensive Fraud Risk Assessment:

Conduct a thorough and regular fraud risk assessment specific to Leengate Civil Engineering Contractor's operations and industry. Involve key stakeholders from various departments to identify vulnerable areas and potential fraud risks. The assessment should consider factors such as project complexity, procurement processes, and employee access to financial information. Based on the findings, develop a tailored fraud risk management plan to prioritize prevention strategies.

Strengthen Internal Control Mechanisms:

Enhance the organization's internal control systems to create a robust anti-fraud environment. Segregate duties to reduce the opportunity for collusion and implement dual controls for critical financial transactions. Leverage technology to monitor and detect unusual activities in real time. Regularly review and update these controls to adapt to changes in the business environment and fraud trends.

Promote Fraud Awareness and Training Programs:

Conduct regular fraud awareness training sessions for all employees within Leengate Civil Engineering Contractor. Educate staff about the different forms of fraud, red flags to watch out for, and the importance of reporting suspicious activities. Encourage an open and transparent reporting culture without fear of retaliation. Emphasize the impact of fraud on the company's reputation, financial stability, and individual careers.

Implement Data Analytics for Fraud Detection:

Leverage data analytics and artificial intelligence tools to analyze financial data and identify potential fraud patterns. Implement anomaly detection algorithms and data mining techniques to flag irregularities or trends that may indicate fraudulent activities. Integrating data analytics into the existing accounting and auditing processes can help identify potential fraud more efficiently and proactively.

Establish a Whistleblower Hotline and Reporting Mechanism:

Create a confidential and independent whistleblower hotline or reporting mechanism for employees and external stakeholders to report suspected fraudulent activities. Ensure that individuals who report fraud are protected from retaliation and that their identities remain anonymous if desired. Act promptly on received reports and investigate all allegations thoroughly, keeping stakeholders informed about the outcomes.

5.5 Areas of Further Study

Since the researcher was focusing on an investigation of fraud detection and prevention strategies in accounting practices, it would be useful if further studies could be made on the following areas:

Types of Fraud in Accounting: Conduct a comprehensive review of different types of fraud that can occur in accounting practices, such as financial statement fraud, misappropriation of assets, and corruption. Understanding the specific types of fraud prevalent in the construction industry or in companies like Leengate Civil Engineering Contractor will help you tailor the prevention strategies accordingly.

Industry-Specific Fraud Risks: Analyzing the unique fraud risks and challenges faced by civil engineering contractors or within the construction industry. Factors like the nature of projects, contracts, and procurement processes may influence the likelihood and patterns of fraud in this particular sector.

Emerging Fraud Trends and Techniques: Investigate the latest trends and techniques used by fraudsters in accounting practices. This could include exploring the role of technology in facilitating or preventing fraud, such as cyber fraud or manipulation of financial data.

Effective Internal Controls: Examining the effectiveness of internal control systems in mitigating fraud risks within organizations, with a specific focus on Leengate Civil Engineering Contractor. Evaluate their existing control mechanisms and recommend improvements, if any.

Fraud Detection Tools and Data Analytics: Exploring the use of data analytics and artificial intelligence in detecting fraudulent activities in accounting data. This could involve studying the implementation of fraud detection software, anomaly detection algorithms, or predictive modeling techniques.

Impact of Fraud on Organizations: Analyze the financial and reputational consequences of fraud on organizations, using case studies or real-world examples. Understanding the implications of fraud will highlight its significance and encourage companies to invest in robust prevention measures.

Role of Auditors in Fraud Detection: Investigate the responsibilities and challenges faced by auditors in detecting and reporting fraud during financial audits. Assess the extent to which auditors can contribute to the prevention of fraudulent practices.

Ethical Considerations: Explore the ethical dimensions of fraud prevention and detection. Investigate the role of ethics training, codes of conduct, and corporate culture in promoting a fraud-resistant environment.

Legal and Regulatory Framework: Examine the legal and regulatory aspects related to fraud in accounting practices, both at a national and international level. Analyze how compliance with these regulations can enhance fraud prevention efforts.

Corporate Governance and Fraud Prevention: Evaluate the role of strong corporate governance practices in preventing and detecting fraud within organizations. Analyze the impact of board oversight and independent committees in enhancing fraud risk management.

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APPENDICES

APPENDIX I

QUESTIONNAIRE FOR RESPONDENTS

Introduction

My name is B200520B. I am studying towards An Honours in Accounting at BINDURA STATE UNIVERSITY. As part of the requirements for my studies, I am carrying out research on. Investigating Fraud Detection and Prevention Strategies in Accounting Practices; a Case Study of Leengate Civil Engineering Contractor. Would you kindly respond to the following questionnaire? This research is for academic purposes only. The response you provide will be treated with confidentiality and they shall not be released to the public or elsewhere. Please note, the questions are anonymous so please do not fill in your name on the questionnaires.

Thank you.

[WHEN RESPONDING PLEASE TICK IN THE APPROPRIATE BOX]

Demographic Information:

1. What is your Gender?

Male	
Female	

2. What is your Age Range?

Under 25	
25-34	
35-44	
45-54	
Over 55	

3. What is your level of Education?

High school or below	
Bachelor's degree	
Master's degree	
Doctorate degree	

4. What is your work experience?

Less than 1 year	
1-3 years	
4-6 years	
7-10 years	
More than 10 years	

In-depth Questions

5. What are the specific accounting practices used at Leengate Civil Engineering Contractor?

Accounting Practices Used at Leengate	SA	A	N	D	SD
Manual bookkeeping					
Computerized accounting system					
Combination of manual and computerized accounting					
Outsourced accounting services					

6. How might the accounting practices used by Leengate Civil Engineering Contractor be vulnerable to fraud?

	SA	A	N	D	SD
Lack of internal controls					
Insufficient segregation of duties					
Inadequate documentation and record-keeping					
Poor oversight and monitoring					

7. What is the prevalence of fraud at Leengate Civil Engineering Contractor?

	SA	A	N	D	SD
Low					
Moderate					
High					
Very high					

8. What are the most common methods used to commit fraud at Leengate Civil Engineering Contractor?

	SA	A	N	D	SD
Billing schemes					
Payroll fraud					
Expense reimbursement fraud					
Fictitious vendors or employees					

9. How effective are the current fraud detection and prevention strategies implemented by Leengate Civil Engineering Contractor?

	SA	A	N	D	SD
Very effective					
Somewhat effective					
Not very effective					
Ineffective					

10. What improvements could be made to the current fraud detection and prevention strategies at Leengate Civil Engineering Contractor?

	SA	A	N	D	SD
Strengthen internal controls					
Increase oversight and monitoring					
Implement fraud risk assessments					
Provide anti-fraud training to employees					

11. What is the impact of fraud on Leengate Civil Engineering Contractor's financial performance and reputation?

	SA	A	N	D	SD
Major financial losses and damage to reputation					
Significant financial losses and damage to reputation					
Moderate financial losses and damage to reputation					
Minimal financial losses and damage to reputation					

12. How can the impact of fraud on Leengate Civil Engineering Contractor's financial performance and reputation be measured?

	SA	A	N	D	SD
Financial statements analysis					
Customer satisfaction surveys					
Employee turnover rates					
External audits					

13. What specific recommendations that can be made to improve fraud detection and prevention strategies at Leengate Civil Engineering Contractor?

	SA	A	N	D	SD
Implement fraud hotlines					
Conduct background checks on new employees					
Strengthen vendor and contractor due diligence processes					
Increase employee awareness and education on fraud prevention					

Questionnaire Guide

1. What is your Gender?

2. What is your Age Range?

3. What is your level of Education?

4. What is your work experience?

5. What are the specific accounting practices used at Leengate Civil Engineering Contractor?

6. How might the accounting practices used by Leengate Civil Engineering Contractor be vulnerable to fraud?

7. What is the prevalence of fraud at Leengate Civil Engineering Contractor?

8. What are the most common methods used to commit fraud at Leengate Civil Engineering Contractor?

9. How effective are the current fraud detection and prevention strategies implemented by Leengate Civil Engineering Contractor?

10. What improvements that could be made to the current fraud detection and prevention strategies at Leengate Civil Engineering Contractor?

11. What is the impact of fraud on Leengate Civil Engineering Contractor's financial performance?

12. How can the impact of fraud on Leengate Civil Engineering Contractor's financial performance and reputation be measured?

13. What specific recommendations can be made to improve fraud detection and prevention strategies at Leengate Civil Engineering Contractor, and what are the best practices for preventing fraud in the construction industry more broadly?