

**POLICING STRATEGY FOR THE PREVENTION
AND DETECTION OF FINANCIAL CRIMES IN FINANCIAL
INSTITUTIONS IN KAMPALA CITY -UGANDA**

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Degree of Master of Business Administration
And Management

By:


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DECLARATION A

"This thesis is my original work and has not been presented for a degree or any other academic award in any university or institution of learning".

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Name and Signature of Candidate

23/10/2012

Date

DEDICATION

This thesis is dedicated to my father, who taught me that the best kind of knowledge to have is that which is learned for its own sake. It is also dedicated to my mother, who taught me that even the largest task can be accomplished if it is done one step at a time.

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ACRONYMS

ANOVA	Analysis of Variance
ATM	Automated Teller Machines
Bancorp	Bank Corporation
Bn	Billion
CAA	Civil Aviation Authority
CCTV	Close Circuit Television
CHDR	College of Higher Degrees and Research
DD	Demand Draft
e	Error tolerance
e.g	For example
et al	Others follow
Etc	et cet-era
F	Frequency
Fax	Facsimile
FINCEM	Financial Crimes Enforcement
Ho	Hypothesis
i.e	That is to say
ID	Identification
IT	Information Technology
K	Number of items considered
KCC	Kampala Capita City
LC	Local council
n	Number of samples
N	Total Population
NFA	National Fraud Authority
POP	Problem Oriented Policing
PPP	Private Public Partnerships
r	Regression

ABSTRACT

The general objective of the study was to investigate the relationship between policing strategy and the prevention and detection of financial crimes in financial institutions in Kampala city.

Four specific objectives namely: to identify the demographic characteristics of respondents in terms of gender, age, marital status, educational level, experience in the organization and experience in financial institutions; establish the levels attained by policing strategy for the prevention and detection of financial crimes in financial institutions terms of; representative policing, responsive policing and accountable policing; establish if there is a significant difference and relationship between policing strategy and the prevention and detection of financial crimes in financial institutions in Kampala City

The study was based on the Classical organisational theory of Mary Parker Follett's which states that; no one could become a whole person except as a member of a group or through relationships with others in organizations, talking to one another to pass an idea.

Across sectional survey was employed where by quantitative study approach and descriptive, correlation survey was adopted. Survey design was used because data was collected from a section of respondents at once using questionnaires.

Data analysis was done using descriptive statistics. The study revealed that the level of policing strategy was very high (mean=3.30). On the other hand, results also indicated that prevention and detection of financial crimes is high (mean=3.09), eleven items/ aspects were rated very high, twelve were high and three were low; Results from one way ANOVA showed that there was significant difference in the level policing strategy and the prevention and detection of financial crimes in financial institutions ($F=3.908$, sig. = 0.00); Results using Pearson's Linear Correlation Coefficient found policing strategy are significantly and positively correlated with the prevention and detection ($r=0.576$, sig.=0.000). Regression analysis results indicated that policing strategy was found responsible for over 33% variation towards prevention and detection of financial crimes in financial institutions in Kampala city hence concluding that the level of policing strategy positively and significantly influences prevention and detection of financial crimes. Recommendations; massive mobilization, sensitization and education, Training in information technology to fight cyber crimes.

business practices and law. Fraud often consists of many instances or incidents involving repeated transgressions using the same method. (Palshikar, 2002).

Financial Crime is nothing new in Africa; however, the ways in which financial crime is being committed are changing. Criminals are increasingly using Information Technology (IT) to commit crime. This is probably due to criminals' recognition that fraud, extortion and money laundering crimes can be committed just as easily in electronic form as they can physically. They realize poor Information Security offers a quick, cheap and easy way to commit financial crime against firms and their customers (Nickson, 2010)

Today's complex financial crime schemes pose increasing business and reputational risks to financial institutions in Uganda. Financial crime costs an estimated \$20 billion in losses annually, and the operational costs of compliance are growing substantially year after year. The public/communities in order to fully support the police and banks, need to take center stage by being pro-active through a very strong partnership. This in its intrinsic value represents a fundamental shift in the policing strategy to develop new partnerships with key elements of the community (Kasingye, 2009).

Over the past two years there has been an escalation of financial crimes ranging from Embezzlement, land fraud, mortgage fraud, insurance fraud, healthcare fraud, financial statements fraud, Bank fraud, money laundering, cyber crime among others with an approximate rate of 982,721 cases reported with an average of 1,346 cases reported daily from thirteen (13) Police Divisions in Kampala city (Crime Report, 2011).

Financial crimes and fraud in particular is one of the most sophisticated organized crimes in our society today and being a white collar crime is facilitated by professionals like Accountants, Bankers, Tax officers, Auditors, Engineers, Tender evaluators, computer experts etc. Fraud involves dishonesty; trickery and abuse of power in obtaining unjust benefit for one's self. It is the use of deception to obtain an advantage. Fraud is a hidden crime; it is the use of fraudulent

means to obtain money, assets or other property owned or held by financial institution, or to obtain money from depositors by fraudulently representing to be a Bank or financial institution contrary to Section 323 and 324 of penal code act (Laws of Uganda, penal code act)

The study on the Policing strategy is meant to find a way of fighting crime through prevention and detection parameters. The purpose of policing is to encourage public private partnerships (PPP) as a tool to fight financial crime through prevention and detection. The policing strategy emphasizes building partnerships between police and community members who are the victims. It broadens the focus of fighting crime to include solving community problems, so that average citizens can contribute to fight crime with their support and participation.

Statement of the Problem

Uganda is being faced by criminals who take advantage of the globalization of the world economy by transferring funds quickly across international borders. The rapid developments in financial information, technology and communication allow money to move anywhere in the world with speed and ease. Today's criminal perpetrators are not hampered by the existence of international boundaries since information and property can be transmitted conveniently via the internet, telephone, data networks and locomotion has been made easier and faster. Because of these developments crime can be committed without any one being aware of it, many miles far away from the scene with the criminal sitting at his home or office without making any sound, noise or visible activity. Modern technology such as the Telex, Fax, Telegraphic Transfers, mobile phones, emails has assisted the fraudsters to be geographically distant from the victims and proceeds of the crime.

This study focused on the need for a policing strategy to build knowledge through mobilization, sensitization and education in prevention and detection of financial crimes in financial institutions in Kampala City.

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Purpose of the study

1. To test the hypothesis of significant difference and significant relationship between Policing strategy and prevention/ detection of financial crimes.
2. To fill the gaps identified from previous studies reviewed.

Research Objectives

General Objectives/Goals

To investigate the relationship of policing strategy with prevention and detection of financial crimes in financial institutions in Kampala City.

Specific Objectives

1. To identify the demographic characteristics of respondents in terms of;
Gender
Age
Education level
Number of years of work in the organization
2. To determine the level of policing strategy for the prevention and detection of financial crimes in financial institutions with respect to;
Representative Policing
Responsive policing
Accountable policing
3. To establish if there is a significant difference between the policing strategy and the prevention and detection of financial crimes in financial institutions in Kampala City.
4. To establish if there is a significant relationship between policing strategy and the prevention and detection of financial crimes.

Research Questions

The research answered the following questions:

1. What are the demographic characteristics of the respondents are as to:
Gender
Age

Education level

Number of years of work in the organization

2. What are the levels attained by policing strategy for the prevention and detection of financial crimes in financial institutions terms of:

Representative Policing

Responsive policing

Accountable policing

3. Is there a significant difference between policing strategy, for the prevention and detection of financial crimes in financial institutions in Kampala City?
4. Is there a significant relationship between policing strategy for the prevention and detection of financial crimes in financial institutions in Kampala City?

Null Hypothesis

1. There is no significant difference in policing strategy for the prevention and detection of financial crimes in financial institutions in Kampala City.
2. There is no significant relationship in policing strategy for the prevention and detection of financial crimes in financials in Kampala City.

Scope of the Study

The scope of the study specifies the boundaries of the research:

Geographical scope

Defines the location or site of the study, the study was conducted on financial institutions in Kampala City, with specific focus on banks.

Theoretical scope

The classical organizational theory of Mary Parker Follett (1868-1933) states that; no one could become a whole person except as a member of a group; human beings grew through relationships with others in organizations; hence defined management as the art of getting things done through others. This theory has been widely used in management by many scholars and can be applicable in this study where by policing strategy is about creating a

relationship with people to sensitize them on prevention and detection of financial crimes in financial institutions. (Graham 1998).

Content scope

The independent variable in the study is policing strategy with the following constructs; representative policing, responsive policing and accountable policing. The dependent variable in the study is prevention and detection of financial crimes in financial institutions in Kampala City.

Time scope

The research was estimated to take a maximum of eight (8) months. This involved writing and presentation of the research proposal, data collection, analysis, interpretation and finally submission of the Dissertation.

Significance of the study

The study was to establish the relationship between policing strategy and the prevention and detection of financial crimes in financial institutions in Kampala City; this was to help in identifying how effectively the policing could be done and what impact it would bring to financial institutions and the public at large.

The study was to inform policy makers in an objective and explanatory manner rather than critiquing the efforts made.

Since the study would help in sensitizing people and stimulate further studies on the subject matter;

There are critical elements (including: knowledge, skills and experience of staff; capacity and quality of internal facilities; information and knowledge of people; that are lacking with technological advancement which has come up with sophisticated financial crime. These undermine the effectiveness of financial institutions in prevention and detection of financial crimes; hence the study would ensure such negative effects are minimized through ensuring that education and dissemination of information about financial crimes is done.

This study would help to evaluate the community policing that have been

identified as having very high potential in reducing the levels of crime hence leading to economic growth and development.

Operational Definition of Key terms

Policing

Philosophy that promotes organizational strategies, which support the systematic use of partnerships and problem-solving techniques, to proactively address the immediate conditions that give rise to public safety issues such as crime, social disorder and fear of crime.

Crime

Commission of an act or omission that violates the law and is punishable by the state. Crimes are considered injurious to society or the community, as distinguished from torts and breach of contract. As defined by law, a crime includes both the act, or *actus rea*, and the intent to commit the act, or *mens rea*. Criminal intent involves an intellectual apprehension of factual elements of the act or acts commanded or enjoined by the law.

Financial crimes

Crimes committed against property, involving the unlawful conversion of the ownership of property (belonging to one person) to one's own personal use and benefit. Financial crimes may involve fraud (cheque fraud, credit card fraud, mortgage fraud, medical fraud, corporate fraud, securities fraud (including insider trading), bank fraud, payment (point of sale) fraud, health care fraud); theft; scams or confidence tricks; tax evasion; bribery; embezzlement; identity theft; money laundering; and forgery and counterfeiting, including the production of Counterfeit money and consumer goods.

Crime Prevention

The attempt to reduce victimization and to deter crime from happening. It is applied specifically to efforts made by governments to reduce crime, enforce the law, and maintain criminal justice.

Crime detection

Crime detection falls into three distinguishable phases: the discovery that

a crime has been committed, the identification of a suspect, and the collection of sufficient evidence to indict the suspect before a court.

Financial institution

An institution that provides financial services for its clients or members. Probably the most important financial service provided by financial institutions is acting as financial intermediaries. Most financial institutions are regulated by the government. Broadly speaking, there are three major types of financial institutions; Deposit-taking institutions that accept and manage deposits and make loans, including banks, building societies, credit unions, trust companies, and mortgage loan companies, Insurance companies and pension funds; and Brokers, underwriters and investment funds.

CHAPTER TWO
REVIEW OF RELATED LITERATURE
Concepts, Ideas, Opinions from Authors/Experts

Policing

The policing strategy aimed at sensitization, education, awareness and partnering to achieving a more effective and efficient way of prevention and detection , crime control, reduced fear of crime, improved quality of life, through a proactive reliance on community resources that seeks to change crime causing conditions is built on three constructs;

Representative Policing

Bank personnel sufficiently represent the community they serve because they are entrusted with their money; Monitoring of employees and clients with adequate representation through fair and non-discriminatory recruitment policies and service delivery; ensures that rights of all people are protected and respected.

Responsive policing

Banks are responsive to public needs and expectations especially in preventing and detecting crime through maintaining security and public safety; Policing objectives are attained both lawfully and humanely; Banks understand and respond to the needs and expectations of the public they serve;

Accountable policing

Legally: they are accountable to the law, as are all individuals and institutions in the Country;
Politically: Banks are accountable to the public through the democratic and political institutions of government as well as through police and citizen liaison groups, (Rawlings, 2004); economically: Banks are accountable for the way they use resources allocated to them. The foundations of a successful policing strategy are the close, mutually beneficial ties between police and the general public or community members.

Policing consists of two complementary core components, community partnership and problem solving. To develop a partnership, there is a need for positive relationships with the local community; business community as stakeholders in the quest for better crime control and prevention, and must pool their resources with those of the community to address the most urgent concerns (Sharman, 1986). Problem solving is the process through which the specific concerns on crime prevention are identified and through which the most appropriate remedies to abate such problems are found (Freidwick, 2009). Policing strategy is aimed at awareness which will help prevent more fraud by achieving a step change in awareness of fraud among the general public and organizations in the private, public and voluntary sectors and in their ability to protect and safeguard themselves; prevent more fraud through stronger systems and controls in our financial institutions or businesses, and public and voluntary services; enforcement that will strengthen the response to be tougher on fraudsters by disrupting and encouraging punishment to fraudsters (Lemmin, 2010).

Policing strategy involves sharing information through technology also known as information-led policing. Agencies may miss opportunities to make arrests and positive identifications or detections and enhance the quality of intelligence if there are gaps in the way different agencies gather and process information (Cassady, 2011)

Law enforcement work is frequently reactive, officers respond to calls for service, quell disturbances, and make arrests. Policing strategy takes a proactive approach where relationships and connections help develop networks within the communities and the general public that leads to joint problem solving, they assess small problems and take steps to prevent them from becoming bigger (Leonel,2011).

Financial crime:

The underlying threat of financial crime is a risk of doing business. Individuals and organized crime groups have historically targeted financial institutions to obtain account information and funds by exploiting vulnerabilities through a variety of fraudulent schemes. Organized criminals have developed these schemes from traditional fraud scams, embracing the opportunities provided by multiple business channels, in particular online (Soumi, 2004)

Fraud in law, general term for any instance in which one party deceives or takes unfair advantage of another. Any means used by one person to deceive another may be defined as fraud. For example, if a person represents himself or herself as the agent of a business with which he or she is unconnected and causes another make a contract to the other party's disadvantage or injury, the first party is guilty of fraud. Furthermore, if in making a contract, a person obtains an unjust advantage because of the youth, defective mental capacity or intoxicated condition of other party to the contract, he or she is guilty of fraud. In Court of law, it is necessary to prove that a representation was made with intent to deceive and to induce the other party to act upon it; and that the other party relied on it and was induced to act or not to act to his or her injury or damage. (Cleaver, 2002)

The many prior reports have failed to incite satisfactory position in prevention and detection of fraud with failure to criminate the culprits, either because of insufficient evidence or failure to trace them by the Police, arguably doing only the detection but not concentrating on the prevention first, through a policing strategy of crime prevention by utilizing sensitization programmes on how to prevent crime before it happens (Turyagumanawe, 2010).

Fraud:

Fraud includes any act, omission or concealment involving a breach of legal or equitable duty or trust, which results in disadvantage or injury to

another. An example of fraud in this sense is the act of an insolvent who contrives to give one creditor an advantage over the others. Fraud by interpretation can also be constructive, that is deemed fraud by interpretation. The sole difference in the case of constructive fraud is that no dishonest intent need be adduced. It arises from a breach of duty, such as the breach of a fiduciary relationship in which a trust or confidence has been betrayed. (Jerry, 2009)

Lwigo (2004) defines corporate fraud as a high level intentional perversion of the truth for the purpose of inducing another in the reliance upon it to part with something of value.

He further says that, perversion of the truth, false statements, lies, deceit or deception, reliance by victim on the false statements and loss by victim. One involved in fraud utilizes acceptable business procedures and paper work to conceal illegal activity. The important consideration while addressing fraud is that, frauds rarely involve single acts. (Lwigo, 2004).

Bank fraud is the use of fraudulent means to obtain money, assets or other property owned or held by a financial institution, or to obtain money from depositors by fraudulently representing to be a Bank or financial institution.

He says bank frauds happen in several ways which include stolen cheques, some fraudsters obtain access to facilities handling large numbers of cheques, such as a mailroom or post office etc. A few cheques go missing and accounts are opened under assumed names and the money can then be withdrawn by thieves. Stolen blank cheque books are also of value to forger who then signs as if they were depositors (Garry, 2000)

Fraud usually refers to the deliberate, knowing attempt to misrepresent facts or otherwise deceive someone in order to win advantage or gain at the other person's expenses. In the world of science, however he says defining fraud or misconduct is not so clear cut. Certainly, fabricating data would count as fraud – describing results of experiments that were never performed or listing clinical observations of tests subjects who do not exist. An equally serious

activity would be changing or falsifying existing data in order to achieve some predetermined goal (Babbage, 1830).

Cheque Kiting:

This exploits a system in which, when a cheque is deposited to a bank account, the money is made available immediately even though it is not removed from the account on which the cheque is drawn until the cheque actually clears.

Demand draft fraud:

Is usually done by one or more dishonest Bank employees. They remove few DD leaves or DD books from stock and write them like regular DD. Since they are insiders, they know the coding, punching of demand draft. These demand drafts will be issued payable at distant town/city without debiting account. Then it will be cashed at the payable branch. For the paying branch it's just another DD. This kind of fraud will be discovered only when the head office does the branch-wise reconciliation, which normally will take 6 months.

Rogue traders:

A rogue trader is a highly placed insider nominally authorized to invest sizeable funds on behalf of the bank; this trader secretly makes progressively more aggressive and risky investments using the banks money, when one investment goes bad, the rogue goes bad, the rogue trader engages in further market speculation in the hope of a quick profit which would hide or cover the loss. Unfortunately, when one investment loss is piled onto another, the cost to the bank can reach into the hundreds of million dollars;

There have even been cases in which a bank goes out of business due to market investments losses.

Some of the largest bank frauds ever detected was perpetrated by currency traders John Rusuak, and Nick Leeson allegedly defrauded of 4.9 Billion Euros (\$ 7.1 Billion) while trading stock derivatives (Garry, 2000).

Fraudulent loans:

One way to remove money from bank is to take out a loan, a practice bankers would be more than willing to encourage if they know that the money will be repaid in full with interest. A fraudulent loan, however, is one in which the borrower is a business entity controlled by a dishonest bank officer or an accomplice, the "borrower" then declares bankruptcy or variables and the money is gone. The borrower may even be a non-existent entity and the loan rarely an artifice to conceal a theft of a large sum of money from the bank.

Fraudulent loan applications take a number of forms varying from individuals using false information to hide a credit history filled with financial problems and unpaid loans to corporations using accounting frauds to overstate profits in order to make a risky loan appear to be a sound investment for the bank. The study presupposes the role of police to intervene and sensitize financial institutions and individuals through policing and awareness (Garry, 2000)..

Counterfeit

Counterfeit which refers to an exact copy of something made in order to deceive; In terms of a product, this includes a fabricated, fake, forged, bogus or sham product. For cheques they are written or authorized by an illegitimate account holder. A valid cheque is drawn on a busy account may be stolen, counterfeited and the counterfeit is then cashed using a fictitious account. To protect against this previous studies recommended that on such frauds, customers should ensure that their personal information, including accounts records are highly screened at all times (Krutchen, 2003)

The use of fraudulent means to obtain money, assets or other property owned or held by a financial institution, or to obtain money from depositors by fraudulently representing to be a bank or financial institution. In many instances, bank fraud is a criminal offence. While specific elements of a particular banking fraud law vary between jurisdictions, the term bank fraud applies to actions that employ a scheme or artifice, as opposed to bank robbery or theft. Bank fraud is also considered a white collar crime which is in form of;

Cheque frauds

Cheque transactions constitute the largest form of settlement in the banking sector and recent past reveals that cheque fraud is the fastest growing financial crime. Whilst cheque fraud statistics are scanty, the loss of funds as a result of well organized fraud through the financial sector has been enormous. Global technological advancement has made it increasingly possible and easy for criminals to skim or clone realistic counterfeit and fictitious cheques, plastic cards as well as identification that can be used to defraud banks and customers.

Common types of cheque frauds include;

Counterfeit cheques

Cheques not written or authorized by legitimate account holder. Normally this occurs when false cheques drawn on a valid account or prescribed based on fraudulent identification. A criminal may open a current account and cash the false cheque using the fraudulent identification documents. Criminals use information from personal and /or corporate trash to produce identification with computer technology. In other instances a valid cheque drawn on a busy account may be stolen, counterfeited and the counterfeit is then cashed using a fictitious account.

To protect against such frauds, customers should ensure that their personal information including account records is highly secured at all times (Phill 1996).

Forged instruments

These are usually stolen cheques not signed by the account holder. The fraudster, upon getting hold of the blank cheque, which is either stolen, or lost, will fill in the details and forge the account holder's signature. Another way is to forge an endorsement. Customers should ensure that their cheques are securely kept and should promptly report any stolen cheques to their bankers.

Alteration on instruments

Information on the legitimate cheque such as payee, account holder, amount is charged to benefit the fraudster (bichupuli). This occurs after a bonafide drawer creates a valid cheque to settle an obligation; a criminal then intercepts this good cheque and uses chemicals so that new information can be entered. New information is then introduced on the cheque. The valid cheque then becomes a fraudulent cheque which the criminal cashes using false identification. To protect against such frauds, customers are encouraged to exercise care and safety precautions in keeping their cheque books and in issuing cheques. Due care must be taken in transmission of cheques from drawer to payee by use of reliable and secure couriers.

Drawn on closed accounts

Closed accounts frauds are based on cheques being written against closed accounts such frauds occur when a fraudster banks a cheque drawn on a closed account. The cheque is then deposited into a new account in another bank. The criminal can withdraw funds from the new account if the cheque is intercepted or lost during the clearing process. Closed account fraud can be successful when customer's do not inform their Bankers the proper status of their accounts.

Uganda Institute of Bankers (2010) reports that;

There are many sources of cheque frauds but the following are the most common in the banking sector:

Fraudulently opened bank accounts.

Thieves/ robbers who break into banks/offices either through collusion or otherwise.

Waste cheques from Bank archives by bank insiders

Intercepted government/parastatal or company cheque payable to genuine suppliers/services providers.

Counterfeit cheques – with advancement in color copying and desk top publishing, this is a growing source of fraudulent cheques.

Intercepted cheques written using acronyms e.g URA, CAA, KCC etc.

Dollar cheques/ travelers cheques "bichupuli" these are mainly obtained from outside the country but may also be intercepted from international mail locally.

Credit and debit cards (plastic) frauds

The most common plastic cards in Uganda today is the Debit card e.g ATM (Automatic Teller Machine) and point of sales cards ATMs (Phill 1996).

Money laundering

Money laundering is defined as the handling of money in such a fashion so as to conceal it's true source and origin. It's done by illegal drug operations, traditional organized crime terrorists, white – collar criminals, bank robbers etc (Cleaver 2003).

Akullo (2011), in a policy paper on common operating procedures for handling crimes in East African Community, she says there are no appropriate laws in place and that there is urgent need for parliament to pass the Anti-Money Laundering Bill that has been shelved for a while to help fight money laundering.

White Collar crime:

White collar crime, illegal acts committed by middle or upper class persons in conjunction with their ordinary occupational pursuits.

White collar crimes such as frauds, embezzlement, price fixing, ant-trust violations, income tax evasion, misuse of public funds and abuse of political and legal powers. In general, the latter are committed by persons of relatively high social status, are intimately connected with the socially approved occupation of the perpetrator, and are treated by the authorities more leniently and inconsistently than are conventional crimes, the chief sanctions against white-collar criminals have been loss of positions and public trust, loss of professional license, and the levying of fines. The leniency in prosecution stemmed partly from the perception that a high status individual implicated in criminal activity

was sufficiently punished by the presumed loss of social esteem or occupational prospects, or both; and partly from the fact that most white collar crimes are so called victimless offences. (Sutherland, 1940)

Krutchen (1999) found out that money laundering operates in a manner that tries to; Legitimize income denied from illegal sources /ventures as legitimate and willingly paying taxes on those profits, shrink the currency in order to exchange small bills for large bills to exchange currency for Cashier checks, Obtain un acceptable currency, convert a criminally identifiable currency into a non-receipt money, Bank currency into commodities, collectables, tangibles or hide i.e (Gold, silver, diamond, coins) etc. Evade taxes i.e moving monies to a tax haven to evade paying taxes and then use the funds from there. Krutchen further says that should the banks rely on or become dependent upon the placement of funds denied from illegal activity into them, then the institution may find that the criminal now has a financial stronger hold on them from which they may never be able to escape. Thus the old adage "any money is good money" may ultimately destroy both the bank and the customers.

The legitimate businessman is also very vulnerable, as he may find himself competing in a business environment where the criminal with his laundered monies, doesn't need to be concerned with making a profit in order to exist, but rather needs to just make it appear that his business is very successful which creates an impossible financial situation for the legitimate businessman who must be able to make profit (Jerry, 2009).

Financial crime prevention measures:

It has been said that specific success strategies used in one business may not work for another; as all businesses, like people/ groups of people, are different There are so many variables to sift through. It would appear that the majority of studies in this area have found that most financial institutions that demonstrated success were found to have adopted the preventive strategies which the study is trying to identify or to use the detection tools to unearth

financial crimes. These are measures by police to the owners/entrepreneurs, demographic characteristics of the financial institutions, or strategic tools used by the police through Community policing. (Hand et al, 1987).

Sensitization of communities/public

Policing through sensitization is an increasingly important element of awareness and is closely linked to public education.

It enhances confidence of the local community, business community, and financial institutions and fosters cooperative relationships with police. The concept of policing is now considered as second generation policing.

The purpose of policing is to encourage public private partnerships in the fight against crime. Policing emphasizes building partnerships between police and community members, business community/financial institutions (Mugenyi, 2010)

Identification and verification

Financial institutions should have measures in place to identify and verify the identity of the clients (legal and natural) before opening a bank account. These initiatives or guidelines/ policies stated or applied must require customers to provide certain information before opening an account. Banks should at the minimum check for the application, address, occupation, telephone numbers and credit records. Additional information could be a letter from the local council (LC) or a recommendation from the employer or former financial institutions affiliation.

Know your customer

This promotes high ethical standards in the financial sector and prevents the institutions from being used intentionally or unintentionally by criminal elements.

Know your employee

The study also presupposes an initiative of know your employee back ground checks on employees need to be institutionalized and conducted on regular basis. Employers should put in place mechanisms to monitor the lifestyle

and wealth accumulation of their employees. Banks should have policies, procedures, job descriptions, internal controls, approval levels, levels of authority, compliance with personal laws and regulations, code of conduct/ethics, accountability, dual control and other deterrents.

According to Old National Bancorp (2010);

Fraud Prevention Tips from the oldnational.com Online Security Center explains that;

Secure your passwords

As a preventive measure it is advisable that the general public and financial institutions secure their passwords. In general, a good password should not be based on personal information that can be easily guessed (your pet's name, birth date, etc.), not be a word that can be found in any dictionary of any language, contain at least 8 characters with numbers, punctuation and both uppercase/ lowercase letters and not be the same as any password you use for anything else.

Secure your computer

There are certain precautions you should take to keep your computer safe from viruses and hackers, Keep your operating system and browser up to date, use up-to-date anti-virus and anti-spyware software - and set them to update automatically, use a personal firewall, activate a pop-up blocker and physical security of the computers. The security of computer system involves safeguards for hardware, software and data stored within the system against problems ranging from outright theft to various alterations, He recommended that physical security which is the first line prevention of computer crime take into consideration (Ezati,2005).

Building and parking lot security which may include a well lightened entrance and parking lot, no sign board of the office of the data processing entrance, security guards patrolling the parking lot at irregular intervals, especially at night.

Besides physical security the study will recommended some countermeasures such as sensors, Cameras, CCTV monitors.

Adequate access control and house keeping control. This would ensure proper identification of individuals either by manual method or using cyber locks, batch readers, electric security devices etc. Electronic or magnetic ID or badges given to permanent and temporary employees working in the building to be scrutinized by the guards before allowing entrance into the building, personal security etc

Be wary of spyware

Spyware is software loaded on your computer without your knowledge. It collects personal information about you and your Internet browsing habits in order to launch pop-up ads or change the configuration of your computer. Clues that you may have spyware on your computer, you experience a number of pop-up ads when browsing the Internet, your Internet browser takes you to sites you're not attempting to visit, you experience a sudden and/or repeated change to your Internet homepage, new toolbars or icons appear and also you experience error messages that seem random, and/or your computer's performance drastically slows down. The precaution is that you are not supposed to respond to such pop-up ads or any unknown messages (FINCEM, 2003).

Enhance Bank operations

Kasekende,(2005) there is need to keep cheque stock in secure locations; destroy unused cheques from closed accounts immediately, Cheques and balances – split responsibilities so that no one person is responsible for cheque issuance and reconciliation, Prompt account reconciliation – reconcile your accounts as soon as account statements are received and on a regular basis. To speed things up, many clients see a significant advantage in products like;

(a) Positive pay, which matches cheque presented against your own cheque issue files and,

(b) Identify all exceptions for a pay/ no pay decision.

(c) Corporate cleansings, which helps larger volume issuers manage the daily processing and reporting of paid items.

When laser printing cheques, issue multiple passwords to those responsible for cheque printing and use cheque with toner anchorage to permanently bond ink into paper.

Avoid acronyms – Many frauds have been perpetuated by adding extra letters to an acronym so that the cheque becomes payable to someone else e.g URC – Uganda Railways Corporation could be changed to Uganda Railways Canteen.

A research conducted on the effect of foreign currency in financial institutions and found out that Stringent foreign currency regulations should be put in place. Fraudulent foreign currency especially dollars and pounds come in the country, with the global trends at hand, people use foreign cheques to order for goods from foreign countries like Japan, Dubai, United Kingdom etc. (Barman,2004)

Fraud prevention tactics include careful screening of employees with access to finances or financial reports. Companies might also reduce the risk of fraud by adopting a strict code of ethics applicable to all employees. Teaching workers to recognize unusual activity that might point to dishonesty represents another strategy used by some firms. Providing adequate security of physical premises protects data and assets from misuse (Canning, 2004).

Financial crime detection measures:

The major sources of information for detecting a financial crime include;

The concerned citizens “co-operation and trust of the people is the most important especially by some employees who may not be party to the fraud.”

Customers associated with a troubled financial institution or bank is capable of giving information which can detect a financial crimes.

Independent auditors (certified public accountants) during the auditing may come across a fraud.

Criminal informants may be associated to the bank to give the information, spin

offs from other investigations.

Indices and databases of previous occurrences may link to fraud detection.

Law firms, agencies, legislators are likely to detect a financial crime.

Former employees of the bank are able to give information concerning fraud, and former accountants are good sources of information to defraud the bank.

(Biswas, 2003)

Covert methods include:

Interception of communication with court approval, Bank secrecy Act records, Informants, undercover operation, consensual recordings and Surveillance

Overt Discovery method includes:

Third party databases, public source information, Credit bureau- fair credit reporting Act, Financial institutions-right to financial privacy Act, records and information obtained from current or former boyfriends or girlfriends, search of subjects of investigations.

Rajesh further says that indicators of possible financial crimes which can help in detection include;

Giving excessive loans to one or more borrowers in violation of banking regulations.

Giving loans to borrowers who do not have clear address to locate them and also having common address of different borrowers,

Stock ownership of bank by companies located in foreign countries with strict security/laws.

False financial statements in support of loans,

Inordinate increase in brokered funds coupled with a change in bank ownership or management, junk bond – leveraged buy outs, unusual pressure or deadline set by management.

The most common method of fraud detection comes through tips from people inside or outside a company or organization. Fraud might also be discovered by accident after a client complains about a bill, prompting an

investigation into accounting practices. Internal and external controls, such as audits, might also uncover fraudulent activity, but this method is not as effective as employing a forensic accountant to scrutinize financial statements. Data mining, also called data analysis, uses computer software as a tool for fraud detection, which might recognize unusual patterns in financial records (Estevez et al, 2006).

Accidental fraud detection may surface when an employee is absent and another employee discovers a discrepancy in an account. He or she might find differences between documented cash receipts and bank deposits. Fraud might also come to light when an employee becomes suspicious about a worker who seems to live beyond his or her means (Chan et al 1999)

Internal and external controls of fraud detection, they regularly perform audits and reconcile accounts. Unusual write-offs or frequent adjustments in funds might point to an area that needs scrutiny. Outside auditors typically examine internal control procedures to determine if they are effective or need changes to reduce the risk of fraud (Kawaase 2004).

Informal methods of fraud detection by monitoring employees who might steal from the company. They may examine work performed by an employee with known legal, financial, or substance abuse problems. Employees who exhibit questionable work ethics, those who perform poorly, and workers who chronically complain about their jobs might be tempted to commit fraud, employee who handles money becomes protective of his or her duties, refusing to allow another employee access to financial documents and rarely miss work or take a vacation for fear of discovery (Bolton. H, et al, 2001).

Related Studies

Introduction

Peel (1998) in a study on the relationship between Policing and crime prevention conducted on Police found out that police had lost sight of the relationship with the public; his research suggested that with the escalation of financial crimes there was need for awareness by the public to understand through policing in order to avoid escalation of crime. This strategy was successful because it helped in crime prevention but the gap identified is that he did not specify the technique used in analyzing his data and how he came to the conclusion.

Rogalski (2011) carried out a study on the effect of policing to commercial customers and banking institutions. He identified that there was a need for developing information security awareness and education programs for their customers through policing. Rogalski further brought about policing strategy which was able to manage a robust awareness and education effort for retail and commercial customers alike. He came up with a policing strategy for an effective awareness/education program, and how it can be rolled out online and in person to the customers who need it most. Developed an education and awareness strategy that is regularly updated and improved by customer feedback and meets the regulatory requirements. He used regression analysis techniques for modeling and analyzing the variables, his focus was on the relationship between the dependent variable and independent variables.

Laurie (2010) conducted research on iPhones and iPad security measures and awareness; the tool lets people turn their iPhones and iPads into credit cards readers, they can be hacked in a way that might make it easier for thieves to get cash from stolen credit card numbers, The attacker relies on the fact that the square tool plugs into iPad and iPhones using audio jack. The software allows the attacker to simply put stolen number into a laptop, connect the laptop to a device with an audio card and then make purchases of fake services and have the payments deposited into a bank account. The findings on this

research were used as a policing strategy to sensitize the American people to be aware of the risk of being defrauded. He used the robust regression methods designed to be not overly affected by violations of assumptions by the underlying data-generating process which involved the least squares alternative and the parametric alternatives. The gap however is that the technique did not account for skewed residual distributions or finite observation precisions.

Davin, (2010) carried out a study on the relationship between financial crimes and Policing. He based his study on banks; that stolen cheques not signed by the account holder, fraudster upon getting hold of a blank cheque, which is either stolen or lost, feels in details and forge the account holder's signature. The study recommended that customers should ensure that their cheques are securely kept and should promptly report any stolen or lost cheque to their bank, adequate security for cheques received before being banked to avoid these cheques falling into the hands of fraudsters who may later cause the alterations.

Goldstein (1979), carried out a study on how to developed an advanced concept of "problem - oriented policing" (POP), in relation to crime prevention. Goldstein suggested that problem resolution constituted the true, substantive work of policing and advocated that police identify and address root causes of problems that lead to repeat calls for service. POP required a move from a reactive, incident-oriented stance to one that actively addressed the problems that continually drained police resources. This study of POP was implemented in Newport News, Virginia, POP was found to be an effective approach to addressing many community problems, and important data about POP design and implementation was gathered. Correlation analysis was a technique used to measure the association between two variables. The gap Identified is that the study did not talk about how policing would help in detection of crime.

Keefe, (2012) in a journal of financial crimes and segregation of duties to deter fraud, the report showed that by eliminating the ability of any one individual to

complete enough steps in a transaction that they are able to both steal and conceal. With properly designed segregation of duties, employees can still steal, but they would have to enlist the help of a co-worker, increasing the possibility of detection. Keefe concluded that not all organizations have sufficient staff to allow appropriate segregation of duties to be accomplished using just finance department staff. Creative organizations can make use of the receptionist and the owner to handle tasks that cannot be adequately segregated with one- and two-person finance departments.

Gavin, (2010) in a study on predictive policing and crime prevention, identified that building policing strategies when dealing with crime requires relationships with other stakeholders in these areas where law enforcement can predict crime. Working collaboratively to enhance the disorder. Rather than relying solely on a "cops- collective efficacy² of a neighborhood and to on-dots" approach, He came up with the recommendation that potential crime environments needed to be sensitized to suppression crime through oriented policing projects in areas identified.

Cressesy, 2002 carried out a study on fraudulent statements schemes and reported that this form of fraud differs greatly from other types of occupational fraud because the typical goal of a fraudulent statement scheme is not to directly enrich the perpetrator, but rather to mislead third parties (investors, owners, regulators, etc) as to the profitability or viability of an organization. He concluded that management was partly involved since it directly benefits from the fraud by selling stocks, receiving performance bonuses by using false reports to conceal illegal acts. The study does not show the method used to find out how managers are involved in financial statement fraud.

CHAPTER THREE

METHODOLOGY

Study Design

In order to gain in-depth information regarding the Policing strategy for the prevention and detection of financial crime, a cross sectional survey was employed where by quantitative study approach and descriptive, correlation was adopted. This was used because data was collected from a section of respondents at once using questionnaires. Quantitative approach was used because numerical data was collected and analyzed statistically in quantitative terms.

Research Population

The total population was 144 comprising of Bank officials from ten (10) Banks and ten (10) personnel. The Banks include: Bank of Uganda, Orient Bank, DFCU Bank, Standard Chartered Bank, Crane Bank, Centenary Bank, Bank of Africa, Stanbic Bank, Barclays Bank and Housing Finance Bank. Basing on each visit on a standard questionnaire that was to enable compare notes. Heads of units include: Head of IT, Head of Security, Internal Audit, Finance and Human Resources were the contact persons. Where separate roles existed, for example in smaller banks, the aim was to call on those who have responsibility for these functions.

Sample Size

Due to the fact that the study is quantitative in nature; a sample was taken from a population, a formula used is to take into account confidence levels and margins of error. Slovin's formula was to be used when nothing about the behavior of a population is known at all.

Simple random sampling was used in the study. The population was staff from Banks in Kampala, the number of respondents was one hundred five (105) persons consisting the sample size of the study critically selected on a purposive basis.

Using Slovin's formula:

$$n = N / 1 + N (e)^2$$

n = Number of samples

N = Total population

e = Error tolerance

To use the formula, error of tolerance was to be used to figure out what you want is needed. For example a confidence level of 95 percent (giving a margin error of 0.05), or may require a tighter accuracy of a 98 percent confidence level (a margin of error of 0.02).

$$144 / (1 + 144 \times 0.05 \times 0.05)$$

$$= 105$$

Sample size is therefore 105

Sampling Procedure

Purposive sampling technique was used to select the respondents to be included in the sample. Random sampling technique is a technique that identifies sub groups in the population and their proportions and select from each group to form a sample. It groups a population into separate homogeneous sets that share similar characteristics as to ensure equitable representation of the population in the sample.

Research Instrument

The study used non-standardized, researcher made instruments for both dependent and independent variable i.e. policing strategy for the prevention and detection of financial crimes. All questions in this section were close-ended, based on four point Likert Scale, ranging one to four as;

For the Policing strategy

Mean Range	Response Mode	Interpretation
3.26-4.00	Strongly Agree	Very High
2.51-3.25	Agree	High
1.76-2.50	Disagree	Moderate
1.00-1.75	Strongly Disagree	Low

For the prevention and detection of financial crimes

Mean Range	Response Mode	Interpretation
3.26-4.00	Strongly Agree	Very High
2.51-3.25	Agree	High
1.76-2.50	Disagree	Moderate
1.00-1.75	Strongly Disagree	Low

Validity and Reliability of the Instrument

Cronbach's alpha reliability coefficient was used which normally ranges between 0 and 1.0

Formula = $\frac{rk}{[1 + (k - 1)r]}$ Where:

k is the number of items considered.

r is the mean of the inter-item correlations.

The content validity index was computed;

Therefore:

$$\frac{rk}{[1 + (k - 1)r]}$$
$$\frac{60 \times 3.30}{[1 + (60 - 1) 3.30]}$$
$$\frac{198}{[1 + (60 - 1) 3.30]}$$
$$= \mathbf{1.0}$$

Data Gathering Procedures

Before data gathering

An introduction letter was secured from the School of Postgraduate Studies and Research. Copies of this letter were submitted to the authorities of the various Banks in order to obtain permission to conduct the study.

The researcher prepared the questionnaires for validity and reliability test. The research assistants were selected and oriented with reference to the sampling and data collection procedures. Lastly questionnaires were printed for the research assistants to distribute.

During data gathering

The researcher and his research assistants requested the respondents to answer as objectively as possible and not to leave any option not answered.

After data gathering

The completely answered questionnaires were encoded and entered into the Statistical Package for Social Sciences (SPSS) for data processing and analysis.

Data Analysis

Data on completed questionnaires was edited, categorized or coded and entered into the computer SPSS and summarized using simple frequency table. Frequency counts and percentage distributions were used to analyze data on the profile of respondents.

At bivariate level, significant difference in the Policing strategy was correlated using t-test. Fisher's One Way Analysis of Variance (ANOVA) was used. Pearson Linear Correlation Coefficient to test the hypotheses on Correlation. The regression analysis R^2 (coefficient of determination) was computed to determine the influence of the dependent variable on the independent variable

Ethical Considerations

The researcher ensured that the study meets the moral and ethical standards of research by observing maximum confidentiality of the views of respondents. Anonymity on the respondents was maintained by coding the questionnaires. The respondents were also requested to sign the informed consent. Citations and referencing were done to acknowledge the authors mentioned in this study. The findings of this study were presented in a generalized manner.

Limitations of the Study

The anticipated threats to validity in this study are the bases for the researcher to claim an acceptable 5% margin of error at 0.05 level of significance.

1. **Extraneous variables:** Personal biases and honesty of the respondents are beyond the researcher's control. To minimize this threat, the researcher requested the respondents to avoid being subjective in answering the questionnaires.
2. Inconsistencies among the research assistants in terms of the day and time of administration of the questionnaires. The researcher briefed and oriented his research assistants in view of this threat.
3. **Instrumentation:** The research instruments were not standardized thus were tested for validity and reliability.
4. **Attrition:** Some respondents did not return back the questionnaires hence affecting the minimum sample size. Within this context, the researcher distributed questionnaires exceeding the minimum sample.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Description of respondents

Respondents in this study were employees of various Banks in Kampala City - Uganda and were described in line with the first objective which was set to determine the profile of respondents in terms of gender, age category, education level, experience in the organization and programme. In each case, employees were asked to provide the researcher with their profile characteristics, using a closed ended questionnaire. Their responses were analyzed using frequencies and percentage distributions as indicated in table 1 below;

**Table 1
Respondents' profile**

Category of Respondents		Frequency	Percent
Gender	Male	57	52.9
	Female	48	47.1
	Total	105	100.0
Age	24 years & below	3	2.9
	25 - 29 years	36	34.3
	30 - 34 years	33	31.4
	35 - 39 years	19	18.1
	40 - 44 years	8	7.6
	45 - 49 years	4	3.8
	50 years & above	2	1.9
	Total	105	100.0
Level of Education	Certificate	-	-
	Diploma	40	38.1
	Bachelors	53	50.2
	Masters	12	11.7
	Total	105	100.0
Experience in the organization	Below 1 year	22	21.0
	1 - 2 years	55	52.4
	3 - 4 years	14	13.3
	5 years & above	14	13.3
	Total	105	100.0
Experience in the banking	Below 1 year	17	16.2
	1 - 2 years	40	38.1
	3 - 4 years	33	31.4
	5 years & above	15	14.3
	Total	105	100.0

Source: Primary Data -2012

The results in Table 1 indicate that (52.9%) of the respondents were male, while women were (47.1)%. Banks in Uganda offer equal employment opportunities and a competitive approach to hiring applicants. This implied by the slight difference of 52.9% and 47.1%. Regarding age, most respondents belonged to the age group of 25 - 29 years (34.3%) and these were followed by those who were 30 - 34 years (31.4%), implying that most employees in the selected banks were young adults. This may be due to the fact that young

people are looking for white collar jobs and because of the high levels of unemployment most banks recruit young men and women on contract and fresh graduates.

Concerning level of education, results indicate that a majority of the employees were Bachelor holders (50.2%), followed by Diploma holder who work as bank tellers and banking assistants (38.1%), Postgraduate/masters was (11.7%), while certificate was 0%. This indicates adequate distribution of education among employees and some level of professionalism and work knowledge when it comes to matters of execution of duties.

In line with experience in the organization, results also indicated that (52.3%) have worked for the organization for a period of 1 - 2 years, 21% had worked for less than 1 year, and those with experience of 3-4 years and 5 years and above came last both at (13%). These results typically indicate some stability and continuity in terms of employment.

Results went ahead to reveal that employees had different experience in retail Banking as shown; (38.1%) had programme of experience of between 1 – 2 years, followed by 3 – 4 years with (31.4%), those with experience of less than 1 year came third (16.2%) and the last position was 5 years and above programme experience (14.3%). This indicates that employees have different levels of experience in the Banking and this may be due to prior experience acquired from other organizations before joining the current banks, some of them are young on their first job especially those with 1-2 years working experience.

The level of policing strategy in financial institutions

The independent variable in this study is Policing strategy and it was set to determine the level of prevention and detection of financial crimes in financial institutions in Kampala City, for which the researcher intended to find out how satisfactory these procedures are and the level at which they stand when compared with other measures. Policing strategy was broken into 34

questions/items. All these items were measured using qualitative questions in the questionnaire, with each question having four points answer range, where 1= strongly disagree ; 2 = disagree; 3=agree; and 4 = strongly agree. Employees were required to rate how satisfactory each item by showing the extent to which they agree with each. In doing this each respondent was directed to tick a number corresponding to his or her own best opinion, perception and thinking. Their responses were analyzed using SPSS and summarized using means, as indicated in table 3 below;

Table 2

Level of Policing in financial institutions in Kampala City

Policing strategy	Mean	Interpretation	Rank
Representative policing			
Bank personnel sufficiently represent the community they serve.	3.55	Very high	1
Adequate representation through fair and non-discriminatory recruitment policies and service delivery.	3.51	Very high	2
The rights of all people are protected and respected	3.48	Very High	3
Policing done creates association with others in order to prevent crime	3.47	Very high	4
People are educated about the dangers of fraud	3.47	Very high	4
Policing helps bring about citizens' co-operation, trust and representation.	3.26	Very high	6
Policing principle implies serving as role model in a community or society	3.21	High	7
Policing builds collaborative relationship to people inside and outside the organization.	3.15	High	8
Community sensitization meetings are conducted very often about the financial crimes	2.47	Moderate	9
Total mean	3.28	Very high	
Responsive Policing			
Banks are responsive to public needs and expectations for purposes of safety.	3.67	Very high	1
Policing objectives are attained both lawfully and humanely;	3.59	Very high	2
Banks understand and respond to the needs and expectations of the public they serve;	3.53	Very high	3
Policing is about giving knowledge on behavior change	3.39	Very high	4
Policing creates awareness about prevention and detection of financial crime	3.36	Very high	5
Policing is about a vision that pictures improvement in public safety.	3.27	Very High	6
Policing is done through partnering with financial institutions to fight financial crime.	3.19	High	7
Bank personnel sufficiently represent the community they serve.	3.18	High	8
Adequate representation through fair and non-discriminatory recruitment policies and service delivery.	2.99	High	9

Policing done creates association with others in order to prevent crime	2.68	High	10
Total mean	3.28	Very high	
Accountability Policing			
Legally: Banks are accountable to the law, as are all individuals and institutions to fight fraud	3.60	Very high	1
Politically: Banks are accountable to the public through the democratic and political institutions of government as well as through police and citizen liaison groups;	3.59	Very high	2
Economically: Banks are accountable for the way they use resources allocated and entrusted to them.	3.54	Very high	3
Policing principle implies serving as role model in a community or society	3.52	Very high	4
Policing builds collaborative relationship to people inside and outside the organization.	3.48	Very high	5
Community sensitization meetings are conducted very often about the financial crimes	3.46	Very high	6
Interaction with clients is done to get their views	3.41	Very high	7
Adequate security is maintained at the Banks and on vehicles transporting money.	3.31	Very high	8
Clients are updated about their status with the bank	3.16	High	9
Newsletters are sent to clients about tips to prevent and detect fraud	3.16	High	9
Financial institutions have monthly newsletters on fraud check	3.15	High	11
The community proactively protect the institution from security threats	3.10	High	12
Staff has the knowledge and a copy of the security tips.	3.04	High	13
Immediate action and follow-up is done on cases of fraud	3.01	High	14
Statistical data is kept on all financial crimes committed.	2.94	High	15
Total mean	3.30	Very high	
Total Average mean	3.30	Very high	

Source: Primary Data -2012

Table 2 shows how mean for Policing strategies used in financial institutions in Kampala city were rated. On average, accountability Policing constructs were rated highest, with representative and responsive policing tied. However, the item with the highest overall rating fell under responsive policing

and this was Banks are responsive to public needs and expectations for purposes of safety with (mean = 3.67). This was followed by legally Banks are accountable to the law, as are all individuals and institutions to fight fraud (mean = 3.60) and this was from accountability policing category; Policing objectives are attained both lawfully and humanely; and Politically: Banks are accountable to the public through the democratic and political institutions of government as well as through police and citizen liaison groups; from responsive and accountability policing categories respectively were both rated third at (mean=3.59) all these were an equivalent to strongly agree on the rating scale used.

However, the study rated moderate (mean = 2.47) community sensitization meetings are conducted very often about the financial crimes, the response signified that inadequate or virtually no community sensitization is being conducted either because the banks have not adopted it as a policing strategy or are reluctant to apply it. Other items which were not rated very well even though they were high, included among others; Policing done creates association with others in order to prevent crime under responsive policing category stood at (mean = 2.68) and statistical data is kept on all financial crimes committed (mean 2.94) this was under accountability policing category.

To get a final picture on the policing strategy, the researcher computed an overall Grand average mean for all aspects in Table 3, which came out to be (mean = 3.30), which confirms that the level of policing strategy used by banks is at high level.

The level of prevention and detection of financial crimes in financial institutions in Kampala city.

The dependent variable in this study was prevention and detection which then broken down into 26 questions/aspects. All the aspects on prevention and detection were measured using qualitative questions in the questionnaire and each question had an answer scale ranging between one to four; where 1 =

strongly disagree; 2 = Disagree; 3 =agree; 4 = strongly agree. Employees in the selected banks were required to rate the level of prevention and detection on each of the items by ticking the relevant number in the corresponding box in the table. Their responses were analyzed using SPSS and summarized using descriptive statistics showing means as indicated in table 4 below:

Table 3
The level of prevention and detection of financial crimes in financial institutions in Kampala city

	Mean	Interpretation	Rank
Security on bank accounts is in place for protection from fraud.	3.73	Very high	1
All Documents are in Safe custody to prevent un authorized access.	3.65	Very high	2
Organization uses target hardening to prevent crime.	3.61	Very high	3
Detection of fraud is discovered through excessive loans to one or more borrowers.	3.55	Very high	4
Frequent withdraws of large sums of money from same account	3.51	Very high	5
Bad address for borrowers helps detect a fraud.	3.48	Very high	6
Sensitization of employees and public is done to educate them as a way of preventing financial crimes.	3.47	Very high	7
To avoid security risks assessment is done prior fund transported to banks	3.45	Very high	8
Borrowers having no prior loan history with bank lead to detection of a fraud.	3.44	Very high	9
High and dramatic increase in loans by individuals is a high risk	3.32	Very high	10
Laws governing financial crimes in Uganda are weak	3.27	Very high	11
Organization Promotes ethical behavior in order to prevent financial crimes	3.24	High	12
Security screening of new customers is done to prevent a fraud.	3.16	High	13
There is modern technology being used to detect financial crimes.	3.15	High	14
The organization is typically lacking anti-fraud controls compared to other larger counterparts.	3.06	High	15
Internal controls, approval levels, levels of authority, compliance laws and regulations, code of conduct/ ethics, accountability, dual control and other deterrent are being used to fraud prevent.	3.04	High	16
There is a mechanisms to monitor the lifestyle and wealth accumulation of employees.	2.91	High	17
Cases of people having common addresses help detect a fraud	2.88	High	18
Surprise cash count conducted	2.87	High	19
There is a possibility to use local money transfer	2.77	High	20

Electronic fund transfer used to transfer from location to location	2.72	High	21
Different individuals approve and make payments; check signers do not record disbursements	2.63	High	22
Accounting and internal control manuals and are they distributed to the staff	2.51	High	23
Cash shortage and overage found during cash count	2.46	Moderate	24
Cases of False financial statements link to financial crimes	2.46	Moderate	24
Loans and accounts which are offshore investments are prey to fraud	1.94	Moderate	26
Total mean	3.09	High	

Source: Primary Data -2012

Table 3 results indicate that respondents rated differently on prevention and detection of financial crimes in financial institutions. Security on bank accounts is in place for protection from fraud, was rated highest at (mean =3.73); followed by all Documents are in Safe custody to prevent un authorized access (mean = 3.65). Organization uses target hardening to prevent crime and detection of fraud is discovered through excessive loans to one or more borrowers were rated third and fourth with (means = 3.61 and 3.55) respectively.

Eleven items or aspects were rated very high (with means ranging from 3.73 to 3.27), all of which fall under strongly agree on the answer range; twelve items were rate high (with means range from 3.24 to 2.51) all of which fall under agree on the answer range and three items were rated moderate (with means ranging from 2.46 to 1.94) equivalent to disagree on the rating scale. The three most highly rated aspects were; signified that banks had in place security measures which help to prevent fraud and other financial crimes with all documents in safe custody and away from wrong doers. This reduces forgery and thefts in the banks.

However, the three items which were rated low are; Cash shortage and overage found during cash count (mean = 2.46), cases of false financial statements link

to financial crimes (mean = 2.46), loans and accounts which are offshore investments are prey to fraud (mean = 1.94). The findings indicate that there have not be notable threat in the process to either transporting or carrying cash to the field in form of robbery and other ways, people issuing false financial statements and offshore investments have not been a threat.

This means that financial institutions experiencing incidents of shortage and overage cash in times of counting is not a common thing and this also makes us conclude that the bank officials are perfect when it comes to safety of the banks.

To sum up everything, the results give us a picture on the existing level of prevention and detection of financial crimes, an overall mean index (grand average mean) for all the aspects on prevention and detection was computed, which turned out to have a mean of 3.09, which confirms that the existing prevention and detection measures are at high level indicating a room for improvement (reduced) if they are to be perfect and help financial institutions flourish.

Difference in the Level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City.

The fourth objective in this study was to determine whether there is a significant difference in the Level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City for which it was hypothesized that there is no significant difference in the level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City. To test this hypothesis, the researcher compared the mean perceptions computed in table 3 and 4, using Fisher's one way Analysis of Variance (ANOVA), results of which are indicated in table 4;

Table 4**Difference in the Level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City.**

Variables		Mean Square	F	Sig.	Interpretation	Decision on Ho
Representative	Between Groups	.658	4.970	.000	Positive and significant difference	Rejected
	Within Groups	.132				
Responsive	Between Groups	.591	4.557	.000	Positive and significant difference	Rejected
	Within Groups	.130				
Accountability	Between Groups	.470	3.493	.000	Positive and significant difference	Rejected
	Within Groups	.134				
Overall	Between Groups	.387	3.908	.000	Positive and significant difference	Rejected
	Within Groups	.099				

Source: Primary Data -2012

One way ANOVA results in table 4 indicate that there is a significant difference in the Level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City. For example, the overall mean perceptions obtained from all the three items analyzed significantly differed at (F=3.908, sig. = 0.000). For instance, representative policing (F=4.970, sig. = 0.000), responsive policing (F=4.557, sig. = 0.000) and accountability policing (F=3.493, sig. = 0.000). Therefore, basing on these results, the null hypothesis is rejected; leading to a conclusion that Policing strategy for the prevention and detection of financial crimes in financial institutions in Kampala City significantly differed.

The relationship between Level of Policing strategy and the prevention and detection of financial crimes in financial institutions in Kampala City.

The fourth objective in this study was to determine whether there is a significant relationship between Level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City. On this, the researcher stated a null hypothesis that there is no significant relationship between the level of Policing strategy and prevention and detection of financial crimes in financial institutions in Kampala City. To achieve this last objective and to test this null hypothesis, the researcher correlated the means for all aspects on Policing strategy and those on prevention and detection using the Pearson's Linear Correlation Coefficient, as indicated in table 5 below.

Table 5
Pearson's Linear Correlation Coefficient of Level of Policing strategy
for the prevention and detection of financial crimes in financial
institutions in Kampala City.

Variables Correlated	R-value	Sig. Value	Interpretation	Decision on Ho
Prevention and detection Vs. Representative policing	.549	.000	Positive and Significant relationship	Rejected
Prevention and detection Vs. Responsive policing	.509	.000	Positive and Significant relationship	Rejected
Prevention and detection Vs. Accountability policing	.531	.000	Positive and Significant relationship	Rejected
Overall Correlation	.576	.000	Positive and Significant relationship	Rejected

Source: Primary Data -2012

Table 5 shows that Policing strategy items of representative policing, responsive policing and accountable policing were positively and significantly correlated with all the items of prevention and detection in financial institutions in Kampala city are positively correlated ($r = 0.576$, $sig. = 0.000$). For example, prevention and detection is positively and significantly correlated with representative policing ($r = .549$, $sig. = 0.000$); responsive policing ($r = 0.509$, $sig. = 0.000$); accountability policing ($r = 0.531$, $sig. = 0.000$). On the basis of the above findings with the sig. value indicate that there is positive and significant correlation ($sig. = 0.000 > 0.05$), leading to a conclusion that policing strategy significantly influence prevention and detection in financial institutions in Kampala city at a 5% level of significance.

Therefore the null hypothesis which states that “there is no significant relationship between policing strategy and prevention and detection of financial crimes in financial institutions in Kampala city was rejected. To get a general picture on the overall relationship between all the three constructs/ categories of policing strategy and items of prevention and detection, two mean indices were computed for policing strategy and prevention and detection, after which the two indices were linearly regressed, as per results in table 6;

Table 6

Regression analysis for prevention and detection and policing strategy in financial institutions in Kampala city

Variables regressed	Adjusted R²	F-value	Sig.	Interpretation	Decision on Ho
Prevention and detection Vs. Policing strategy	0.326	17.781	0.000	Positive and significant effect	Rejected
Coefficients	Beta	t-value	Sig.	Interpretation	Decision on Ho
(Constant)	--	4.237	0.000	Positive and significant effect	Rejected
Representative policing	0.347	2.541	0.013	Positive and significant effect	Rejected
Responsive policing	0.005	0.030	0.976	Positive and significant effect	Rejected
Accountability policing	0.287	2.167	0.033	Positive and significant effect	Rejected

Source: Primary Data -2012

The Linear regression results in Table 6 above indicate that policing strategy (independent variable) on regression model contribute over 33% towards variations in prevention and detection (dependent variable) of financial crimes in financial institutions in Kampala city as indicated by a high Adjusted R² of 0.326. This implies that intensified policing strategies should be put in place and the existing ones be improved if the prevention and detection of financial crimes in financial institutions is to flourish.

Results further suggest that the independent variables included in the model significantly influences changes in the dependent variable (prevention and detection) ($F=17.781$, sig. =0.000).

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Findings

Demographic characteristics of respondents

Following Data analysis that was done using SPSS's descriptive statistics it was found out that majority of the respondents were male at 52.9 % while females were at 47.1%, the age bracket of 25 – 29 years was the highest respondents, Bachelor holders dominated the study at 50.2%, followed by Diploma holders at 38.1% and lastly Masters level with 11.7%. Experience in the organization and retail banking was between 1 – 2 years at 52.4 % and 38.1% respectively. There were no certificate holders among the respondents.

The level of policing strategy in financial institutions

The second objective of this research was set to determine the level of policing strategy and it was found out that it was at very high level (mean=3.30), implying that banks were engaged in policing especially on accountable policing with a mean of 3.60, that banks have a legal obligation and accountable to individuals and institutions to fight fraud. On the other hand, results also indicated that prevention and detection of financial crimes is high (mean=3.09), eleven items/ aspects were rated very high, twelve were high and three were low.

The level of prevention and detection of financial crimes in financial institutions

It was found out that overall level of prevention and detection stands at high level (Total mean=3.09) of respondents that employees were effectively utilizing some policing strategy. That there is security on bank accounts in place for protection from fraud, was rated highest at (mean =3.73); followed by all Documents are in Safe custody to prevent of un authorized access (mean = 3.65). Organization is target hardening to prevent crime and detection of fraud

is discovered through excessive loans to one or more borrowers were rated third and fourth with (means = 3.61 and 3.55) respectively.

Eleven items or aspects were rated very high (with means ranging from 3.73 to 3.27), all of which fall under strongly agree on the answer range; twelve items were rate high (with means range from 3.24 to 2.51) all of which fall under agree on the answer range and three items were rated moderate (with means ranging from 2.46 to 1.94) equivalent to disagree on the rating scale. The three most highly rated aspects were; signified that banks had in place security measures which help to prevent fraud and other financial crimes with all documents in safe custody and away from wrong doers. This reduces forgery and thefts in the banks.

However, the three items which were rated low are; Cash shortage and overage found during cash count (mean = 2.46), cases of false financial statements link to financial crimes (mean = 2.46), loans and accounts which are offshore investments are prey to fraud (mean = 1.94). The findings indicate that there has not been any notable threat in the process to either transporting or carrying cash to the field in form of robbery and other ways. Cases which were rated low signified the need for financial institutions to embrace the policing strategy to ensure that fraud is minimized.

Difference between the level of policing strategy and the prevention and detection of financial crimes in financial institutions

The fourth objective sought whether there is a significant difference between the level of policing strategy and the prevention and detection of financial crimes, it was hypothesized that there is no significant difference between the level of policing and the prevention and detection of financial crimes in financial institutions in Kampala city. Basing on the findings, the null hypothesis was rejected leading to a conclusion that there is a significant difference in level of policing and the prevention and detection of financial crimes in financial

institutions in Kampala city. The justification to this is revealed by the level of difference value that is less than 0.05 for example ($F=3.908$, $sig=0.000$).

The relationship between the level of policing strategy and the prevention and detection of financial crimes in financial institutions in Kampala city.

The last objective was set to seek whether there is a significant relationship between the level of policing and the prevention and detection of financial crimes in financial institutions in Kampala city.

Results from one way ANOVA showed that there was significant difference in the level of policing strategy and the prevention and detection of financial crimes in financial institutions ($F=3.908$, $sig. = 0.00$).

Results using Pearson's Linear Correlation Coefficient found policing strategy are significant and positively correlated with the prevention and detection ($r=0.576$, $sig. =0.000$). Regression analysis results indicated that policing strategy was found responsible for over 33% variation towards prevention and detection of financial crimes in financial institutions in Kampala city.

Conclusions

Conclusion to the study findings is based on the purpose of the study which was to test the hypothesis of significant relationship between policing strategy and prevention and detection of financial crimes in financial institutions.

Pearson's Linear Correlation Coefficient of Level of policing strategy for the prevention and detection

An overall correlation of ($r= 0.576$, $sig. = 0.000$) was computed where prevention and detection were positively and significantly correlated with representative policing at ($r=.549$, $sig. =0.000$); responsive policing at ($r=0.509$, $sig. =0.000$) and accountable policing at ($r=0.531$, $sig. 0.000$). A

positive and significant correlation of (sig. = 0.000 > 0.05) was arrived at leading to a conclusion that policing strategy significantly influence prevention and detection in financial institutions in Kampala city at a 5% level of significance.

Therefore the null hypothesis which states that "there is no significant relationship between policing strategy and prevention and detection of financial crimes in financial institutions in Kampala city was rejected.

Regression analysis for prevention and detection and policing strategy

Variables were regressed and came up with a high Adjusted R^2 of 0.326 and F-Value of 17.781. The results lead to a conclusion that there is significant relationship between policing strategy and prevention and detection of financial crimes in financial institutions in Kampala city. The coefficients as in table 6 shows that of all the components of policing strategy; representative policing ($\beta=0.347$, sig. = 0.013) accounts for the biggest variations in prevention and detection, accounting for about 35% as compared to the other two factors; accountability policing ($\beta=0.287$, sig. = 0.033) accounting for 29% and responsive policing ($\beta=0.005$, sig. =0.976) accounting for 0.5% of prevention and detection.

The second purpose of the study was to fill the gaps identified in previous studies. Review of literature on related studies showed that policing strategies were not emphasized and that is the reason why this study is being conducted. Other researchers did not look at the subject in an academic perspective hence they did not use the theories to base on their studies. The studies related to financial crimes have been treated as classified information which is not the case if at all we are to fight financial crimes.

Recommendations

The study realized several circumstances which require enhancing on policing strategy for the prevention and detection of financial crimes in financial institutions in Kampala city. Top management to spearheads policing as a key weapon to fight financial crimes. The study noticed the need to intensify and embrace a holistic approach to policing in order to unearth the evil tricks of the criminals. A crime free environment is recommended for financial institutions and the clients who are also victims to such financial crimes; there is need for the following aspects to be adhered to:

The need for banks to embark on massive mobilization, sensitization and education of the communities who are the clients and also employees of financial institutions for awareness on financial crimes and means to prevent and detect such crimes through media.

Training of personnel in information technology to investigate cyber crime to prevent and detect computer frauds.

Enhanced security of the bank by ensuring the safety of bank premises, bank accounts, ATM machines, money on transit, false documents since many financial crimes are as a result of some loopholes in the above.

Increased diligence on all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. The background and purpose of such transactions should, as far as possible, be examined, the findings; established in writing, and be available to help supervisors, auditors and law enforcement agencies.

Strict laws by legislators governing financial crimes like money laundering should be put in place.

Areas for future Research

The study recommends the future researchers to concentrate on the cyber crime and explore how ICT can detect sophisticated financial crimes

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APPENDIX 1

TRANSMITTAL LETTER



**KAMPALA
INTERNATIONAL
UNIVERSITY**

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Website: www.kiu.ac.ug

**OFFICE OF THE HEAD OF DEPARTMENT, ECONOMICS AND
MANAGEMENT SCIENCES
COLLEGE OF HIGHER DEGREES AND RESEARCH (CHDR)**

Date: 23rd May, 2012

**RE: REQUEST WONDO HERBERT WAMUSHIYI MBA/42728/92/DU TO
CONDUCT RESEARCH IN YOUR ORGANIZATION**

The above mentioned is a bonafide student of Kampala International University pursuing Masters of Business Administration.

He is currently conducting a research entitled **"Policing Strategy For The Prevention And Detection Of Financial Crimes In Financial Institutions In Kampala City, Uganda."**

Your organization has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him from your organization shall be treated with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,

**Mr. Malinga Ramadhan
Head of Department,
Economics and Management Sciences, (CHDR)**

NOTED BY:
Dr. Sofia Sol T. Gaito
Principal-CHDR



"Exploring the Heights"

**APPENDIX II
RECOMMENDATION LETTER**

13 July 2012



The Director
Faculty of Economics
Kampala International University
Kampala

Dear Sir

WONDO HERBERT WAMUSHIYI

Reference is made to your letter about the above.

We are pleased to advise that we provided data for Mr Wondo Herbert Wamushiya to enable him complete his research.

We wish him all the best in this initiative.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Herbert Zake".

**Herbert Zake
Head of Corporate Affairs**

Standard Chartered Bank
5 Speke Road
P. O. Box 7111
Kampala, Uganda

Tel: 256-41-4258211/7, 4349505
Fax: 256-41-4342875

Incorporated in England with limited liability by Royal Charter 1953
The Principal Office of the Company is situated in England at 1, Abchurch Lane, London EC4N 3DF Reference Number 2010

APPENDIX III

**KAMPALA INTERNATIONAL UNIVERSITY
SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH
MASTERS PROGRAM**

Dear Sir/Madam,

I am a candidate for Masters in Business Administration and Management at Kampala International University and currently pursuing a Dissertation entitled, **POLICING STRATEGY FOR THE PREVENTION AND DETECTION OF FINANCIAL CRIMES IN FINANCIAL INSTITUTIONS IN KAMPALA CITY-UGANDA**. In view of empirical Investigation, may i request you to be part of this study by answering the questionnaires? Rest assured that the information you provide shall be kept with utmost confidentiality and will be used for academic purposes only.

As you answer the Questionnaire, please be reminded to respond to all of the items in the Questionnaires thus not leaving any item unanswered .Further, may i retrieve the filled out questionnaires after 5 days from the date of distribution?

Thank you very much in advance.

Yours faithfully,

Wondo Herbert Wamushiya

APPENDIX IV

INFORMED CONSENT

I am giving my consent to be part of the research study of Mr. Wondo Herbert Wamushiya that will focus on the Policing strategy for the prevention and detection of financial crimes in financial institutions in Kampala City.

I shall be assured of privacy, anonymity and confidentiality and that i will be given the option to refuse participation and right to withdraw my participation anytime.

I have been informed that the research is voluntary and that the results will be given to me if I ask for it.

Initials: _____

Date: _____

APPENDIX V
RESEARCH INSTRUMENT

FACE SHEET

Code: _____001_____ Date received by the respondent _____

PART 1: RESPONDENTS PROFILE

Age _____ Gender _____ Marital status _____

Religion _____ Nationality _____

Highest Educational Qualifications: Diploma (), Degree (), Masters ()

Number of Years in present Position

PART 2: POLICING STRATEGY QUESTIONNAIRE

Direction: As honestly as you can, rate yourself based on the following traits.

Kindly be guided with the scoring guide below. Please write your score on the space provided before each item.

Score	Response mode
4	Strongly agree
3	Agree
2	Disagree
1	Strongly Disagree

Level of policing strategy in financial institutions in Kampala City

S/no	POLICING STRATEGY
	Representative policing
1.	Bank personnel sufficiently represent the community they serve.
2.	Adequate representation through fair and non- discriminatory recruitment policies and service delivery.
3.	The rights of all people are protected and respected.
4.	The Policing done creates association with others in order to prevent crime.
5.	Policing done creates awareness about prevention and detection of financial crime.
6.	People are educated about the dangers of fraud.
7.	Policing helps bring about citizens' co-operation, trust and representation.
8.	Policing principle implies serving as role model in a community or society
9.	Policing builds collaborative relationship to people inside and outside the organization.
10.	Community sensitization meetings are conducted very often about financial crimes.

		Responsive policing
	1.	Banks are responsive to public needs and expectations for purposes of safety.
	2.	Policing objectives are attained both lawfully and humanely
	3.	Banks understand and respond to the needs and expectations of the public they serve.
	4.	Policing is about giving knowledge on behavior change
	5.	Policing creates awareness about prevention and detection of financial crimes
	6.	Policing is about a vision that pictures improvement in public safety.
	7.	Policing is done through partnering with financial institutions to fight financial crime.
	8.	Bank personnel sufficiently respond to the community they serve.
	9.	Adequate representation through fair and non-discriminatory recruitment policies and service delivery.
	10.	Policing done creates association with others in order to prevent crime.

		Accountable Policing
	1.	Legally: Banks are accountable to the law, as are all individuals and institutions to fight fraud
	2.	Politically: Banks are accountable to the public through the democratic and political institutions of government as well as through police and citizen liaison groups;
	3.	Economically: Banks are accountable for the way they use resources allocated and entrusted to them.
	4.	Policing principle implies serving as role model in a community or society
	5.	Policing builds collaborative relationship to people inside and outside the organization.
	6.	Community sensitization meetings are conducted very often about the financial crimes
	7.	Policing is done to customers associated with financial institution to get their views.
	8.	Adequate security is maintained at the banks and on vehicles transporting money.
	9.	Clients are updated about their status with the banks
	10.	Newsletters are sent to clients about tips to prevent and detect fraud.
	11.	Financial institutions have monthly newsletters on fraud check.
	12.	Community proactively protects the institution from threats.
	13.	Staff has the knowledge and copy of the security tips.
	14.	Immediate action and follow-up on cases of fraud.
	15.	Statistical data is kept on all financial crimes committed.

PART 3: PREVENTION AND DETECTION QUESTIONNAIRE:

Direction: Please respond to each item by using the scoring guide below.

Kindly write your best choice on the space before each item. Be honest about your options as there is no right or wrong answers.

Score	Response mode
4	strongly agree
3	Agree
2	Disagree
1	Strongly Disagree

Level of prevention and detection of financial crimes in financial institutions in Kampala City

	1.	Security on bank accounts is in place for protection from fraud.
	2.	All Documents are in Safe custody to prevent un authorized access.
	3.	Organization uses target hardening to prevent crime.
	4.	Detection of fraud is discovered through excessive loans to one or more borrowers.
	5.	Frequent withdraws of large sums of money from same account.
	6.	Bad address for borrowers helps detect a fraud.
	7.	Sensitization of employees and public is done to educate them as a way of preventing financial crimes.
	8.	To avoid security risks, assessment is done prior to funds being transported to banks.
	9.	Borrowers having no prior loan history with banks lead to detection of a fraud.
	10.	High and dramatic increase in loans by individuals is a high risk.
	11.	Laws governing financial crimes in Uganda are weak
	12.	Organization Promotes ethical behavior in order to prevent financial crimes
	13.	Security screening of new customers is done to prevent a fraud.
	14.	There is modern technology being used to detect financial crimes.
	15.	The organization is typically lacking anti-fraud controls compared to other larger counterparts.
	16.	There is a mechanism to monitor the lifestyle and wealth accumulation of employees.
	17.	Internal controls, approval levels, levels of authority, compliance laws and regulations, code of conduct/ ethics, accountability, dual control and other deterrent are being used to prevent fraud.
	18.	Cases of people having common addresses help detect a fraud
	19.	Surprise cash counts are conducted
	20.	There is possibility to use local money transfer.
	21.	Electronic funds transfer used to transfer from location to location
	22.	Different individuals approve and make payments, cheque signers do not record disbursements
	23.	Accounting and internal control manuals are distributed to staff
	24.	Cash shortage and overage found during cash count.
	25.	Cases of false financial statements link to financial crimes.
	26.	Loans and accounts which are offshore investments are prey to fraud

APPENDIX IV

Curriculum Vitae

Personal details

Surname : WONDO
Other Names : Herbert Wamushiya
DATE OF BIRTH : **26.04.1976**
Sex : Male
Nationality : Ugandan
Home District : Mbale
Marital Status : Married
Contact Address : Police Headquarters,
P.o.Box 7055
Kampala
UGANDA

Mob. +256-772929252/+256717179574

E-mail: wondo2006@yahoo.com

1. EDUCATIONAL BACKGROUND

<u>SCHOOL</u>	<u>YEAR</u>	<u>AWARD</u>
• Kampala Inter. University	2010-2012	MBA(Banking & Finance)
• Kampala International, University	2002-2005.	BBA(Accounting) Hons.
• Seeta College	1994-1996	UACE
• Busiu S.S	1990-1993	UCE

- Bunambutye Pr. Sch. 1983-1989 PLE Cert.

2. COURSES UNDERTAKEN

<u>INSTITUTION</u>	<u>PERIOD</u>	<u>AWARD</u>
a. Kampala	March, 2001	Cert. In Training of Trainers
b. Accra Ghana	Nov, 2008.	Cert. in Peace Keeping operations
c. Khartoum Sudan	July, 2009.	Basic Cert. Field security and safety
d. Khartoum Sudan	July, 2009	Advanced Cert. Field security & safety

3. WORKING EXPERIENCE

<u>DESIGNATION</u>	<u>PERIOD</u>	<u>MINISTRY/DEP'T</u>
• Police officer	1998-Todate	Uganda Police Force
• Police Advisor	2009-2011	UNAMID (DARFUR)

4. RESPOSIBILITIES HELD

- Staff officer II Operations – Uganda Police Force
- I acted as Co-ordinator Kutum Rural Community Policing Centre(Darfur- Sudan)
- Acted as Air operations officer Kutum Team site (Darfur).
- Worked as Facility management officer in Logistics Department

5. COMPETENCIES/KEY SKILLS

- Good analytical, negotiation and advocacy skills.
- Good interpersonal and communication skills (writing, reporting and presentation skills).
- Training and mentoring abilities.
- Self-motivated, results-oriented and ability to operate independently with high levels of discretion and creativity/initiative.
- Demonstrated capabilities of working extra time, under pressure and to tight deadlines with minimum supervision, multi tasking potential.
- Strong collaboration and Team-building/people-oriented skills.
- Knowledge of computer applications.
- Ability to work in a multi-cultural environment both local and international as well as of handling multiple tasks and responsibilities simultaneously.
- Demonstrated skills in quantitative and qualitative /research methods including facilitating focus group discussions, in-depth interviews, coding and interpretation of qualitative data.

9. HOBBIES

- Reading and Researching
- Communal/Community activities
- Games and Sports (Football and Athletics)
- Gardening and Photography

10. REFEREES

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I certify that the information above is true and correct to the best of my knowledge.

Sign.....

