



Fraud: The overlooked competitor

2018 Global Economic Crime and Fraud Survey

ZAMBIA REPORT

Foreword

We are pleased to present our 2018 Zambia GECS report



Nasir Ali
Country Senior Partner
PwC Zambia



Muniu Thoithi
Forensics Leader,
East Africa Region

The Global Economic Crime Survey (“GECS”) is a biennial PricewaterhouseCoopers survey that receives and analyses feedback from stakeholders in various economic sectors of focus. In this current survey, the Global Economic Crime Survey 2018 (“GECS 2018”), we received responses from over 7,000 respondents across 123 countries in 18 languages. This makes it one of the largest and most comprehensive surveys on economic crime in the world.

The survey conducted between 21 June 2017 and 28 September 2017 obtained insights from a base of 79 respondents in Zambia in relation to various forms of economic crime experienced by their organisations. This enabled Zambia to be one of only 54 countries globally who managed to obtain the threshold of respondents to have a country-specific report. Majority of the respondents (25%) were from the Finance Department, 14% in Executive management, 11% in Compliance and Risk management and 10% in the Audit function. These respondents were drawn from different types of organisations among them publicly traded companies/ Listed companies (28%), privately owned companies (23%), Government/State-owned Enterprises (34%), Private Equity funds (8%) and Non-governmental organisations (6%).

Since our last GECS, which was conducted in October 2015 and launched in February 2016, there have been a number of significant events on both the global and the local scenes that have shaped the backdrop against which the results of our most recent survey can be viewed. The period from October 2015 to October 2017 was marked by landmark votes in key Western economies.

The United Kingdom voted in favour of “Brexit” in June 2016. In November of that year the United States elected Donald Trump as President, who ran on an “America First” policy platform. Subsequently, perhaps more predictable elections took place in both France and Germany. Despite significant

political change, the global economy grew by 2.6% in 2016¹ and is estimated to have grown at 3% in 2017².

On the African stage, during the same period, Presidential elections took place in Zambia and a number of other Africa’s “market hub” countries, such as Tanzania, Uganda, Rwanda, Ghana and Kenya. In some instances the elections resulted in some uncertainty, but matters are gradually returning to normal.

The neighbouring Zimbabwe and South Africa have also in the recent past had transition of power with new presidents taking over from Robert Mugabe and Jacob Zuma respectively. In addition, commodity prices fell for most of 2016 on the back of reduced Chinese demand, before showing some recovery in 2017. The effect of this drop and subsequent rise was to dramatically lower and then somewhat increase the value of African commodity exports, so that sub-Saharan Africa’s GDP growth dropped to 1.3% in 2016³ before rising to 2.4% in 2017⁴.

These economic trends in Africa mirror the developments in Zambia where the economy has been on a recovery path supported by improved global copper prices and relatively good rains reducing the hydro-power load shedding that had hindered productivity in key economic sectors for the better part of 2015/16. The upward trajectory of the economy is also reflected in the stability of the Kwacha that had hitherto been on a downward spiral. Going forward it is expected that the recovery momentum of the economy will be sustained albeit at a mild rate. According to the World Bank, the Zambia economy is expected to register growth of slightly over 4% in 2018.

The renewed sense of optimism in the economy has however been dampened by growing levels of debt. This has put the government at cross-roads with the lenders including the International Monetary Fund (IMF). The government has been in protracted



2 in 3 of Zambia respondents reported having experienced at least one form of economic crime in the past two years. The high incidence rate could be an indication of either a high prevalence or a high awareness of economic crimes

talks with the IMF over a credit facility to bolster the economy but a deal has not been realised due to the risks IMF sees in the growing levels of debt which it has indicated may put Zambia at the risk of debt distress.

The government has however expressed its intention to put in place debt management mechanisms including restructuring of the existing debt facilities to reduce debt and its associated costs. The outcome of the negotiations between IMF and the government, and the ability by the government to manage the debt levels is expected to have a bearing on investor confidence and perceptions regarding the prospects of the Zambia economy and sustainability of the economic growth recorded in the recent past.

It is against this global, pan-African, and Zambian backdrop that we release our GECS 2018 report.

Results of the survey reveal that prevalence of economic crimes in Zambia over the last 24-months has remained relatively constant from our last GECS in 2016 although the situation has worsened in some respects and improved in others. The overall prevalence of economic crimes has marginally increased with 65% of the respondents indicating to us that they have experience some form of economic crime in the last 24-months up from 61% reported in 2016.

Asset misappropriation remains the most prevalent form of economic crime in Zambia followed by,

‘Fraud committed by the Consumer’. This was the first time we included ‘Fraud committed by the Consumer’ as a separate economic crime classification in the survey.

Most of the respondents however cited Bribery and Corruption as the most disruptive form of economic crime they have experience in the last 24 months. Cybercrime is however expected to be the most disruptive economic crime in the next 24 months.

GECS is an important tool for measuring the global and local economic crime environment(s). We are also, for the first time, comparing Zambia’s results to those of other comparable regional countries (i.e. Tanzania, Uganda, Rwanda and Kenya). The report contains some valuable lessons for Zambian organisations. The results from the survey indicate that economic crime in Zambia and the region continues to be a pervasive problem requiring serious, well thought out and even societal interventions to both prevent and control it.

The high prevalence rates however also suggests – at least in part – an increased awareness of fraud, and that fighting fraud has progressed from an operational or legal matter to a central business issue. As awareness of the pervasiveness of economic crime continues to persist, and Zambia organisations set out policies to prevent and control fraud, we can hope that the number and costliness of fraud incidents will reduce.

¹World Trade and GDP Growth in 2016 and early 2017, World Trade Organisation

²Global Economic Prospects Broad-Based Upturn, but for How Long?, World Bank

³April 2017; “Africa’s Pulse” (published by the World Bank)

⁴Kambou, G. (January 2018) The outlook for Sub-Saharan Africa in five charts: Striving for recovery. World Bank Blog

Contents

A Regional view of Economic Crime



Introduction

5



Painting the picture of Economic Crime

6



Customer – your friend and foe

18



Managing economic crime –creating a formidable defence

22



A Regional view of Economic Crime

26



Introduction

7,000

Respondents from
123 countries in 18
languages

We are pleased to present our ninth biennial Global Economic Crime Survey (“GECS”) report and the third Zambia country report. The report aims to give insights into the prevalence of various forms of economic crimes that face various organisations and assess the measures that organisations are taking to mitigate the risks. As with the 2016 report, the report will also provide insights gleaned from mapping a trend from the results of the first survey conducted in Zambia in 2014 and the second in 2016.

In 2018, the survey received feedback from over 7,000 respondents from 123 countries in 18 languages thus ranking it among the most comprehensive surveys on economic crime in business, globally, in Africa and in Zambia.

In the age of globalization, the prevalence, control and effects of economic crimes in Zambia is to a significant extent affected by the geopolitical and socioeconomic conditions of the regional blocks it inhabits. This report compares the survey results in Zambia to those observed in the East African Region (consisting of Kenya, Uganda, Tanzania, Rwanda and Zambia), Africa and globally putting them in the context of social, political and economic developments of the last two years. It is the first time that we have sufficient responses for Tanzania, Uganda and Rwanda and the insights gleaned from comparing the trends in Zambia to the East African countries is profound.

79

Respondents in Zambia
and 379 in East Africa

As in previous surveys, Asset Misappropriation retains its position as the most prevalent economic crime experienced by our survey respondents both in Zambia and globally. We however observed a marked year-on-year drop in the prevalence of Asset Misappropriation, with 55% of Zambian respondents reporting having experienced Asset Misappropriation in the last 24 months a huge drop from the 78% in 2016 and 81% in 2014.

This could be an indication that organisations are tightening their internal controls around the handling, custody and transfer of key organisations’ assets. It could also be as a result of the introduction of new categories of fraud in this current survey.

For the first time, the 2018 Survey included Fraud Committed by the Consumer as a new economic crime classification. This classification relates to a fraud where a consumer in the course of undertaking a legitimate transaction with an organization, exploits the governance and control weaknesses of the organisation to commit fraud. The results of the survey showed that this crime had a 39% incidence rate, becoming the second most prevalent form of economic crime in Zambia behind Asset Misappropriation and third globally, ranking behind Asset Misappropriation and Cybercrime.

In previous publications, we took a special focus on economic crimes that are often under the microscope of the respective regulators and which are often systemic in nature with 2014 and 2016 reports providing an in-depth analysis on money-laundering, competition/anti-trust law and Cybercrime.

In this report, we take a closer look at Fraud Committed by the Consumer which like Asset Misappropriation, is often an episodic crimes that occurs after a perpetrator finds themselves in a set of circumstances that present the opportunity to commit fraud.

As these forms of crime do not typically have many shared attributes, they are harder to regulate outside the realm of the laws of the land, making them harder to suppress. As such, organisations must work harder to come up with solutions and deterrents that are customized to their unique set ups and governance frameworks to manage and eliminate these crimes.

[illegible]

65%

of Zambian respondents reported experiencing economic crimes in the last two years, an increase from the reported prevalence rate of 61% in 2016

Comparing Zambia to the rest of the World

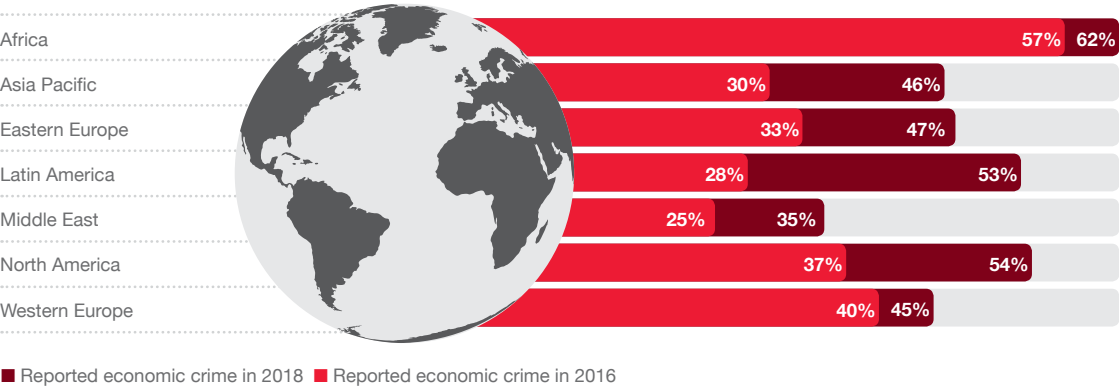
Globally, the 2018 survey saw an increase in the percentage of respondents who reported having experienced economic crime in the last 24 months. The survey revealed that 49% of the global respondents, experienced economic crimes up from 36% reported in 2016. In Zambia, there was a slight increase in the proportion of respondents who experienced economic crime from 61% in 2016 to 65% in 2018.

The evident rise in the prevalence of economic crimes was noted across all regional blocks. Whereas Africa had the highest prevalence with 62% of respondents having experienced economic crimes, up from 57% in 2016, it had the lowest percentage increase of crime from 2016.

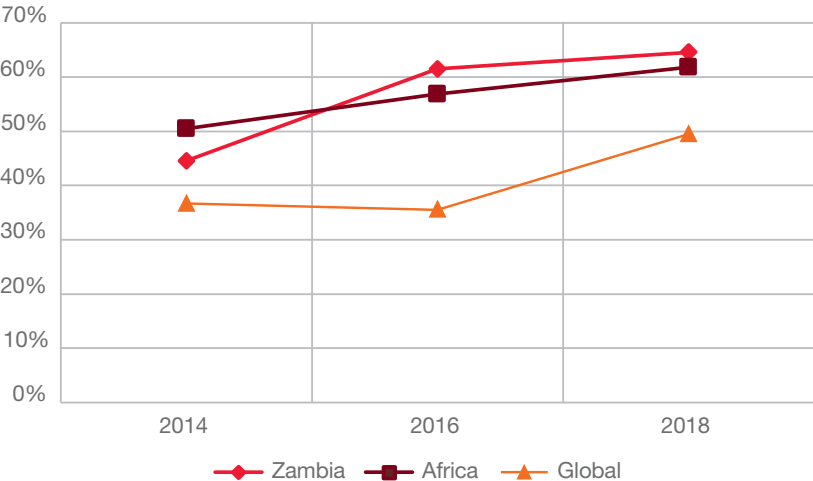
Globally and in Africa, the prevalence of economic crime seems to be at its peak compared to surveys conducted in previous years. Similarly in Zambia, reported incidence rates have steadily been on an increase since the first report issued in 2014, at which time the prevalence rate was 45% compared to the 65% in 2018.

In our assessment, a number of factors could have led to the noted increase in economic crime including the widening gap between the rich and the poor, better technology coverage and connectivity brought about by the advent of the ICT revolution in an environment where there is a poor understanding of the controls needed in a highly connected and automated world and poor enforcement of existing regulations. It may also mean that more organisations understand and are aware of the threat of economic crimes and are able to arrest or detect them when they occur.

The reported rate of economic crime has increased across all territories



Incidence rates of economic crimes



Economic crime incidence rates have increased in all regions globally over the past two years

Of the 10 countries that reported the highest incidence rate of economic crimes globally, we observe that 5 (50%) are African Countries, once again bringing into focus Africa as a region that is most severely affected by economic crimes. Of the remaining five, three were European and one from Asia and Central America respectively.

It is not however necessarily all doom and gloom. The significant jump in reported fraud and the high prevalence in our Region is not the whole story. In fact, it may be the opposite of the story. That is because fraud practitioners know that the real percentage of economic crime victimisation is significantly higher than the reported incidents — not 49% globally or 65% in Zambia. The reality is more likely that this statistic measures not actual fraud, but awareness of fraud. Either way however, the high prevalence rate in some countries and regions is a good measure of just how big a problem economic crime is seen to be in these countries.

Types of economic crimes

Asset Misappropriation retained its perennial position as the leading economic crime experienced by respondents in Zambia. Fraud Committed by the Consumer, the new kid on the block, was the second highest form of crime experienced by respondents, in Zambia, East Africa and Africa and was third globally.

We discuss, Fraud Committed by Consumers, in more detail later under the section, Customer, your friend and foe. In this section, we briefly discuss some of the other forms of economic crime that we found to be widely experienced in Zambia.

Asset Misappropriation – the perennial threat

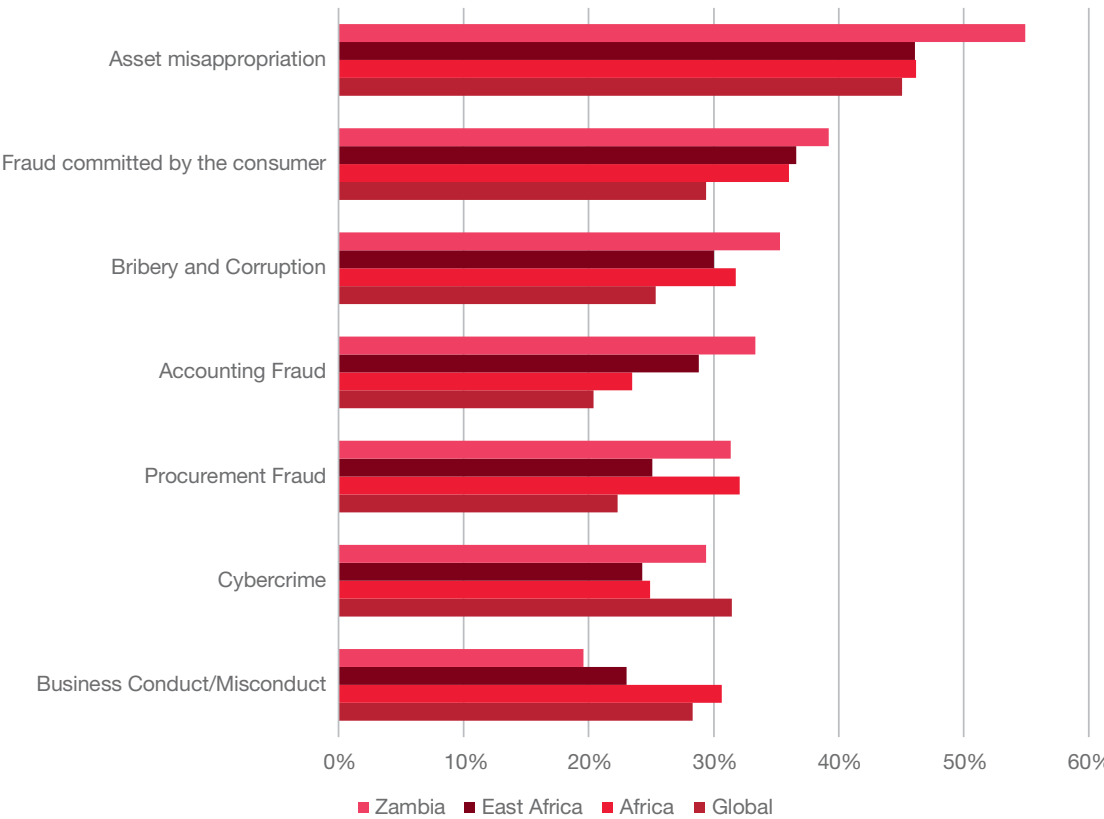
Asset Misappropriation remains the most prevalent form of economic crime globally and involves theft or embezzlement of company assets by directors, employees or other fiduciaries. Asset Misappropriation has always had the highest incidence rate perhaps because it is easy to carry out and it is committed by parties who have been trusted with the property of an organization.

In most of the other reported cases of economic crimes, Asset Misappropriation is usually the culmination of the fraud or crime, for example cybercriminals will use their I.T expertise to break into a server with the aim of transferring company cash (an asset) to themselves or third parties, or in the case of Human Resource fraud where you have ghost workers in your payroll and the perpetrators use these to transfer company cash (assets again) to themselves or third parties.

Asset Misappropriation also covers a wide range of fraudulent activities ranging from the illegal transfer of physical assets to the theft of intellectual property such as patents and copyrights.

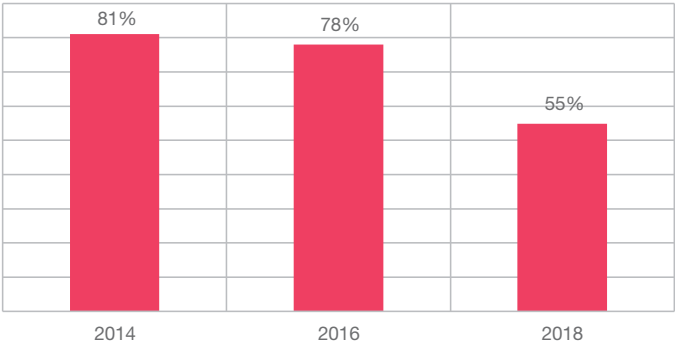
Is the high incidence rate of reported economic crime a symptom of an increase in the prevalence of economic crime or an increase in awareness and detection of economic crimes?

What types of fraud and/ or economic crime has your organization experienced within the last 24 months?



Despite falling by 29% in Zambia, Asset Misappropriation continues to be the leading form of economic crime

Prevalence of Asset Misappropriation in Zambia



As evidenced in the trend of Asset Misappropriation in Zambia, the prevalence of the crime has been declining from 81% in 2014 to 78% in 2016 and 55% in 2018. The reported level of Asset Misappropriation globally decreased from 64% in 2016 to 45% in 2018.

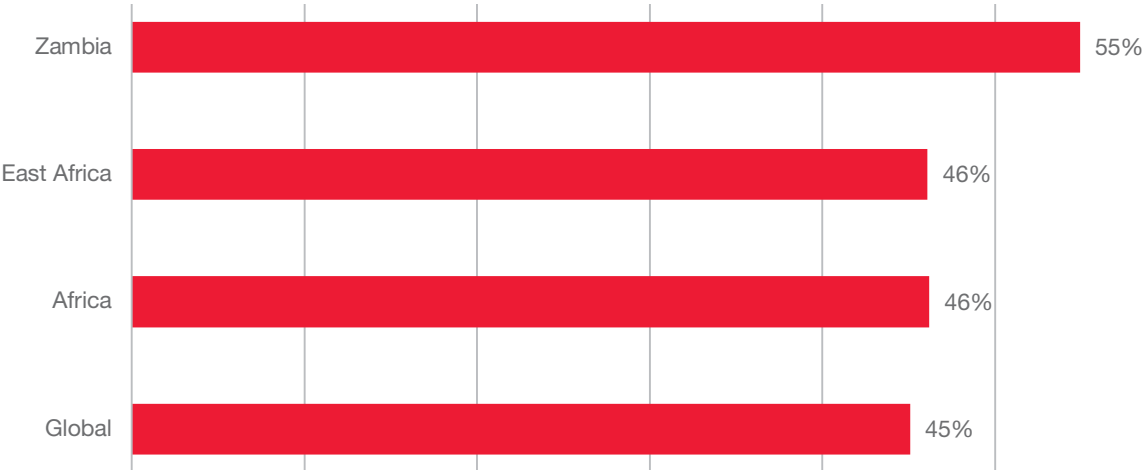
Given the introduction of a new category of crime classified as Fraud Committed by the Consumer, we are inclined to believe that some of the crimes under this category were previously considered and reported as Asset Misappropriation.

Indeed, 75% of the respondents that suffered Asset Misappropriation indicated that the perpetrators were internal actors.

Globally, and in Africa, 21% and 20% of the respondents respectively mentioned that Asset Misappropriation was the most disruptive and bore with it the most disruptive/serious impact.

In Zambia, Asset Misappropriation, ranking together with Fraud Committed by the Consumer, were observed to be the second most disruptive behind

Asset Misappropriation



75%

of respondents who suffered Asset Misappropriation attributed it to internal staff; a pointer to the need for enhanced recruitment screening

However, the reduction may also simply be as a result of better controls implemented by organisations.

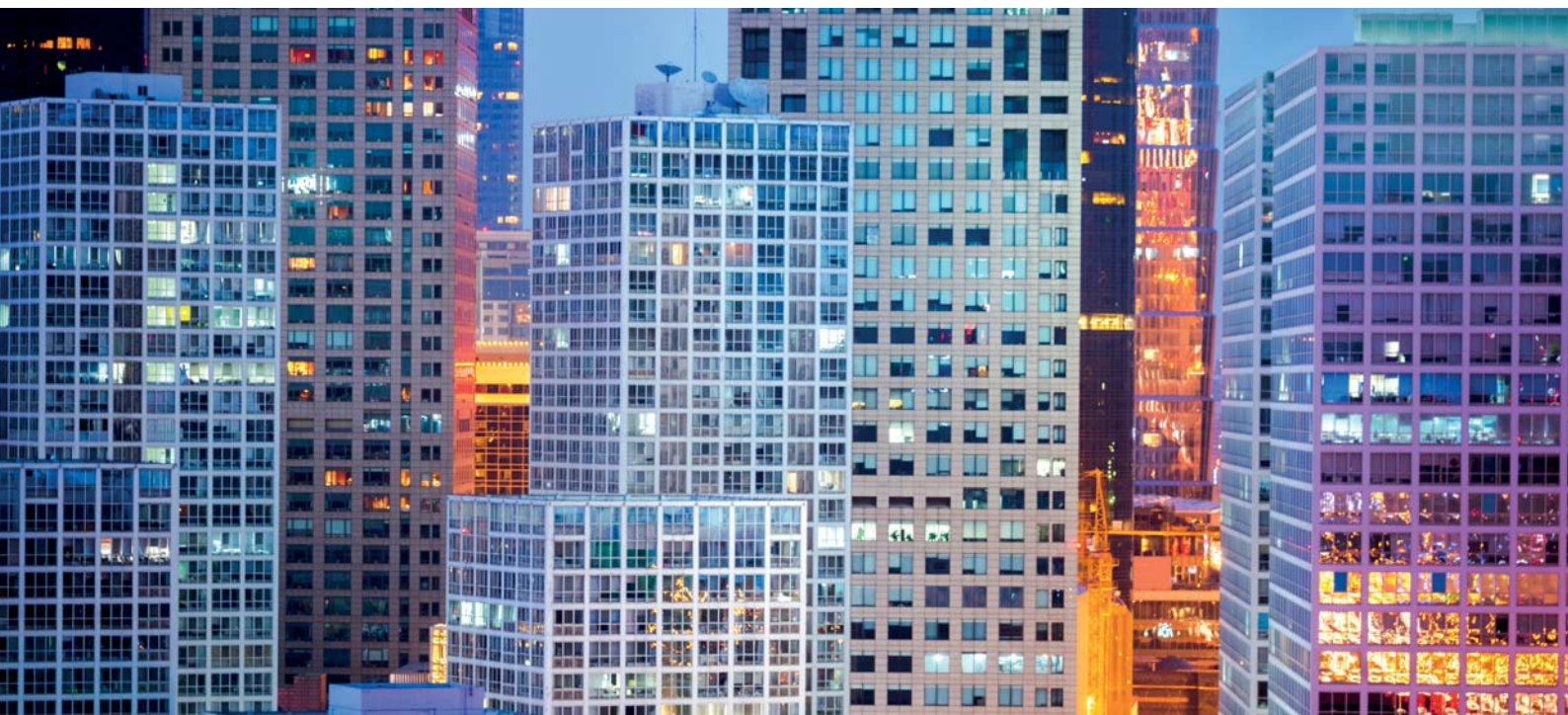
Despite the apparent decrease in the incidence rate of Asset Misappropriation, the crime was reported by survey respondents to be among the most disruptive forms of economic crime affecting their organisations, both financially and otherwise.

Since Asset Misappropriation is often carried out by insiders who are familiar with an organisation’s internal control gaps and weaknesses, the perpetrators are easily able to conceal the crime.

Bribery and Corruption which was reported as the most disruptive to organisations’ affairs by 20% of the respondents.

Procurement Fraud – not just a public sector problem

Procurement Fraud is characterised by irregularities in the procurement process which entails engaging and contracting with third parties for the acquisition/purchase of goods and/or services. Procurement Fraud may occur throughout the procure-to-pay cycle including during needs identification, the tendering process, for example

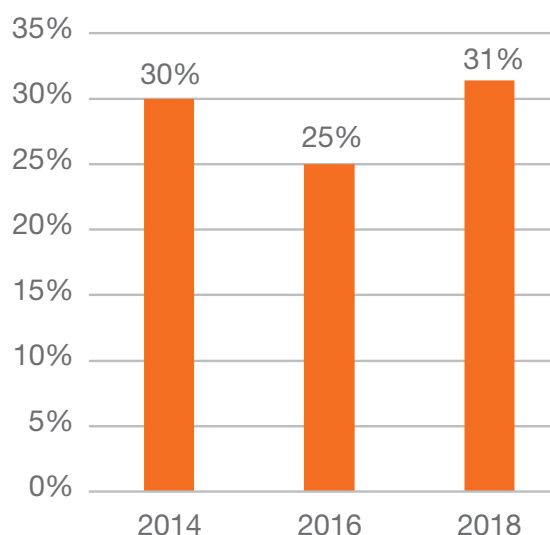


by way of price fixing, bid rigging, as well as in the payment stages where an organization settles claims for goods and services which were not provided or were sub-standard.

Procurement Fraud generally entails collusion between employees and contracted third parties. Conflicts of interest on the part of internal perpetrators who should be transacting solely for the organization's benefit and not for personal gains is a common characteristic. Procurement Fraud in many cases also goes along with Bribery and Corruption where inducements are paid.

In Zambia, respondents reported the prevalence of Procurement Fraud to be 31%, a jump from the 25% reported in 2016 and 30% in 2014. The incidence rate in Zambia was 9% higher than the global average rate of 22% and slightly lower than the African incidence rate of 32%.

Procurement Fraud



1 in 3

respondents reported experiencing procurement fraud. Are we doing enough to curb the vice in our procurement processes?

In Zambia, legislators enacted the Public Procurement Act No. 12 of 2008 to regulate the procurement function of the government. This particular Act of Parliament also led to the constitution of the Zambia Public Procurement Authority ("ZPPA") (the former Zambia National Tender Board), an independent regulatory body put in charge of the policy, regulation, standard setting, compliance and performance monitoring, professional development and information management and dissemination in the field of public procurement.

The Government of Zambia, with the support of the ZPPA, has since taken steps to mitigate the risks of Procurement Fraud in Public procurement. However, the government should continue striving to ensure that suspects, if found guilty, meet the full force of the law and do not simply leave their positions with a 'slap on the wrist' or simply a transfer or election to different functions of the public service. Suspected cases of Procurement Fraud should be pursued to their logical conclusion and the repercussions of crime, where evident, should be made clear.

While there exists clear legislation on public procurement, the private sector lags behind as most policies and guidelines relating to procurement of goods and services remain in policies and governance frameworks developed by individual organisations.

The repercussions for Procurement Fraud and legal redress must be taken up by the organisations' boards and senior management. Therefore, the 'tone at the top' and 'action from the top' must clearly convey the message that Procurement Fraud attracts severe ramifications.

Africa

Incidences of Bribery and Corruption consistently higher in Africa than in the rest of the world. 35% of Zambian respondents reported having experienced Bribery and Corruption

Bribery and Corruption – is the reported increase in incidence rate a cause of concern?

With a prevalence rate of 35%, Bribery and Corruption is the third most prevalent form of economic crime in Zambia according to the responses obtained in the 2018 survey. This remains higher than the 30% incidence rate in East Africa, 32% in Africa and 25% globally. From the responses obtained in the course of the survey, more respondents in Africa than in the rest of the world highlighted having experienced Bribery and Corruption.

In Zambia, Bribery and Corruption showed an increase to 35% in 2018 from a rate of 29% in 2016 and as such returning to the level of 35% experienced in 2014.

According to the 2018 survey, 20% of our respondents in Zambia reported Bribery and Corruption as the most disruptive of the economic crimes.

Globally and in Africa, the rate was 10%. Further to this, 20% of our respondents in Zambia also expect that Bribery and Corruption will be the most disruptive form of economic crime in the next 24 months of their organisations' operations placing it second after Cybercrime.

enforcement remains a challenge not only in Zambia but in other countries in the Eastern African region as well.

Though the legislation continues to play a role in the effort to eliminate Bribery and Corruption, the agencies tasked with the enforcement of the relevant laws must competently and effectively play their part in investigating, prosecuting and determining reported cases to deter the vice.

As with all other crimes committed, perpetrators should not merely get transferred to different departments, regions or organisations but should be subjected to the legal and disciplinary processes and face the consequences of their actions.

Our leaders and especially religious leaders, teachers and parents also have a role to play in bringing up a generation that perceives bribery and corruption as the evil that it is.

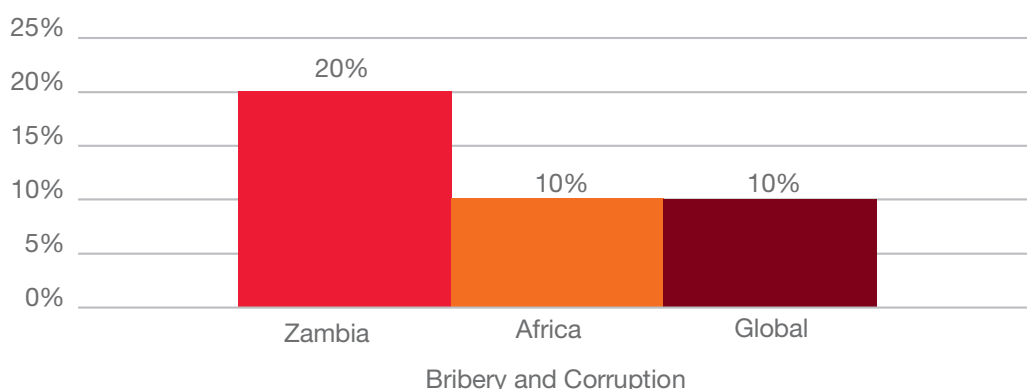
Accounting Fraud – cooking the books

Accounting Fraud involves the alteration or presentation of financial statements and/or other documents in such a way that they do not reflect the true value of the financial activities and results of an organization. This form of crime may involve accounting manipulations, fraudulent borrowings/raising of finance, fraudulent application for credit and unauthorized transactions/rogue trading.

20%

of respondents see Bribery and Corruption as the most disruptive economic crime to their organisations

Of the fraud and/or economic crimes experienced by your organization in the last 24 months, which was the MOST disruptive/serious in terms of the impact on your organization (monetary or otherwise)?



In 2012, the Anti-Corruption Act, Act no. 3 of 2012 was passed with the intention to continue the existence of the Anti-corruption Commission; and provide for the prevention, detection, investigation, prosecution and punishment of corrupt practices and related offences based on the rule of law” among other responsibilities.

Whereas laws exist and punitive consequences of Bribery and Corruption are detailed in the law,

Since financial statements remain a crucial source of information to internal and external stakeholders, the manipulation of these very statements can paint a false picture of an organisation’s true financial position.

Further to this, Accounting Fraud leads to information asymmetry leaving banks, lenders, vendors and investors exposed to the risk of making misguided decisions.

56%

of Zambian respondents reported having a fully operational, preventative and detective cybersecurity program

In Zambia, the 2018 survey revealed that Accounting Fraud is one of the top five most prevalent crimes with an incidence rate of 33%. This is significantly higher than the average incidence rate globally and in Africa, which stand at 20% and 23% respectively.

An organisation may take measures in order to mitigate its exposure to the risk of Accounting Fraud committed by staff.

Some of the measures that may be taken include thorough vetting during the recruitment process to ensure employees joining the organisation have not been previously convicted for the crime or involved in similar schemes in their former organisations, strengthening of internal controls by ensuring there is clear segregation of duties for the staff responsible for the preparation of financial statements, performing regular cash and bank account reconciliations in order to trace the movement of the organisation's funds and job rotation where applicable.

All in all, an organisation should ensure that staff understand that the repercussions to any employee discovered as having committed fraud against the organisation will be severe.

Cybercrime - A disconnect between ends and means

In Zambia, Cybercrime was the sixth most prevalent form of economic crime with a prevalence rate of 29%. However, it continues to be one of the biggest threats to organizations, especially given the ever growing global technology coverage and connectivity.

Indeed, looking into the future, 22% of the respondents from Zambia anticipate that Cybercrime will be the most disruptive crime in the next 24 months placing it first. Similarly, globally Cybercrime is seen as the most disruptive form of

fraud in the next 24 months with 26% of our global respondents expecting it to be the most disruptive.

With technological advancements globally and more sophistication of ICT tools and solutions, additional opportunities for Cybercrime have arisen. The digitization of all aspects of system processes and transactions also means that these fraud opportunities are increasing exponentially making Cybercrime a growing threat to businesses and organisations globally.

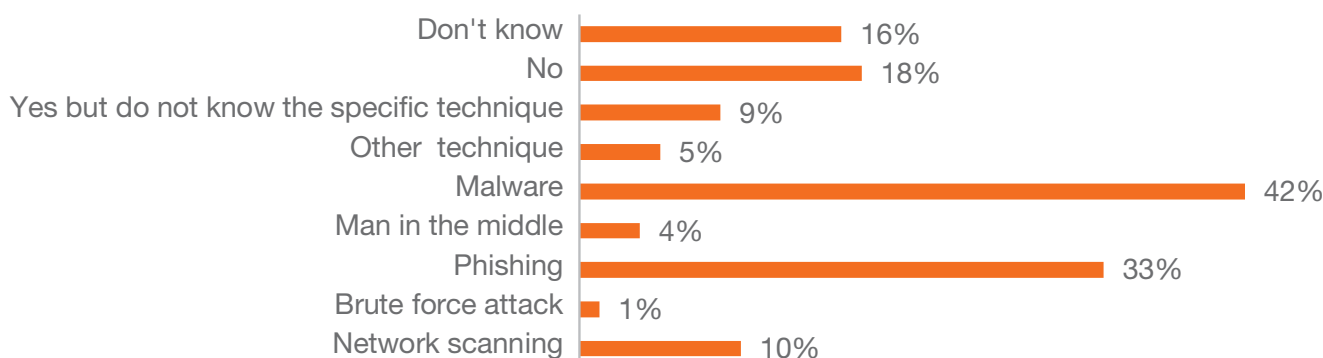
In addition to this, a higher demand for digital solutions and alternatives such as digital currencies which are seldom well understood by organisational leadership due to their relative novelty and complexity is creating new platforms and incentives for hackers and fraudsters and exposing organisations. With the passing of time, it is becoming evident that organisations must shift focus from understanding the occurrence rate of Cybercrime to understanding the mechanisms used to perpetrate the attacks.

In Zambia, 42% of respondents reported having been targets of cyber-attacks through Malware while 33% reported having been targeted through Phishing attacks.

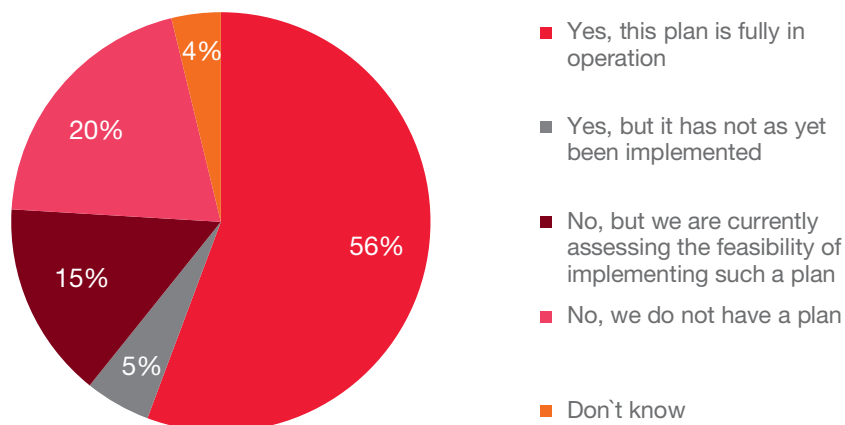
From the results of the survey, we observed that 56% of the respondents reported having a fully operational preventative and detective cybersecurity program. 20% of the respondents reported having a cybersecurity program that is not yet operational.

Furthermore, 15% reported not having a cybersecurity program but were in the process of assessing the feasibility of implementing such as plan, while a further 5% reported not having a plan and 4% did know if such a plan existed in their organisation.

In the last 24 months, has your organization been targeted by cyber-attacks using any of the following techniques?



Does your organization have a Cyber Security Program (preventative/detective) to deal with cyber-attacks?



Cybercrime is recognised as a potential threat and Zambian organisations are increasingly investing in cybersecurity programs

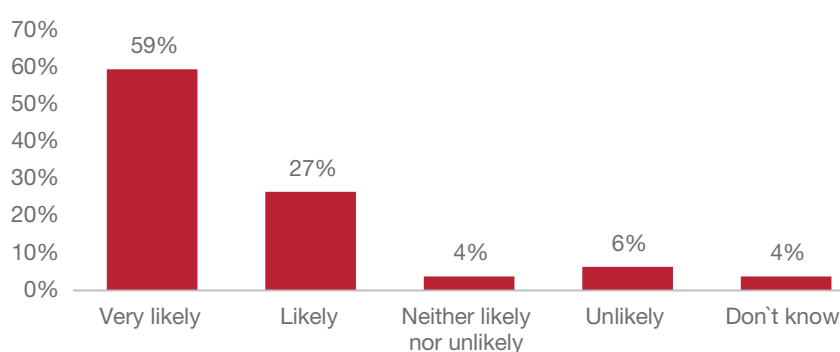
From the survey, it was observed that Zambian respondents are willing to share information about cyber-attacks with only 10% being very unlikely or not sure if they would engage government and law enforcement agencies to report such incidents.

This shows that organisations in Zambia are quite prepared to trust the government and law enforcement agencies with information on cyber-attacks. While this paints a bright picture of the government and enforcement agencies, it is important to note that Cybercrime remains one of the crimes with a relatively low prevalence rate in Zambia, and as such, it shall be interesting to follow the trend on how these responses might change, if at all, should the prevalence of Cybercrime increase.

4 in 5

of the Zambian respondents are likely to share information with authorities on suspicion or subjection to cyberattacks

How likely is your organization to share information with government / law enforcement agencies about suspicion of or subjection to cyber-attacks?



Source: Global Economic Crime & Fraud Survey 2018

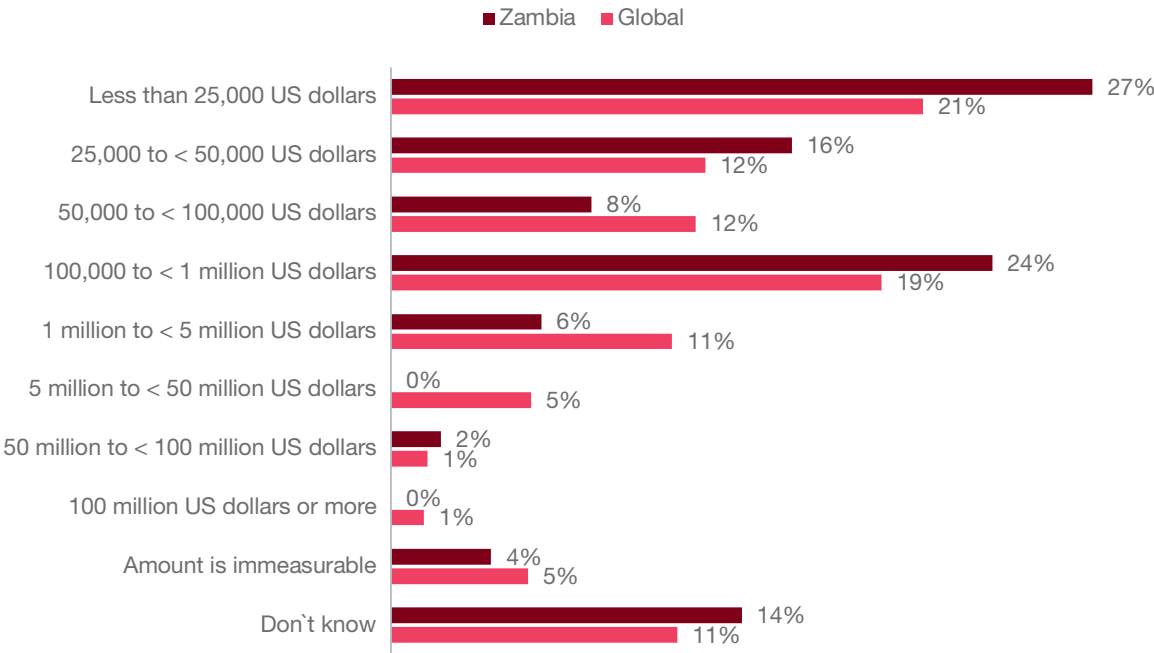
Counting the cost of economic crimes

The survey showed the impact of financial crime to be quite significant for organizations in Zambia. While 2% of organisations reported having lost between USD 50 million (ZMW 477.2 million) and USD 100 million (ZMW 954.4 million) due to economic crime, 51% of organizations reported having lost up to USD 100k (ZMW 954k).

The survey also revealed that a quarter (24%) of organizations in Zambia reported a loss of USD 100k (ZMW 954k) to USD1M (ZMW 954.4) against a global average rate of 19%. It would therefore be imprudent for organizations to ignore the impact of economic crime given the major financial impact observed.

the consequences include but are not limited to reputational and brand damage (20% of Zambian respondents reported having experienced this), diminishing employee morale (experienced by 18% of Zambian respondents) which may inevitably lead to poor performance of the organisation, increased legal and regulatory costs incurred in order to meet

Impact of Financial Crime



32%

of Zambian repondents reported having lost over \$100,000 as a result of economic crimes

Furthermore, while Zambian organizations suffered significant losses due to economic crime, 69% of the Zambian organizations reported that the amounts incurred on investigations and other interventions was less than the amount lost as a result of the economic crime against a global average of 43%, and an average of 68% in Africa.

In contrast, while 16% of the Zambian organisation incurred the same or a much higher amount on investigations and other interventions, globally, 39% of organisations reported having spent the same amount or a much higher amount. However, 16% of the participating organizations in Zambia could not determine whether the amounts spent on investigations were more or less than the amounts lost in the fraud against a comparative percentage of 11% in East Africa and globally.

In addition to this, it is important to highlight that economic crime not only has a financial impact on organisations, but also carries with it non-financial impact which if not appropriately handled could greatly harm the organisation. Some of

guidelines prescribed by law and regulators (12%) and strained business relations (18%).

In an interesting turn, Zambian respondents saw no effect of economic crime on the share price of their organisation. Despite the apparent insensitivity of organisations’ share price to economic crimes in Zambia, a number of cautionary tales as to the profound effect fraud can have on organisations exist.

One of the most recent cases involves a multinational furniture retailer in South Africa which announced that it had uncovered accounting irregularities, causing its share price to decline by 80% in the two days following the announcement, wiping out USD 14 billion from their market value.

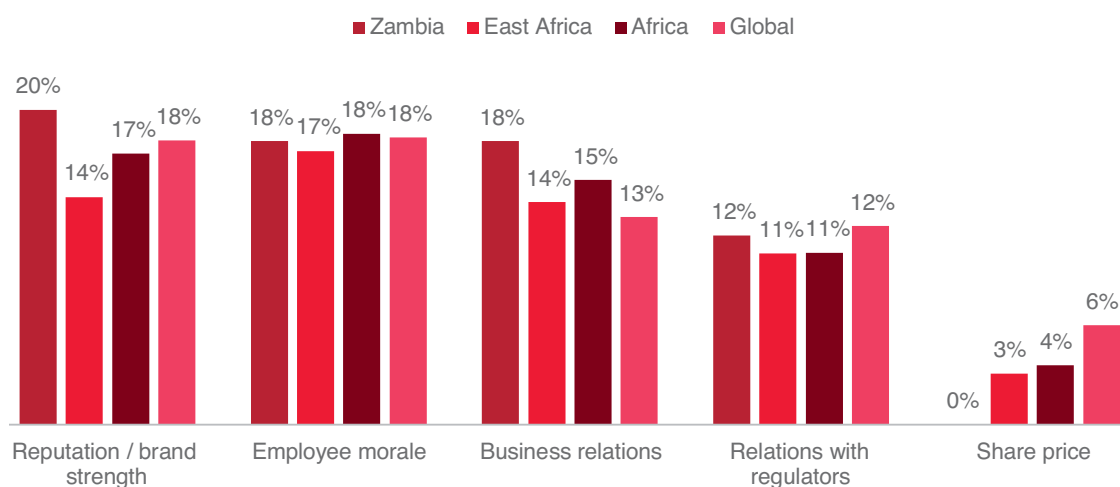
Whereas the perceived immunity of share prices may be as a result of an inelasticity of the market, it is also probable that it may be due to more effective public relations and crisis management infrastructures or, more worryingly, a blissful ignorance of the fraud by key stakeholders including shareholders, customers and the general public.

In addition to financial losses, organisations suffer non-financial impact including brand damage, low staff morale and loss of productive management time diverted to deal with the crimes

0%

of Zambian respondents believe economic crime impacts share prices. Experiences elsewhere would however suggest that it does

Non-Financial Impact on Financial crime



External actors appear to be instigators of most of the reported incidences of economic crimes in Zambia. This goes against the global and regional trends

Who is committing the fraud?

In 2018, contrary to previous surveys where most economic crimes were committed by internal actors, responses from Zambia showed that most perpetrators of economic crime in the last 24 months were external actors at 51% followed by internal actors at 46%.

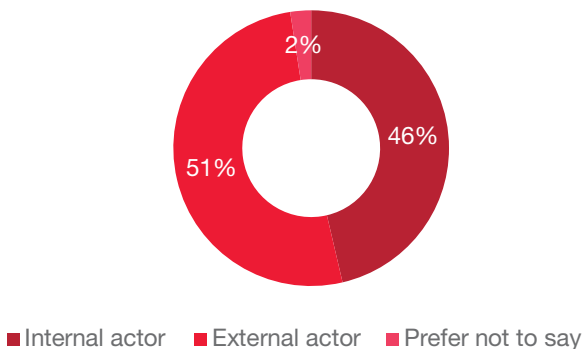
This is the reverse of 2016 where only 38% of respondents indicated the major actors in economic crime to be external and 53% of the actors to be internal actors. It also goes against the trends in East Africa, Africa and globally where internal fraudsters remain the main perpetrators of fraud.

It is possible that this noted increase in external actors is in line with the high reported prevalence of Fraud Committed by the Consumer, which has a rate of 39% in Zambia. As organisation's grow and develop a wider consumer base and adopt more payment methods, organisations are increasingly susceptible to frauds such as credit card fraud and other payment frauds.

It is also important not to rule out Bribery and Corruption as another source of this noted increase especially because this form of economic crime entails collusion between external staff and an organisation's own employees.

As a matter of priority, organisations should therefore note this increase in external actors and aim to tighten controls in order to reduce the opportunities that potential fraudsters seek to exploit.

Who was the main perpetrator of this fraud?



Internal, external, or 'in between'? Know your 'frenemies'

Customer becomes king

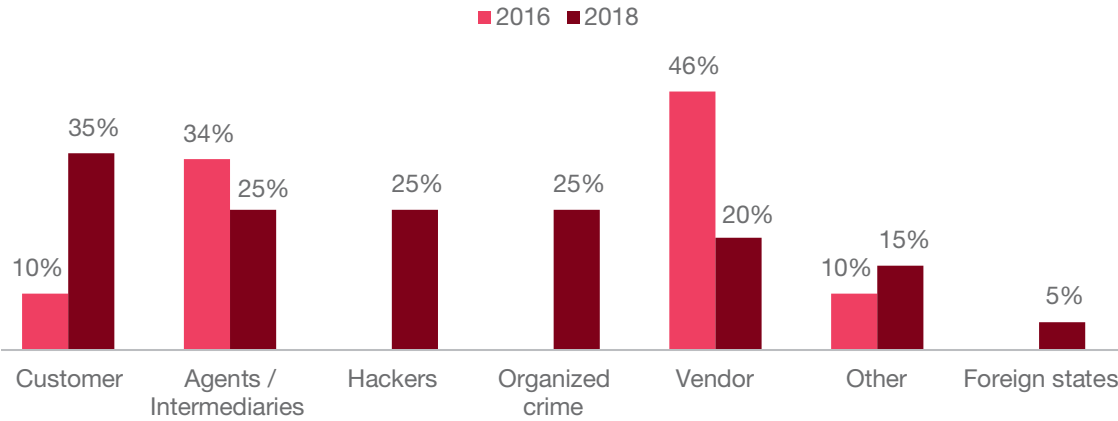
From the responses received in Zambia, the top 3 perpetrators of external fraud in the last 24 months were customers, followed by agents/intermediaries, and hackers and organised crime both ranking third. In 2016, the main perpetrators of economic crimes attributed to external actors were vendors at 46% which halved to 20% in 2018.

Further, in 2016, customers constituted only 10% of the perpetrators of external fraud, however, in 2018, customers constituted 35% of the perpetrators of external fraud which is in tandem with the observation that Fraud Committed by the Consumer had the second highest incidence rate in Zambia at 39%.

Some of the external perpetrators of fraud who were not noted in 2016 but had quite an impact on organisations in 2018 were hackers and organised crime both at 25%.



Who were the main perpetrators of that external fraud against your organization?



Customers, agents, hackers and organised crime groups were cited as the main perpetrators of external fraud

The rise of junior level management as the internal fraudster

The rate of economic crimes committed by both junior and middle management have increased in 2018 moving from 46% to 47% and from 14% to 21% for the two cadres respectively. There was also a notable increase in the reported level of crimes committed by senior level managers which rose from 7% in 2016 to 16% in 2018.

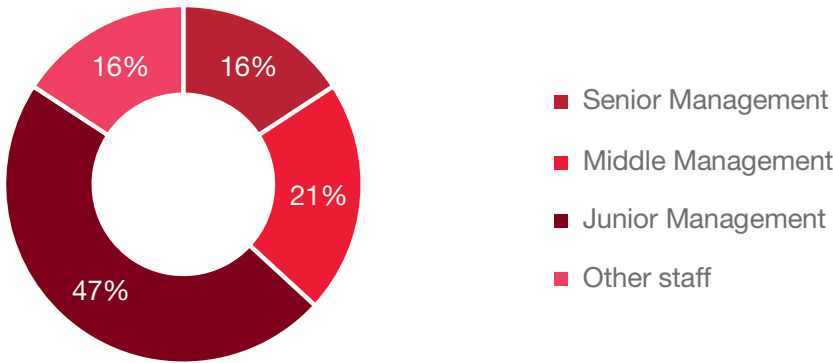
This suggests that perpetration of an economic crime by an internal actor is most likely to be committed by a junior level manager followed by

a middle manager and is increasingly likely to be committed by a senior manager.

The above results could be due to junior and middle managers executing majority of the operational and management tasks and by virtue of them having a deeper insight into the weaknesses of the organisation’s systems.

It therefore behoves the senior management to continuously monitor the actions of their junior teams and employ sufficient supervisory structures and operational controls to curb fraudulent activities by the lower management team.

At what level was the MAIN perpetrator of the internal fraud within your organization?



47%

of internal perpetrators of economic crime were in junior management

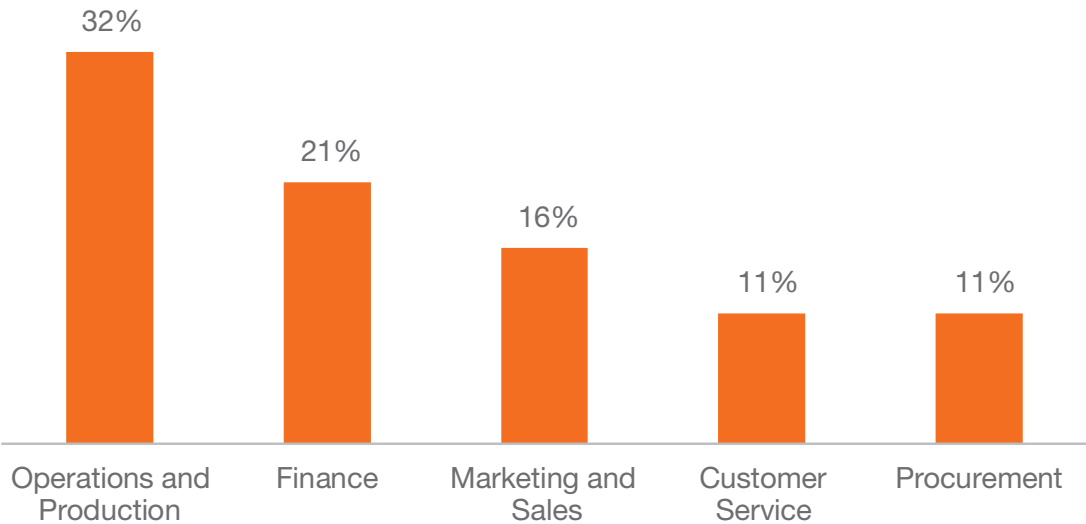


32%

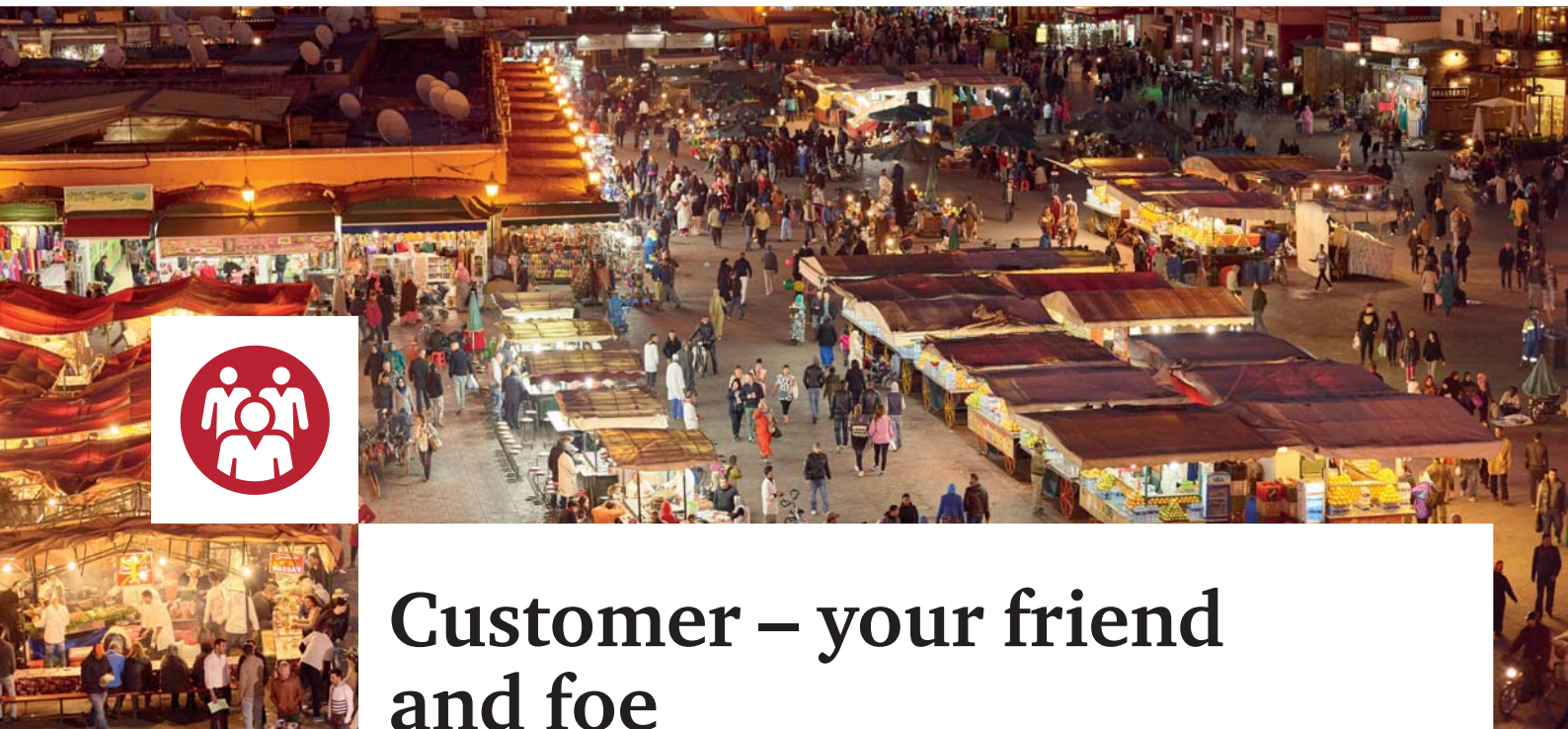
of internal perpetrators
resided in the operations
and production
functions

This does not however mean that senior management can always be trusted. As in Zambia, our survey reveals that the share of serious internal fraud committed by senior management globally continues to rise dramatically — up 50% (from 16% to 24%) since 2016.

Which principle function did the MAIN perpetrator of that internal fraud reside in?



As per 32% of the respondents, the principle function under which the main perpetrator of internal fraud resided in was the Operations and Productions function. Finance (21%) and Marketing and Sales (16%) were the other two functions within which the internal perpetrator was most likely to reside. It would be paramount that organisations tighten controls around the production cycle, finance functions and marketing and sales processes to combat fraud perpetrated by insiders.



Customer – your friend and foe



Changes in technology expose our systems more to our customers bringing with it the rising threat of consumer fraud

Customers aren't just one consideration of your business – they are your business

Your customers are the lifeblood of your business. As businesses continue to trudge through the digital and global revolution, they are today forced to innovate, enter new markets and adopt new technologies in order to survive or grow. This opening up however also exposes the businesses to additional threats, often posed to and by the customer.

This rings true also for organisations such as governments and non-profit organisations where the consumer of their services is not necessarily a customer. Organisations are therefore faced with a dilemma of either closing themselves in and be seen as non-responsive or opening up their operations and exposing themselves to financial, reputational and regulatory risks.

With an incidence rate of 39% in Zambia, Fraud Committed by the Consumer is the second most prevalent crime experienced by organizations. The incidence rate in Zambia was also higher than the average incidence rate, both globally and in Africa. In this section we delve deeper to gain an understanding of the consumer and the fraud risks they present.

Why is the threat from the customer on the rise

There are many reasons and circumstances that all work in concert to result in an increased threat from the consumer. We explore only a few here.

The first factor we explore is the changing demands of the consumer. With the ubiquity of technology today, the 21st Century consumer has become used to convenience and on-demand service. This consumer wants to spend the least amount of time and effort while being served. Organisations from banks to governments have thus been forced to adopt new technologies that make them more accessible and efficient.

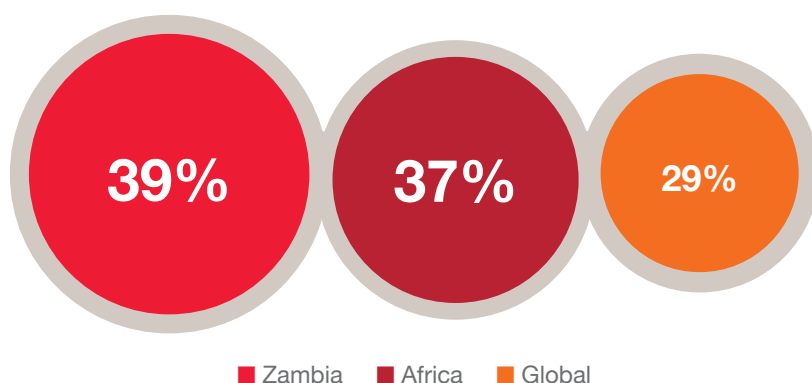
In the process, tellers have given way to mobile and internet banking and parking attendants to parking applications. These technological advances, however, come with a number of threats arising both from the organisation's unfamiliarity with the technology and the added access that the consumer gets to the organization through the technological channel linking the two.

Another consequence of the enhanced technological uptake is the reduction of permanent staff and their replacement either by the technology itself or by outsourced third parties. Organisations have taken advantage of the technological advances to downsize or to introduce agents who are cheaper to maintain and increase the organisations' reach at minimal cost. Consequently, the trusted employee that is well versed in an organisation's culture and values is increasingly not the main point of contact between the consumer and the organization.

The rapid change in trends and entry of market disruptors have also seen organisations that have traditionally offered a singular service chart into new offerings. These organisations find themselves in environments where they often have limited experience and know-how of the associated fraud risks and regulatory frameworks. As banks offer insurance products, telecommunication companies get into banking and manufacturers get into real estate, they all find themselves in unfamiliar territory that is fraught with unprecedented threats.

Finally, in societies where the cost of living is increasing, lifestyle trends promote more consumerism and traditional values are discarded, the consumer just as the employee is under more pressure to commit fraud. Consumers also find it easier to rationalize fraud whether the fraud is a failure to pay a public utility or is a case of shoplifting.

Fraud Committed by the Consumer



68%

of respondents from the financial services sector reported suffering fraud perpetrated by consumers

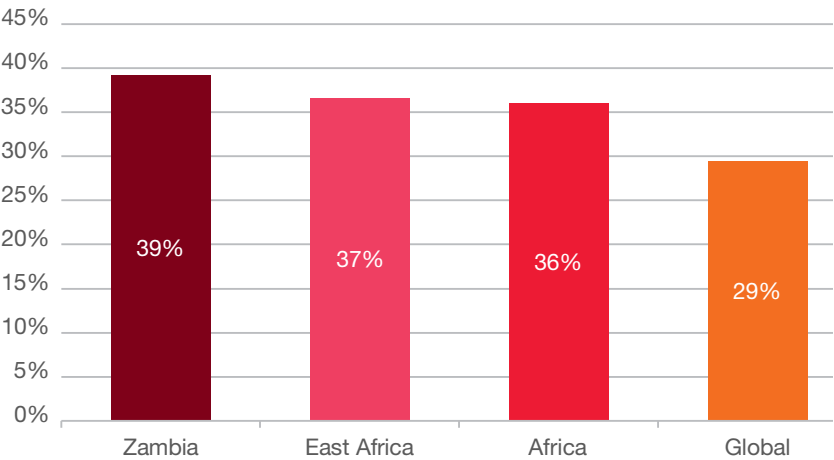
Industry and Regional analyses

As indicated above, at an incident rate of 39%, Fraud Committed by the Consumer is the second most prevalent type of economic crime experienced by Zambian organisations after Asset Misappropriation. This is 10% more than the reported prevalence globally. 18% of our Zambian respondents further cited Fraud Committed by the Consumer as the second most disruptive economic crimes in their organisations over the past 24 months of the survey.

The prevalence of Fraud Committed by the Consumer is also reflected in the East Africa region where it is the second most prevalent form of economic crime at 37% only behind Asset Misappropriation at 46%.



Fraud committed by the consumer



KYC

Are your customers who they say they are? Have you profiled them sufficiently?

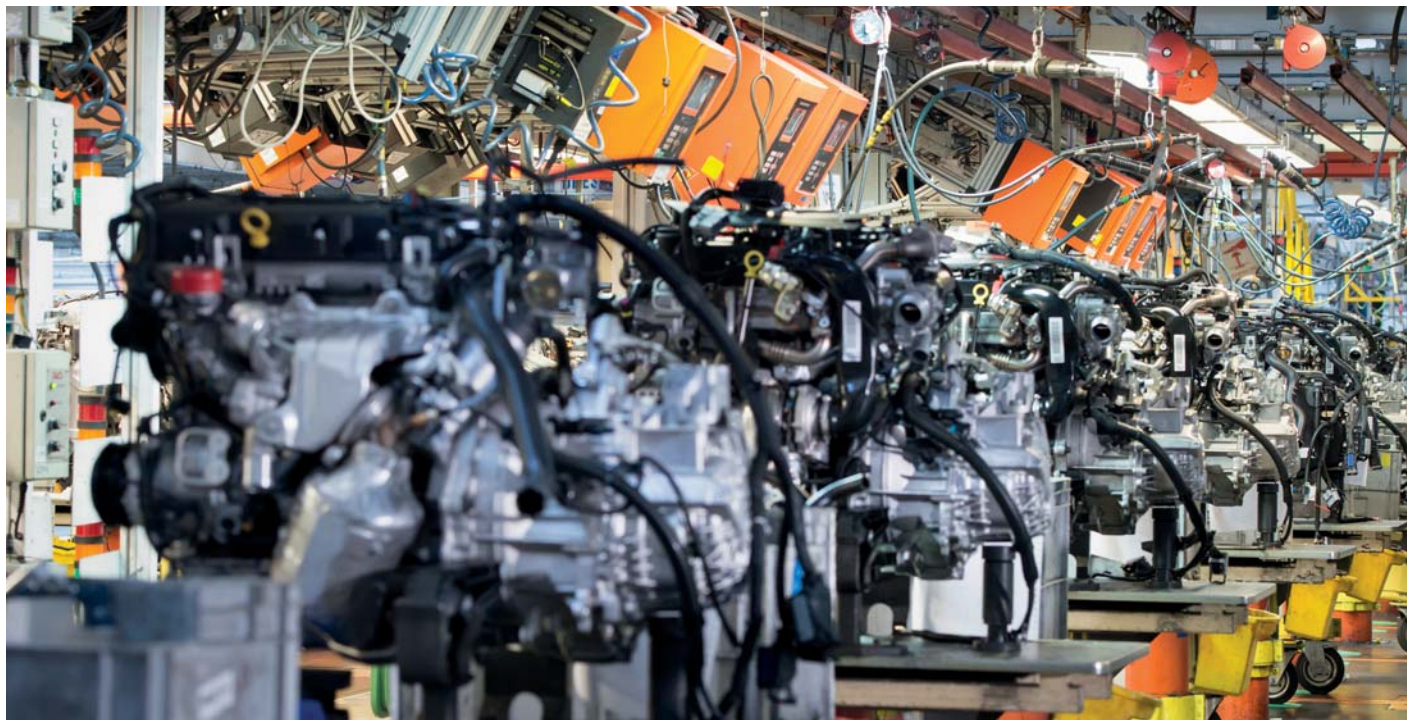
Fraud by the Consumer is especially prevalent in the Financial Services sector where it had the highest incidence rate of 68%, higher than Cybercrime at 55% and Asset Misappropriation at 36%.

The survey indicates that financial institutions such as banks are a major target of fraud by the consumers, where the consumers exploit loopholes in the designing of financial products or instruments to perpetrate fraud. In East Africa, Fraud Committed by the Consumer has an incidence rate of 62% in the Financial Services sector followed by Cybercrime and Asset Misappropriation at 44% and 35% respectively.

Detection and prevention of Fraud Committed by the Consumer

Know your customer/consumer protocols

The Know Your Customer/Customer (“KYC”) protocols are mechanisms employed by an organisations to identify and verify the identity of a prospective customer prior to making an engagement with them as well as to ensure the organisation becomes aware of any changes to the consumer’s identity subsequent to the first engagement.



To successfully avert and detect fraud, the customer acceptance and on-boarding procedures of the organisation must be rigorous enough to ensure that the organisation only engages organisations and persons that are who they say they are.

Organisations must seek to examine the full profile of the prospective customer including any criminal history, type of activities undertaken by the consumer, any ethical or legal non-compliance history and general brand profile. Customer Acceptance Procedures must also encompass the verification and validation of documents presented by the prospective client including identification documents, documents evidencing ownership of assets, registration documents, etc.

Whereas Customer Acceptance Policies are not an end in themselves and are unlikely to curb fraud perpetrated by legitimate customers who subsequently identify loopholes for fraud, they can go a long way in helping single out suspicious persons or imposters or abnormal transactions. In the Financial Services sector, regulation makes it compulsory to have in place robust KYC procedures to curb money laundering and terrorist financing.

It would be prudent for other sectors to have in place some form of KYC policies to mitigate the risk of consumer fraud for companies that deal with repeat clients and clients on credit terms and not just leave it to organisations in the Financial Services to adopt.

In undertaking these KYC procedures, however, a fine balance must be struck between remaining vigilant and pervading the perception of suspicion towards potential consumers.

Risk Management Procedures – risk profiling

Depending on the scale and volume of an organisation's transactions with consumers, risk management encompasses many activities. One of the main ways organisations can monitor and manage fraudulent activities initiated by their consumers is by creating risk profiles for each existing consumer.

Based on purchasing and payment patterns, an organisation can create a risk profile for individual consumers that will provide guidance on the level of vigilance that is to be employed while dealing with the consumer. For instance, consumers with a propensity to lodge special requests that involve a bypass of an organisation's protocols may be considered to be of a higher risk than those who comply with organisation's policies. Other factors to consider are methods of payment, credit period, use of proxies etc.

The identity of the consumer is also key to the creation of a risk profile. By their very identity, politically exposed persons (PEPs) warrant keener monitoring. Due to their high level of visibility and influence in the society, PEPs are widely considered to be more susceptible to being victims, conduits or perpetrators of economic crimes especially in areas of Bribery and Corruption, Procurement Fraud and Money Laundering activities.

Creating a risk profile for each of your existing customers will allow you to determine the level of vigilance required while transacting with them



Managing economic crime – creating a formidable defence



86%

of respondents reported having insights into fraud and/or economic crime. This is encouraging

Don't get blindsided by your blind spots

In this survey, 86% of our Zambian respondents reported having insight into fraud and/or economic crime incidence in their organisation. Given that success in the prevention, detection and management of economic crime in an entity primarily depends on the ability of key parties in that organisation to recognize the nature and type of economic crime the organisation frequently faces or is likely to face, these results are encouraging.

However, 14% of the respondents reported having either limited or no insight at all into the prevalence of economic crimes in their organisation. This means that the organisations are not in a position to institute controls or policies that may prevent future economic crimes and the occurrence of a fraudulent activity may go undetected.

Boards and senior management of organisations must stay accountable and informed on what is going on in their organisations. Where they note a gap in their capacity to obtain full knowledge of activity in their organisations, there is always an option of getting help from professionals who can assist.

Detection of economic crimes – your arsenal

The survey reveals that in order to detect and manage fraud dynamically, all the facets of fraud detection mechanisms must be carefully examined. Not only is it necessary to have the right technology and internal controls in place, organisations

must invest in people and create an organisation culture where integrity, transparency, vigilance and accountability is encouraged and upheld by all stakeholders.

Against a global average of 51%, 52% of our Zambia respondents cited corporate controls as the means by which their most disruptive economic crimes was detected.

Suspicious activity monitoring, data analytics, routine internal audits and fraud risks management exercises were cited as the top four corporate control tools employed by the respondents and which were able to detect the perpetration of economic crimes.

Other corporate controls cited by the respondents as the means through which economic crimes at their organisations were detected include personnel rotation and having in place a robust security system, both physical and Information Technology.

It is encouraging to note that Zambian organizations also reported having carried out fraud risk assessment with the key focus being on general fraud risk assessments, cybersecurity and anti-bribery and corruption reviews. Moving forward, organisations will need to leverage on and harness data generated in the course of normal business operations to detect and fight fraud.

By employing data analytics tools and models to make sense of large and unstructured transaction data sets, an organisation can gather useful insights on transaction anomalies, patterns and relationships that may be indicative of irregular or fraudulent activities.

Investing in systems and controls to mitigate economic crimes is not enough if we don't also invest in our people (culture, awareness, integrity)

In the last 24 months, has your organization performed a risk assessment on any of the following areas?

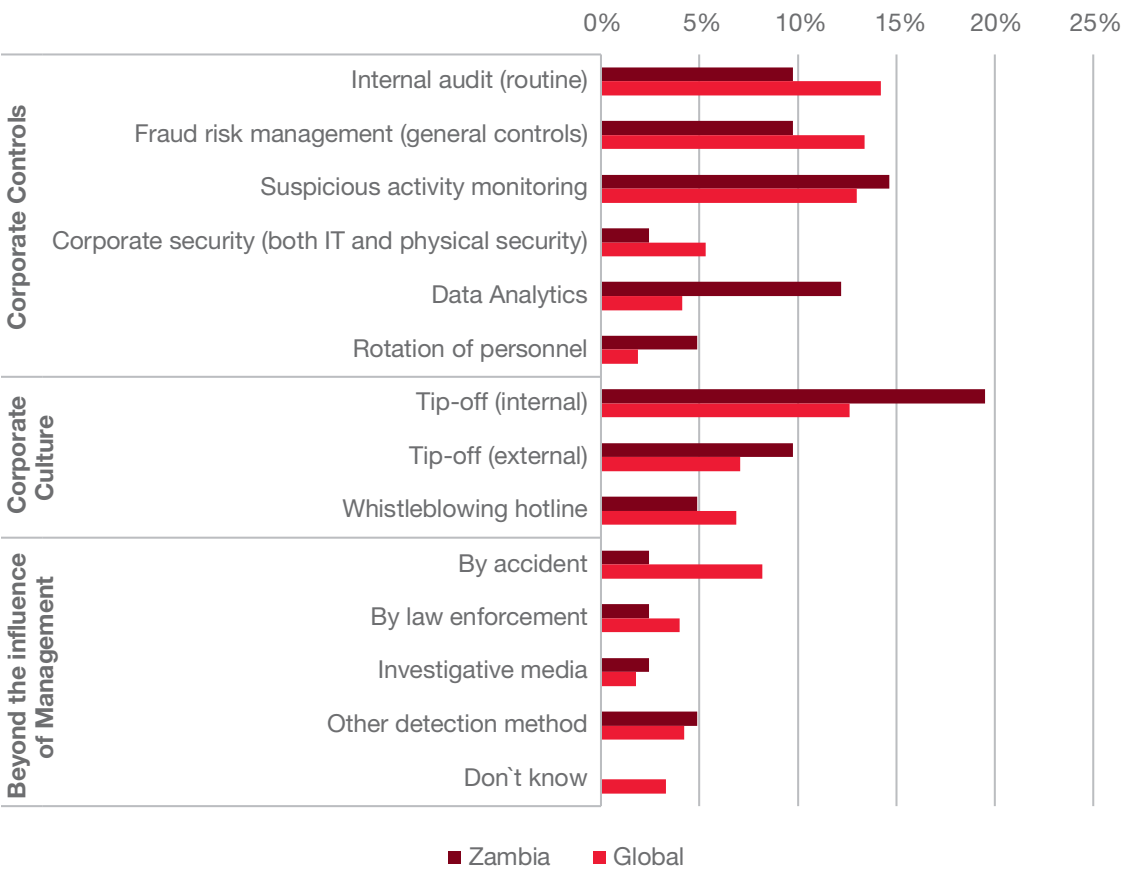


Invest in people, not just machines

Results from the survey showed that 35% of the Zambian respondents were able to detect fraud and economic crime through tip-offs, both internal and external, as well as a whistle blowing hotline compared to a global average of 27%.

This goes to show that cultivating a corporate culture where internal parties are well trained to identify fraud and feel safe to report fraudulent activities is paramount to the fight against economic crime. A whistleblower policy that not only encourages the reporting of suspicious activities but also protects the identities and welfare of the whistleblowers also goes a long way to earn the confidence of potential whistleblowers.

How was the incident of the most disruptive fraud and/or economic crime that your organization experienced initially detected?



11%

of respondents indicated that their most disruptive economic crimes were detected by avenues beyond the control of management

Beyond the influences of management

11% of respondents in Zambia indicated that their most disruptive economic crime was detected beyond the influences of management, either by accident, by law enforcement or as part of investigative media journalism.

Fraud detection that is not under the grasp of the organisation’s management runs the risk of damaging the reputation and brand of the organisation. The stream of information being released to the public with respect to the fraud is likely to be uncontrolled, misleading or distorted which provides an opportunity for competitors and other ill-intentioned adversaries to take advantage of the fraud to cause further disrepute

to the organisation. As such, the organisation’s management should endeavour to ensure that systems in place are sufficient to detect any fraudulent activity before it is in the public domain.

Prevention of economic crimes

Find the right technology to fight fraud – finding the sweet spot

With new emerging technologies, most of which can be exploited to perpetrate crime, organisations need to be vigilant and conduct an in-depth assessment of the right technology to serve the requirements of the organisation taking into account factors such as the size of the organisation, type and volume of transactions undertaken by the organisation.

Are your employees and other stakeholders comfortable enough with the mechanisms in place to deal with economic crime, to enable them to report cases of economic crime?

35%

of respondents detected incidences of economic crime from tip-offs and whistleblowers.

Are we lucky or is the organisation culture and availability of reporting channels contributing to safeguarding us from economic crimes?

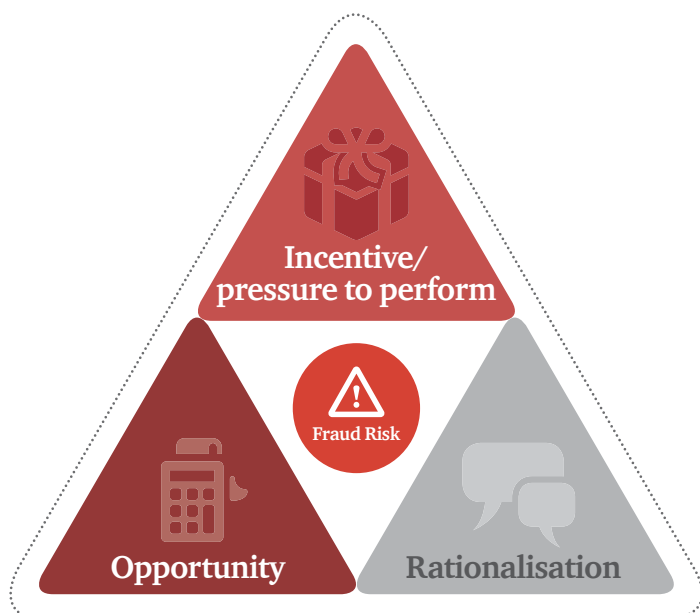
The continuous, periodic and proactive monitoring and analysis of organisation's systems including transactions, communications (emails and other organisation communication tools) for patterns and anomalies will continue being useful for the prevention and curbing of many emerging fraud activities.

The use of artificial intelligence tools such as speech recognition and machine learning software will also help to arrest economic crimes. Machine learning to curb fraud relies on system interactions with its users to discern user behaviour and the types of transactions that fall within the realm of normal. That way, machines are able to flag behaviour that is indicative of an anomaly and forward the flagged transactions to the relevant authorities for further checking and validation.

Controls and culture – the fraud triangle

The Fraud Triangle is a powerful method of understanding and measuring the drivers of internal fraud. According to the theory of the Fraud Triangle, the birth of a fraudulent act usually takes the following trajectory; it starts with pressure which is generally related to an internal issue in the organisation or a personal matter the individual is grappling with.

Then, if an opportunity presents itself, the person will usually wrestle with it psychologically. The last piece of the puzzle which enables them to move from thought to action is rationalisation. Since all three drivers must be present for an act of fraud to occur, all three must be addressed individually, in ways that are both appropriate and effective.



The antidote to pressure-openness

Corporate-sized frauds are often connected to corporate pressures including unreasonable targets, job insecurity, which can arise at any level of the organisation. Besides corporate pressures, employees may also face personal and social pressures including maintaining or improving their financial standing amongst peers, family financial difficulties, addictions and lack of a spending discipline. To address these pressures, organisations need to create an environment where employees' financial and psychological welfare is and is perceived to be a priority. Organisations need to go beyond the financial incentives and address the fear and motivations creating these pressures.

Short-term bespoke controls can serve as check on whether aggressive performance expectations are leading to fraudulent or illegal behaviour. A well-publicized open door or hotline policy can also help not only as a requisite pressure-release valve, but also as an early warning system for potential problems.

The antidote to opportunity-controls

Opportunity is the second facet of the fraud triangle and often occurs when an employee identifies a control or enforcement gap in the organisation and in which they perceive that a fraudulent activity is not likely to be detected or connected to them. Some of the things in the organisation that could lead to an opportunity for fraud include a lack of segregation of duties especially in middle management, lack of policies guiding key processes and lax enforcement on existing policies.

The antidote to rationalization- culture

While pressure and opportunity can be influenced and controlled by the organisation to some extent, the element of rationalization is only in the control of the perpetrator. Rationalisation involves the perpetrator of the fraud reconciling the fraudulent act against their own personal code of ethics and their feelings about the act they intend to commit.

The first step to providing an antithesis to rationalization is to focus on the environment that governs employee behaviour. Using surveys, focus groups and in-depth interviews, to assess the organisation's culture's strengths and weaknesses, and focus on the areas that are lax or problematic. Consistent training is also key for employees and other parties to understand what constitutes acceptable behaviour and the consequence of such actions. It is also important to set the right tone at the top to drive the adoption and normalizing of the right cultural attributes.



A Regional view of Economic Crime



64%

the reported prevalence rate of economic crime in East Africa

Prevalence of economic crimes

For the first time since the launch of GECS in 2001, we are able to compare the Zambia results against those of other comparable countries and in particular: Kenya, Uganda, Tanzania and Rwanda. Whereas we have had country specific reports and statistics in Zambia and Kenya in prior years, it is the first time that we had sufficient responses to generate reports from Tanzania, Uganda and Rwanda. We refer to these countries as well as Zambia in this report as East African countries.

Against the global rate of 49%, the East African organisations/ respondents reported an economic crime prevalence rate of 64% in the last 24 months, with Zambia organisations reporting the third highest prevalence rate at 65% and Rwanda the lowest at 47%.

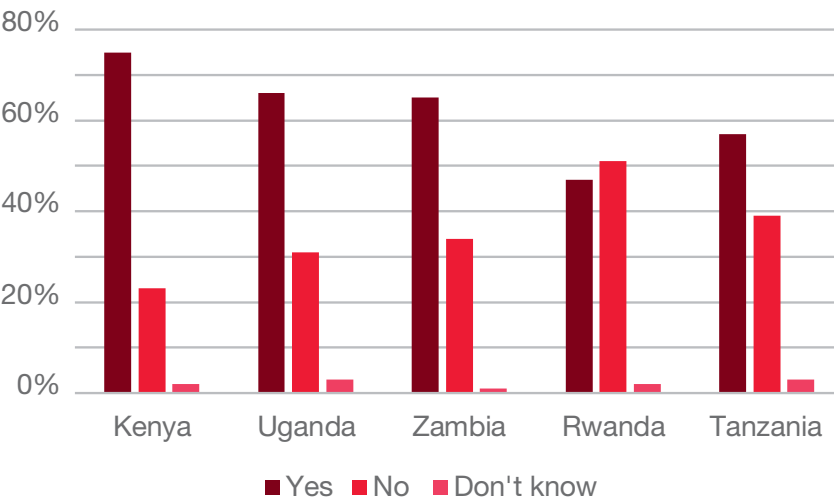
In both Kenya and Zambia, the incidence of reported economic crimes is highest in 2018 compared to the years 2014 and 2016. As evidenced by this survey, the increase in incidence of economic crimes is a regional and global problem and while each country must put measures to curb the vices at home, there must be cross-border cooperation in formulating and implementing policies that help prevent, detect and mitigate against various forms of economic crimes.



Types of economic crimes experienced in East Africa

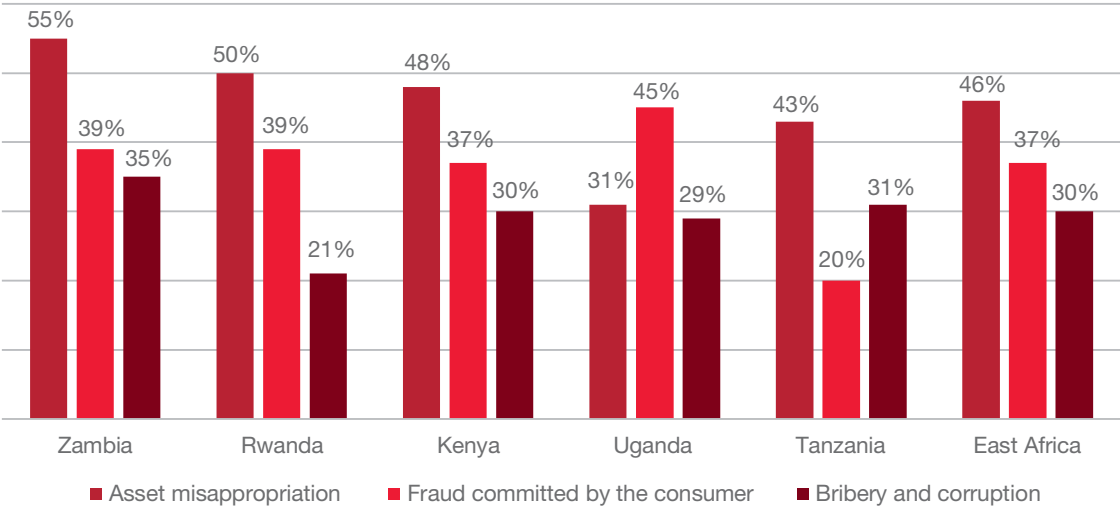
On average, the top three forms of economic crimes most experienced in East Africa were Asset Misappropriation (46%), Fraud Committed by the Consumer (37%) and Bribery and Corruption (30%).

Has your organization experienced any fraud and/or economic crime in your country within the last 24 months?



Asset Misappropriation continues to be the most prevalent form of economic crime suffered by respondents in East Africa

What types of fraud and/ or economic crime has your organization experienced within the last 24 months?



Asset Misappropriation, Fraud Committed by the Consumer, Bribery and Corruption are the most prevalent forms of economic crime in East Africa

The 2018 survey revealed that the different forms of economic crimes are experienced differently in the East African region. With the exception of Uganda, Asset Misappropriation has the highest incidence rate in all the East African countries, with Zambia respondents reporting the highest incidence rate at 55%.

In relation to the second most prevalent form of economic crime in East Africa, i.e. Fraud Committed by the Consumer at 37% incidence rate, Ugandan

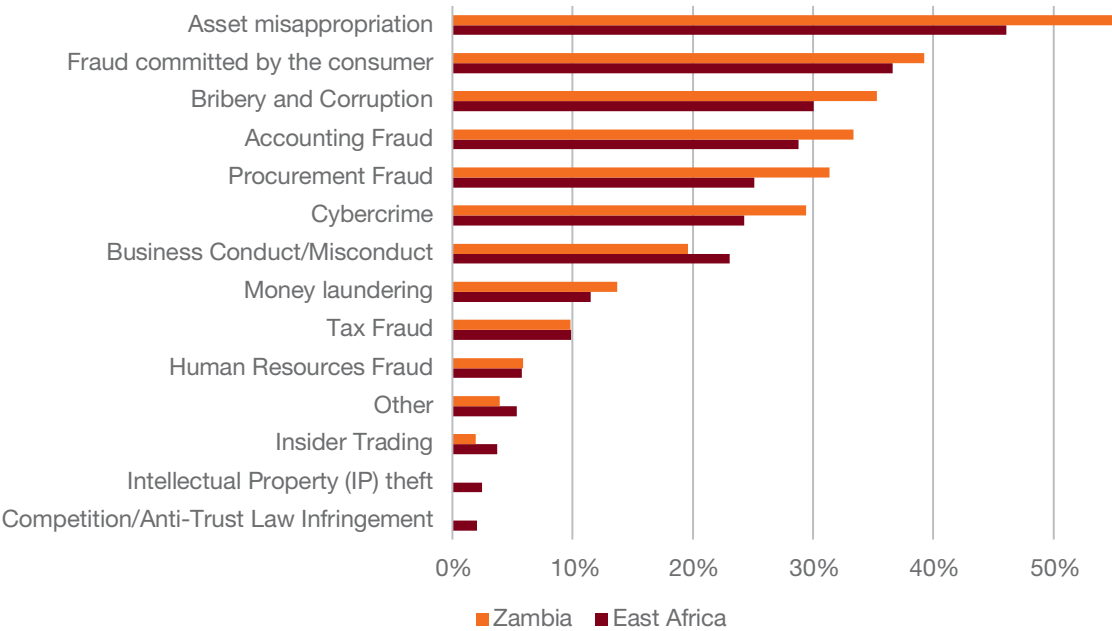
organisations reported the highest incidence of Consumer fraud at 45%.

30% of the East Africa respondents reported that they experienced Bribery and Corruption in their organisations in the last 24 months, making it the fourth most prevalent form of economic crime in East Africa. At 35%, Bribery and Corruption was the third most frequently experienced economic crime by Zambian respondents.

30%

of East Africa respondents reported that they experienced Bribery and Corruption in their organisations in the last 24 months

What types of fraud and/ or economic crime has your organization experienced within the last 24 months?



24%

of respondents in both Zambia and across East Africa reported losing between USD100K and USD 1M to the most disruptive form of crime in the preceeding 24 months

As shown in the chart above, the prevalence of various forms of economic crimes in Zambia is in some instances higher than the average incidence rates in East Africa. The respondents from Zambia did not experience Intellectual Property (IP) theft and Competition/Anti-Trust Law Infringement while the East African average for both categories of crime was 2%. In future surveys, we shall seek to assess the trends in relation to these crimes in Zambia and in East Africa.

The financial losses resulting from economic crimes in the East African region were largely similar to those of Zambia. In Zambia and in East Africa, 24% of the respondents reported to have lost between USD 100K and USD 1M to the most disruptive forms of economic crime that they experienced in the past 24 months of operations.

Compliance and business ethics programmes

According to the results of the survey, 88% respondents from Zambia and East Africa indicated that their organisations undertook periodic internal reviews to ensure that compliance and business ethics programs are effective in curbing fraud.

Other key mechanisms reported as being employed to assess effectiveness of compliance and business ethics programmes include management reporting (84% in Zambia and 77% in East Africa) and monitoring of whistleblowing reports (54% in Zambia and 52% in East Africa).

Only 40% of Zambia respondents and 44% of East Africa respondents indicated that they used an external consultant or advisor in the monitoring of compliance issues. This is of concern. An independent review of an organisations compliance and ethics programs effectiveness is necessary to provide an external perspective to areas that may not be familiar to management.

Further, since external consultants often report directly to the Board or the senior management team, they are able to break the bureaucratic barriers in the implementation of new ideas in combating economic crimes.





Conclusion

Our survey shows that many organisations are still under-prepared to face fraud, both from internal and external actors. One of the reasons for this could be because many organisations still approach risk management, fraud investigations and reporting as distinctly different functions of the organisation.

Adopting a centralized fraud management framework that is all-encompassing can go a long way in ensuring that fraud prevention is vibrant and detection and investigations are undertaken quickly and effectively. Centralizing these functions not only enhances the efficacy with which information between separate incidents is pieced together and relevant patterns drawn, it also controls for bias that may arise from self-investigation. Further, a holistic approach to fraud management also enables lessons drawn from one function to be applied to other functions within the risk management chain.

While the technological and global revolution of the 21st century demands an investment in machines and modern technology, cultural and human elements of the organisation continue to be a key factor in the detection and management of fraud as demonstrated by the results of this survey. Organisations must ensure that they have the right people with the right level of integrity and transparency needed to combat and manage

fraud. Additionally, a culture of transparency and fraud reporting must be cultivated including implementation of sound policies governing the treatment of tip offs and whistleblower activities within the organisation.

Advances in technology are essential to the success and sustainability of any modern-day organisation, but it is the people that operate the machines that will keep the interests of the organisation protected and ensure that incidents of fraud are investigated and prosecuted.

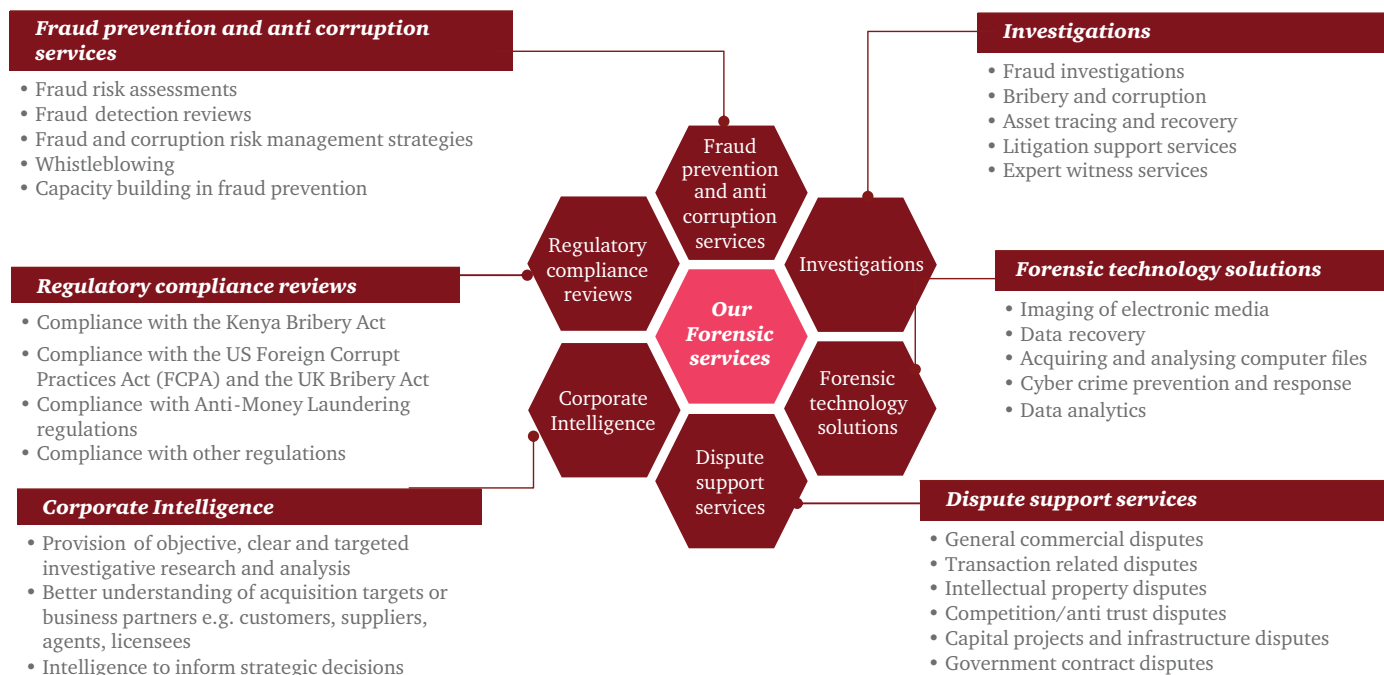
Our survey also reinforces the importance of all stakeholders converging in the fight against fraud. While the government must for instance ensure that there is a comprehensive and all-inclusive legal and enforcement framework in place, the private sector, civil society, religious leadership and indeed the entire citizenry must converge around the goal of eradication of economic crimes.

Finally, whereas fraud was seen as a costly nuisance, fighting fraud has progressed from an operational or legal matter to a central business issue. Fraud today is an enterprise that is tech-enabled, innovative, opportunistic and pervasive. It is indeed a formidable competitor that has been overlooked.

Our Comprehensive Forensic Solutions

PwC offers end-to-end active anti-corruption, fraud prevention and investigation solutions to help clients assess fraud; design, implement and maintain a fraud prevention strategy; and to develop incident response mechanisms.

Our forensics and dispute analysis professionals can robustly assist your organisation by providing a wide variety of advisory services and investigations including:



Contacts

**Want to know more about what you can do in the fight against fraud?
Contact one of our forensics specialists**

Nasir Ali
Country Senior Partner, PwC Zambia
+26 (0) 211 334 000
nasir.y.x.ali@pwc.com

Moonga Hamukale
Senior Manager
+260 (211) 334 000
moonga.hamukale@pwc.com

Muniu Thoithi
Forensics Leader, Eastern Africa
+254 20 285 5684
muniu.thoithi@pwc.com

Eric Owino
Forensics Senior Manager
+254 20 285 5692
eric.owino@pwc.com

About the survey

PwC's 2018 Global Economic Crime and Fraud Survey was completed by 7,228 respondents in 123 territories. Of the total number of respondents, 52% were senior executives of their respective organisations, 42% represented publicly-listed companies and 55% represented organisations with more than 1000 employees.

In Zambia, the Survey was completed by 79 respondents making Zambia one of the 54 countries that achieved the threshold for a country-specific report. Of the 79 respondents, 28 % were from publicly traded companies/ Listed companies, 23% from privately owned companies, 34% from Government/State-owned Enterprises, 8% from Private Equity funds and 6% from Non-governmental organisations.

www.pwc.com/zm

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 236,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwC does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2018 PricewaterhouseCoopers Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Limited which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.