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ABSTRACT

The purpose of the study was to assess the management practices on electronic fraud protection among commercial banks in Nairobi County, Kenya between the years 2015 to 2020. The specific objectives of the study were to establish the influence of communication and staff training *on fraud protection among commercial banks in Kenya. The study findings would be of great significance to the policy makers, the government, head of department and the students. The two theories that shaped the study were* Ethics Position Theory and Fraud Management Life Cycle Theory. *A descriptive design was used. The target population was 168 finance managers and 168 IT staff from the 42 commercial banks in Nairobi. A stratified random sampling approach was used for the study to ensure the presence of the key subgroups within the sample; the sample size was 77 respondents. The study instruments were questionnaires. A sample size of 15 was chosen to form the pilot study. The pilot study was conducted on 15 managers of deposit taking microfinance institutions in Nairobi County in Nairobi County. Collected data was edited thus lowering biases and increase the precision and improve on consistency. The data was then analyzed using SPSS software. Descriptive analysis and regression analysis methods were utilized. Analyzed data was visually displayed using frequency tables. The study found out that banks have implemented whistle blower's policy to prevent fraud as indicated by majority of the respondents. Majority of the respondents agreed that the organization had allocated resources to train employees through regular seminars and workshops on how to prevent and combat fraud. The study conclusion was that banks had attempted to curb electronic fraud by putting in place whistle blowing policies. Training was an important part of the strategy by commercial banks in combating fraud as employees needs to know the emerging trends in electronic fraud. The study recommended that commercial banks in Kenya should have strong whistle blower protection policy. Commercial banks should have in place regular training programs to protect the banks from cases of fraud. Commercial banks and various government investigative agencies should share data on the trends of fraud so as to enable them to form a collective response*.

Key Words: *Communication,* Organization Policies, Fraud Protection

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INTRODUCTION

In the contemporary business environment, organizations use a plethora of different management practices to support their operations. Within that framework, management practices represent an important factor that has an important impact on operations of and work in organizations, and consequently underpin the competitiveness of an organization (Avika& Hari, 2014). Within that framework, organizations use different management practices at different developmental levels of their business and in different business environments - e.g., well developed, catching-up economies. The use of adequate management practices has an important role in catching-up economies, which try to reduce their developmental lag, reduce inequality, and increase their competitiveness in comparison to the more developed economies (Ali, Ayop, Ghani &Hasnan, 2020).

Clear communication is key to preventing fraud from happening. The evolution of the digital economy at a global level has changed in no small measure how business enterprises operate, generate; and display financial data; and much more importantly, how they are audited. There has been emergence of new communication n technologies that have changed the way businesses operate. Most financial reports are now generated online and in real time and the overwhelmingly rapid adoption and implementation of e-business technology has led to new challenges for internal auditors, specifically in internal control effectiveness (Ejoh&Ejom, 2014).

Fraud can be prevalent in the workplace and business; employees need to be well trained and vigilant to prevent fraudulent offences from occurring. Fraud Training for employees is a necessary measure used to prevent fraudulent activity from occurring within an organization due to the conduct of an employee. Fraud training establishes a fair and ethical culture within a business, which is needed to ensure that corruption does not take place. To establish the necessary and most effective training for employees an organization needs to understand where the company's weaknesses are (Gamage, Lock & Fernando, 2014).

Kenya only enacted its computer misuse and cybercrime Act as recently as May 2018. In addition, the authorities are often under-resourced in terms of funding and staff hence when cases get to court; the conviction rate is very low. These contextual factors explain Africa's vulnerability to fraud, including mobile banking fraud and SIM-swap fraud, particularly in eastern western Africa. In southern Africa, where mobile banking is less popular, there is more card fraud, including counterfeiting (Lardy & Nicholas, 2014).

In Kenya, Uganda and Tanzania, back-office innovations are identified in the area of data analytics - the leveraging of large datasets of customer and transaction information to score potential borrowers, or for business intelligence purposes. Regional governments are providing incentives for research and development to researchers who continue to invest their time and skills in discovering more banking fraud protection innovations. Regional governments are pursuing a strategy to provide incentives for technology transfer from developed economies to promoting adoption of world class innovations (Ejoh&Ejom, 2014).

In Kenya, banks were victims of more than half the Sh4.1 billion ($48.3 million) fraud that hit East African banks in 2012 as technology made the crime easier. At least Ksh1.5 billion ($17.64 million) was stolen from Kenyan banks in the past one year, in schemes hatched by technology savvy bank employees (Fu-Qiang & Sajid, 2014). This can be attributed to failure by both the bank processes and the employees to detect and control fraud. Security experts say the amounts reported reflect only a small portion of the real losses suffered since banks prefer internal disciplinary measures in cases involving thieving employees. This means that banks should be on an alert and should also revise their controls to keep up with fraud (Njonde&Kimanzi, 2014).

Although fraud is one of the focuses of the Kenya Bankers Association (KBA), information is thinly available (Hassan, Mamman, & Farouk, 2013). This research seeks to fill that gap by examining fraud in the Kenyan banking industry and identifying ways in which the industry could strategically improve its fraud handling. The research covers Standard Chartered Bank. This is because it has a heavy and longtime presence in Kenya. Hence, they will make a good reference and will represent other foreign banks to an extent (Njonde&Kimanzi, 2014).

Statement of the Problem

Crime in Kenyan banks has evolved from simple crimes of petty theft and forgeries to hi-tech computer-based cybercrimes. Fraud has manifested itself in various ways for example, Forgery which is an act of commission by an individual that result in falsification of document with intent to cause deception or purported fraud. It is an act of making a copy or an imitation of something to deceive people. Fraud in Kenyan banks only prove that financial liberalization aggravates the inherent tendency of shallow markets to foster excessive speculation and worsens the systematic consequence of such speculative activity (Lardy & Nicholas, 2014). Revelations of fraud, evidence of insider trading and consequent collapse of investor interest have led to an almost unstoppable downturn in Kenyan banks. It has become a big business today for fraudsters. Research by Lipunga (2014) shows that there is not a single financial organization that is immune to fraud, and that the typical organization loses 5-7% of its annual revenues to fraud.

Global International Journal of Economics, Commerce and Management, United Kingdom Licensed under Creative Common Page 519 economic crime survey 2018, states that three quarters of Kenyan respondents reported having experienced at least one form of economic crime in the past two years. This figure is higher than the global average of 49% and the African average of 62%, it also marks a 23% increase from Kenyan "s 2016 figure (George, 2020). In addition, 37% of the respondents stated that the most disruptive economic crime over the past two years cost them at least USD100, 000. In an already challenging economic environment, losses attributable to economic crime continue to prove a challenge for Kenyan organizations. PwC "s 2018 Global Economic Crime and fraud survey found that 49% of the global organizations say they have experienced economic crime in the past two years (Julia, 2017). The above studies have been conducted on individual commercial banks and does not reflect the situation in the Kenyan banking sector, the study have not come up with clear management practices that are effective in preventing fraud in the sector which leaves a major gap, the current study filled the gap by addressing the fraud problem in the banking sector in Kenya.

Objectives of the Study

The general objective of the study was to asses' management practices on electronic fraud protection. The study's specific objectives were: -

- To establish the influence of communication on fraud protection among commercial banks in Nairobi County, Kenya
- To establish the influence of staff training on fraud protection among commercial banks in Nairobi County, Kenya

LITERATURE REVIEW

Empirical Review

Onuonga (2014) studied the effectiveness of know your client rules followed by means of industrial banks in Kenya in decreasing money laundering and fraud incidences and concluded that recognizing the purchaser controls had a great effect on the fraud incidences in business banks.

But the conceptual scope of the study was slender because it targeted on protection

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mechanisms. Vlahović (2014) carried out a study on fraud in the banking industry, a case study of Kenya. The research found that fraud is a major problem within the Kenyan banking industry, although the size of frauds conducted was relatively small and unsophisticated. Fraud detection and protection methods used in the industry were standard and no different from global standards. The fraud triangle worked effectively to predict the patterns of fraud described by respondents. Atieno (2014) focused on operational response strategies to payment card fraud through commercial banks in Kenya and concluded that a mixture of operational strategies had been put in place by the banks. But the observation was narrow because it focused on credit score card fraud only.

In the same study by Mwazo, Weda, Omondi &Njenga (2017) in which they sought to investigate the role of internal controls communication on fraud protection in Taita Taveta Treasury, the information and communication system was conceptualized as communication system, communication channels, communication structures, mutual relationships and demands of results. A survey of opinions showed that the treasury had established good communication systems, that there are good communication channels, and that there was good mutual understanding among institutional groups. The correlation analysis showed that communication systems had a positive association with service delivery.

Kiyieka and Muturi (2018) investigated the role of internal controls communication on fraud protection in deposit taking SACCOs in Kisii, Kenya. The target population was 10 deposits taking SACCOs. The researchers investigated the information and communication system and found out that deposit taking SACCOs had established a team of personnel responsible for managing the various activities in the communication system, that employees understood the importance of internal controls, and that there were guidelines and policies governing communication. The regression analysis showed that there is a positive relationship between the information and communication system and the financial performance of SACCOs in Kisii, Kenya (Kiyieka& Muturi, 2018). In an earlier study by Nyakarimi & Karwirwa (2015) to determine the link between internal control systems and fraud control in deposit taking SACCOs in Imenti North Sub-County, the results also indicated that there was a significant relationship between information and communication and fraud control in deposit taking SACCOs.

Evelyne (2017) carried out a study to investigate the effect of employee fraud management practices on fraud detection in small and micro enterprises in Migori town, Kenya. The study concludes that internal control systems rest mostly influence employee fraud management, for a control system to be described as effective, control policies and procedures must not be under the influence of one person. When such a thing happens, that individual can easily override the controls and the employee fraud increases.

Tedeschi, Vitali &Gallegati (2014) studied the impact of auditor's integrity and organizational commitment to the protection of fraud. This research was conducted using questionnaires distributed to all internal auditors who worked at East Java Representatives Office of Indonesia’s National Government Internal Auditor. One hundred and thirteen questionnaires were distributed, and fifty-seven questionnaires were received, and all have validity eligible to use in this research. The result of this research found that auditor's integrity and organizational commitment affect positively to fraud protection.

Rohana, Nooraslinda, Ainun, Normalize & Norlina M (2015) carried out a study to identify methods to detect and prevent fraud and corruption in the public sector in Malaysia and their corresponding perceived effectiveness from the accountants' point of view. This study uses structured

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questionnaires on a population sample comprising accountants and internal auditors from the Malaysian public sector. The outcomes from the study showed operational audits, enhanced audit committees, improved internal controls, implementation of fraud reporting policy, staff training, fraud hotlines and forensic accountants are among the most effective fraud detection and protection mechanisms employed in the public sector.

Theoretical Review

Ethics Position Theory

The link between moral values and moral behavior has long- intrigued social psychologists. As early as 1928, Hartshorne and May, in their Studies "In the Nature of Character', reported some surprising inconsistencies among moral values and moral actions. These researchers developed thirty-three measures of deceit – cheating, lying, and stealing – and administered these tests to hundreds of children. Although some of the children behaved immorally more consistently than others, in many cases the situation, and not the personality characteristics of the children, determined who would yield to temptation. Furthermore, when Hartshorne and May extended their studies by searching for other aspects of the children's' moral outlook that would better predict their actions, their efforts proved fruitless. Measures of their moral values, knowledge, and judgments about moral dilemmas were only weakly related to actual conduct (Fu-Qiang & Sajid, 2014).

While moral behavior remains an unpredictable puzzle for psychological researchers, some success has been achieved recently by taking individuals 'personal moral philosophies into consideration. Writing in the Journal of Personality and Social Psychology in 1980, Forsyth argued that individual variations in approaches to moral judgment and behavior may be conceptualized in terms of two basic dimensions: relativism and idealism. First, while some personal moral codes emphasize the importance of universal ethical rules like "Thou shalt not lie," others maintain a posture of relativism that skeptically rejects universal principles conduct (Fu-Qiang & Sajid, 2014). Second, while a fundamental concern for the welfare of others lies at the heart of some individuals' moral codes, others do not emphasize such humanitarian ideals; the former assume that we should avoid harming others, while the latter assume harm will sometimes be necessary to produce good conduct (Fu-Qiang & Sajid, 2014). Hence some people will commit fraud with the assumption that this will produce good outcomes. The theory relates to organization policies variable, one of the basic building blocks of an ethical work environment is a code of business conduct or ethics. Organizations can supplement this with specific policies to address fraud along with other illegal acts. The theory relates to communication and staff training variables as staff can be trained to effectively communicate when suspicious fraud activities are detected. Reporting suspected fraud activities is an ethical issue which should be encouraged in the organization through training.

Fraud Management Life Cycle Theory

Vlahović (2014) describes fraud management lifecycle as a network life cycle. Webster's dictionary refers to a lifecycle as "a series of stages in form and functional activity through which an organism passes between successive recurrences of a specified primary stage" (1997, 1976, &1941) and also refers to a network as "an interconnected or interrelated chain, group or system" (1997, 1976, & 1941). The Fraud Management Life Cycle is made up eight stages: deterrence, prevention, detection, mitigation, analysis, policy, investigation, and prosecution. This theory states that the last stage, prosecution, is the culmination of all successes and failures in the Fraud Management Lifecycle. There are failures because the fraud was successful and successes because the fraud was detected, a suspect was identified, apprehended, and charges filed. The prosecution stage includes asset

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recovery, criminal restitution, and conviction with its attendant deterrent value (Vlahović, 2014).

The interrelationships among each of the stages or nodes in the Fraud Management Network are the building blocks of the fraud management life cycle theory. Julia (2017) notes that the theory is important because it vividly shows the stages of fraud risk management in a sequential manner. In addition, the theory also shows what institutional processes should put in place for fraud to be effectively managed. The theory however does not explain the drivers of fraud within the commercial banks. This theory assumes uniform cultural, legal, and technological applications in the management of fraud. This theory does not attempt to explain fraud management practices in an environment when such systems and processes fail. The theory relates to staff training variable where the staff can be training to detect fraud at their various stages.

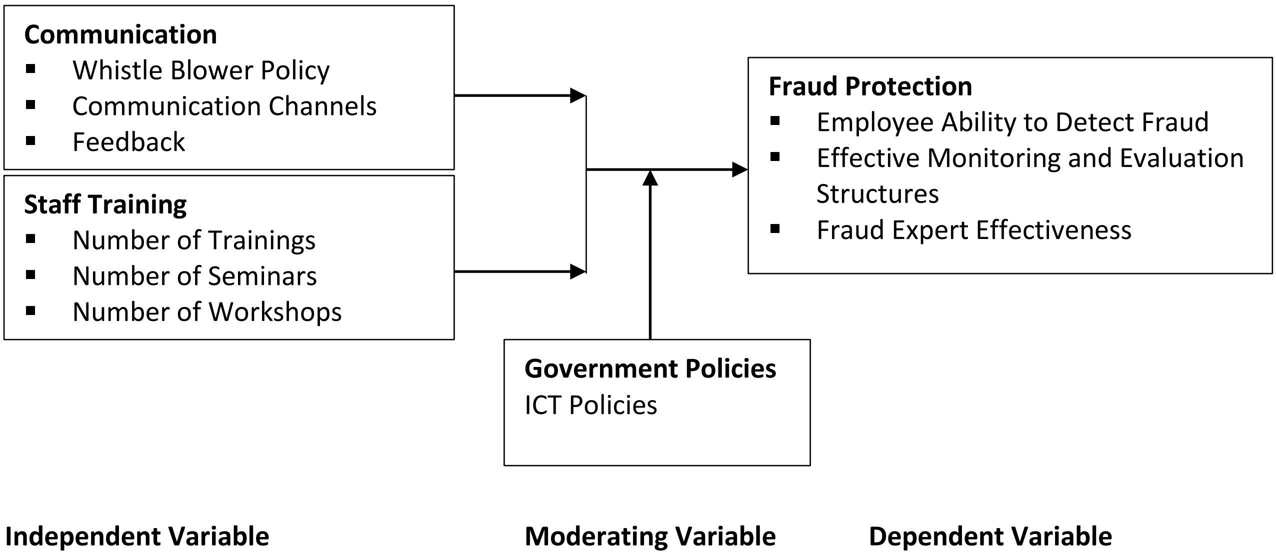

Figure 1: Conceptual Framework

Communication has a major effect on fraud protection. The organization needs to ensure Whistle Brower Policy, Communication Channels and Feedback are in place. The financial and banking industry is among the primary targets of any crime, including cyber. It is literally where the money is. The client information that banks store is also of interest because it could be used to commit identity theft and fraud. To counter these threats, the banking industry needs to secure its communications. At the same time, a successful breach costs companies in the sector much more than the sums of money they will potentially have to restore. The reputational damage from the implication that a bank is ill-equipped to protect its customers' assets could cost it its business (Avika& Hari, 2014).

Training seminars and workshops are important in fraud protection. Most fraudulent activity can be caught by putting effective internal processes and procedures in place to minimize the chances for illegal behavior. But don't forget one of the best sources of fraud protection: your employees. To detect and prevent fraud, employees must first know what to look for, and then what to do about it. Employee fraud can take place in many ways, but by far the most common involves accounting, accounts payable, and payroll functions. To commit fraud, it helps to have access to money and accounts. Employees who submit expenses reports are also prime sources of fraud, especially if your internal controls are weak (Fu-Qiang & Sajid, 2014).

Developing an anti-fraud culture is crucial in the fight against fraud. A fraud policy is an

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important tool used to communicate an organization's position, and processes, when it comes to fraud. It outlines what will happen if fraud does strike. A fraud policy raises awareness amongst staff that response plans have been devised, to deal with and minimize the damage caused by any fraudulent attack. By explicitly defining actions that constitute fraud banksensure that all employees and third parties are aware of what is and is not acceptable (George, 2020).

METHODOLOGY

The study adopted mixed methodology. Mixed methodology research is a methodology for conducting research that involved collecting, analyzing, and integrating quantitative (e.g., 5-point liker scale questionnaire scale) and qualitative (e.g., interviews) research. The research design adopted a descriptive survey research design that ensured collections and descriptive analysis of data from the population of study. The study was conducted in Nairobi Kenya where all the 42 commercial banks had their head offices. The population of study in this research were the employees in the 42 commercial banks in Nairobi, Kenya. A stratified random sample was adopted to select the number of employees as the population was heterogeneous. Questionnaires were used in collecting information from the managers of 42 commercial banks in Kenya. Primary data was obtained from the questionnaires. Secondary data-Secondary data was obtained from literature sources, central banks of Kenya websites from the years 2015 to 2020, data collected by other people for other purposes. Multiple regression method was used to decide the relationship between dependent and independent variables.

FINDINGS

Descriptive Statistics

This segment showed descriptive statistics outcomes on Communication and Staff Training.

Communication

Table 1: Communication

	N	Mean	Std. Deviation
The banks have implemented whistle blower's policy to prevent fraud	69	3.6522	.88826
Banks have put in place effective communication channels to prevent fraud	69	3.0000	1.38267
Communication channels in place allows feedback	69	4.3768	.80625
Communication channels in place allows wider reach	69	4.1762	.70625
Communication channels in place allows advocacy	69	2.9565	1.27688

Source; Researcher (2021)

Table 1 showed that majority of the respondents agreed that banks have implemented whistle blower's policy to prevent fraud protection as evidenced by (Mean=3.6522, Standard Deviation=0.88826), this shows the banks have attempted to curb electronic fraud by putting in place whistle blowing policies. Majority of the respondents were neutral that banks have put in place effective communication channels to prevent fraud as evidenced by (Mean=3.000, Standard Deviation=1.38267), this shows that banks have allowed free flow information to some extent to allow information to be shared on how banks can prevent fraud from happening, the study findings disagrees with findings by Julia (2017) who observed that lack of efficient information flow and poor utilization of communication channels by staffs inhibited protection of frauds, there existed

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poor reporting mechanism for activities in most of the organizations

Majority of respondents agreed that communication channels in place allows feedbacks shown by (Mean=4.3768, Standard Deviation=0.80625), this shows that majority of banks have allowed feedback from employees to encourage sharing information that is important in curbing fraud, feedback is an important factor in fraud protection, the study findings collaborates with Mwazo et al., (2017) who argued that the treasury had established good communication systems, that there are good communication channels, and that there was good mutual understanding among institutional groups. Majority of respondents agreed that communication channels in place allows wider reach as evidenced by (Mean=4.1762, Standard Deviation=0.70625), this shows that communication channels reach wider people who are willing to volunteer information to banks that will be useful in fraud protectionthe study findings collaborates with Mwazo et al., (2017) who argued that the treasury had established good communication systems, that there are good communication channels, and that there was good mutual understanding among institutional groups. Majority of respondents were neutral that communication channels in place allows advocacy as shown by (Mean=2.9565, Standard Deviation=1.27688), this shows that banks to some extent have used communication channels to advocate the importance of fraud protection. The study findings collaborate with Kiyieka and Muturi (2018) who argued that deposit taking SACCOs had established a team of personnel responsible for managing the various activities in the communication system, that employees understood the importance of internal controls, and that there were guidelines and policies governing communication.

Staff Training

Table 2: Staff Training

	N	Mean	Std. Deviation
The organization has allocated resources to train employees how to combat fraud.	69	3.5072	1.26750
There are regular seminars to prevent fraud	69	3.5362	1.07894
Employees have learnt mechanisms of detecting fraud.	69	3.5362	.85025
There are regular workshops to prevent fraud	69	3.5797	1.06282
Training has improved motivation to effectively handle fraud cases	69	4.1884	.75294
Internal auditors need regular training on fraud detection and protection.	69	4.3043	.71341
Forensic accountants are regularly trained on effective fraud detection and protection mechanisms	69	4.4058	.69280
The case of fraud has significantly reduced	69	4.6667	.58578

Source; Researcher (2021)

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Table 2 staff training showed responses on staff training. On whether the organization has allocated resources to train employees how to combat fraud, majority of the respondents agreed as evidenced by (Mean=3.5072, Standard Deviation=1.26750), this shows that training was an important part of the strategy by commercial banks in combating fraud as employees needs to know the emerging trends in electronic fraud. The study findings collaborate with Rohana et al., (2015) who argued that operational audits, enhanced audit committees, improved internal controls, implementation of fraud reporting policy, staff training, fraud hotlines and forensic accountants are among the most effective fraud detection and protection mechanisms employed in the public sector.

Majority of the respondents agreed that there are regular seminars to prevent fraud as shown by (Mean=3.5362, Standard Deviation=1.07894), this shows that the seminars organized by banks aimed at sharing information on new trend s in electronic fraud, the seminars need to include all stakeholders in security sector. The study findings collaborate with Rohana et al., (2015) who argued that operational audits, enhanced audit committees, improved internal controls, implementation of fraud reporting policy, staff training, fraud hotlines and forensic accountants are among the most effective fraud detection and protection mechanisms employed in the public sector.

Majority of the respondents agreed that employees have learnt mechanisms of detecting fraud as evidenced by (Mean=3.5362, Standard Deviation=0.85025), this shows that there is continuous learning on emerging trends in crime although more needs to be done since electronic fraud keeps on evolving. The study findings agree with Tedeschi et al., (2014) who argued that auditor's integrity and organizational commitment affect positively to fraud protection. Majority of the respondents agreed that there are regular workshops to prevent fraud, this was indicated by (Mean=3.5797, Standard Deviation=1.06282), this shows that workshops have been an integral part of training staff on electronic fraud, seminars need to enlighten staff on emerging trends on electronic fraud in the banking sector. The study findings collaborate with Rohana et al., (2015) who argued that operational audits, enhanced audit committees, improved internal controls, implementation of fraud reporting policy, staff training, fraud hotlines and forensic accountants are among the most effective fraud detection and protection mechanisms employed in the public sector.

On whether training has improved motivation to effectively handle fraud cases, majority of respondents agreed as evidenced by (Mean=4.1884, Standard Deviation=0.75294), this shows that training improves awareness on electronic fraud, training equips employees with skills on fraud protection. Respondents agreed that internal auditors need regular training on fraud detection and protection as shown by (Mean=4.3043, Standard Deviation=0.71341), this shows that internal auditors are integral part of fraud protection in the banking sector.The study findings agree with Tedeschi et al., (2014) who argued that auditor's integrity and organizational commitment affect positively to fraud protection.

On whether forensic accountants are regularly trained on effective fraud detection and protection mechanisms, majority of respondents agreed as evidenced by (Mean=4.4058, Standard Deviation=0.69280), this shows that forensic accountant are part are important in fraud protection in the banking sector. The study findings agree with Tedeschi et al., (2014) who argued that auditor's integrity and organizational commitment affect positively to fraud protection. On whether cases of fraud have significantly reduced, majority of the respondents agreed as evidenced by (Mean=4.6667, Standard Deviation=0.58578).

Fraud Protection

Table 3: Fraud Protection

	N	Mean	Std. Deviation
The bank has been experiencing cases of fraud	69	3.6957	.91240
The bank has put in place strategies to prevent fraud	69	3.9420	.99829
The bank has been reviewing fraud protection strategies	69	3.9565	.96154
The bank creates awareness on fraud	69	4.0725	.92861
The bank has hired experts to control fraud	69	4.2319	.78861
Fraud protection strategies have been effective	69	4.3188	.75718

Source; Researcher (2021)

Table 3 showed summary on fraud protection, on whether the bank has been experiencing cases of fraud, majority of the respondents agreed as evidenced by (Mean=3.6957, Standard Deviation=0.91240), this shows there has been a rise in the number of fraud cases reported. The study findings agrees with Tedeschi et al., (2014) who argued that Kenya's banking sector lost 761 million shillings in three months of August to October 2010. However, CBK estimates that 1.5 billion shillings had been lost by Kenyan banks in 2012 through frauds. Majority of respondents agreed that the bank has put in place strategies to prevent fraud as shown by (Mean=3.9420, Standard Deviation=0.99829), this shows that there were strategies in place by banks aimed at fraud protection. The study findings agrees with Tedeschi et al., (2014) who argued that despite various innovative strategies being put in place by commercial banks, fraud cases continue to be reported which leave a major gap.

On whether the bank has been reviewing fraud protection strategies majority of the respondents agreed as indicated by (Mean=3.9565, Standard Deviation=0.96154), this shows that banks were proactive in fighting fraud cases. The study findings agrees with Atieno (2014) who focused on operational response strategies to payment card fraud through commercial banks in Kenya and concluded that a mixture of operational strategies had been put in place by the banks. But the observation was narrow because it focused on credit score card fraud only.

On whether banks create awareness on fraud, majority of the respondents agreed as evidenced by (Mean=4.0725, Standard Deviation=0.92861), this shows that the banks made aware to the customers on the fraud cases and how to prevent them. On whether the bank has hired experts to control fraud, a big number of the respondents agreed as shown by (Mean=4.2319, Standard Deviation=0.78861), this shows that there were experts on fraud protection among banks. On whether fraud protection strategies have been effective, majority of the respondents agreed as shown by (Mean=4.3188, Standard Deviation=0.75718). The study findings disagrees with Tedeschi et al., (2014) who argued that despite various innovative strategies being put in place by commercial banks, fraud cases continue to be reported which leave a major gap.

CONCLUSION AND RECOMMENDATIONS

Majority of the respondents agreed that banks have implemented whistle blower's policy to prevent fraud protection. Majority of the respondents were neutral that banks have put in place effective communication channels to prevent fraud. Majority of respondents agreed that communication channels in place allowed feedback. Majority of respondents agreed that communication channels in place allowed wider reach. Majority of respondents were neutral that communication channels in place allows advocacy

On whether the organization has allocated resources to train employees how to combat fraud, majority of the respondents agreed. Majority of the respondents agreed that there are regular seminars to prevent fraud, this shows that the seminars organized by banks aimed at sharing information on new trend s in electronic fraud, the seminars need to include all stakeholders in security sector.

The study conclusion was that banks have attempted to curb electronic fraud by putting in place whistle blowing policies. Banks have allowed free flow information to some extent to allow information to be shared on how banks can prevent fraud from happening. Majority of banks had allowed feedback from employees to encourage sharing information that is important in curbing fraud, feedback is an important factor in fraud protection. Communication channels reached wider people who were willing to volunteer information to banks that will be useful in fraud protection. Banks have used communication channels to advocate the importance of fraud protection.

Training was an important part of the strategy by commercial banks in combating fraud as employees needs to know the emerging trends in electronic fraud. The seminars organized by banks aimed at sharing information on new trend s in electronic fraud, the seminars need to include all stakeholders in security sector to effectively deal with cases of fraud. Training needs to be conducted on regular basis. Training improves awareness on electronic fraud, training equips employees with skills on fraud protection. Internal auditors are integral part of fraud protection in the banking sector. On whether forensic accountants are regularly trained on effective fraud detection and protection mechanisms. Forensic accountants are important in fraud protection in the banking sector.

The study recommended that commercial banks in Kenya should have strong whistle blower protection policy. The policy should be in line with government policy on whistle blowers' protection. Commercial banks should work with government agencies to protect whistle blowers. Information shared by junior staff on cases of fraud should be kept confidential and only need to be shared to government agencies. Any information shared on fraud should only reach the intended persons.

Commercial banks should have in place regular training programs to protect the banks from cases of fraud. Training seminars organized by commercial banks seminars need to include all stakeholders in security sector to effectively deal with cases of fraud. Training should improve awareness on fraud by equipping employees and various stakeholders with skills on fraud protection. Banks forensic auditors should form part of the training on fraud protection.

Suggestion for Further Studies

The study objective was to ascertain the management practices on electronic fraud protection among commercial banks in Nairobi County, Kenya. The research findings narrowed into four variables namely, communication, organization policies, staff training and data monitoring. Suggestion for further study is recommended to identify other management practices on electronic fraud protection. Further research is necessary to identify management practices on electronic fraud protection among other financial institutions like SACCOs and microfinance institutions.

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