

GSJ: Volume 10, Issue 10, October 2022, Online: ISSN 2320-9186
www.globalscientificjournal.com

**FRAUD AND FINANCIAL PERFORMANCE OF SELECTED
ACCOMMODATION ESTABLISHMENT IN KIGALI, RWANDA:
THE CASE OF NOBLEZA HOTEL IN THE KICUKIRO DISTRICT**

MANISHIMWE EMMANUEL

MBA/2020/66299

**A Research Project Submitted in Partial Fulfillment of the Requirement for
the Award of a Degree of Masters of Business Administration (Accounting
Option) of Mount Kenya University**

OCTOBER 2022

DECLARATION

This research study is my original work and has not been presented to any other institution. No part of this research should be reproduced without the authors' consent or that of Mount Kenya University.

Signature _____ Date ____/____/____

Student name: Manishimwe Emmanuel

Declaration by the supervisor

This research project has been submitted with our approval as the Mount Kenya University supervisor

Signature _____ Date ____/____/____

Name: Dr. Osiemo A. Kengere

DEDICATION

I dedicate my work to Mr. Mageza Jean Damascene for his relentless support, I am so grateful to all of other who continuously gave me support to achieve my academic goal. May God bless you.

ACKNOWLEDGEMENT

Firstly, I'm humbly thanking to almighty God for life and support I'm also wish to recognize every single person who contributed to the successful completion of this study. I give special thanks to my supervisor Dr. Osiemo A. Kengere for his relentless support and guidance to ward successful completion of this study. I'm also acknowledging Nobleza hotel, lastly grateful to school of business and economy of Mount Kenya University Rwanda for their support. Kindly accept my appreciation for your numerous supports.

ABSTRACT

Fraud is global accounting challenge that affects financial performance of organizations. Fraud is the problem that has been existence from many years ago, fraud in Rwanda has increased and continue to be increased because of lack of professional ethics. Fraud affects organizations by loss of resource which can cause low working capital for organizations and lead to loss of customer's loyalty and lost resources for investment. The general objective of the study was to assess fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel. Specific objectives were: to analyze the effect of elements of fraud and financial performance, to identify the reasons of fraud and financial performance, to establish conditions necessary to minimize the fraud and financial performance of selected accommodation establishment at Nobleza Hotel. The significance of the study gives an advantage to researcher and the policy makers or regulators to prevent measures and fraud detection tools. The study used the descriptive research surveys design with quantitative method. This study used Census sampling techniques, target population was 115 employees of Nobleza Hotel. The study used a Census method and sample size was 115 employees working at Nobleza Hotel. During data collection, researcher used the structured questionnaire for data collection. The Cronbach alpha coefficient formula was used to find out the reliability and validity of instruments. The Statistical Product and Service Solutions (SPSS) version 21 software was used during data analysis. The inferential statistics with standard deviation and regression were used to found out relationship between variables. The tables were used for data presentation and interpreted by using the frequencies. On the effect of the elements of fraud on financial performance; the overall mean of results was 4.218 that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that elements of fraud give any impact on financial performance. The correlation between frauds and financial performance was $r=0.810$, and statistically significant with $p\text{ value}=0.000$. On the reasons of fraud in accommodation establishment; the overall mean of results was 4.062 that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the reasons of fraud in accommodation establishment affect the financial performance, the correlation was $r=0.747$, and it was statistically significant with $p\text{ value}=0.000$. On the conditions necessary of minimizing the fraud in accommodation establishment and financial performance, the overall mean of results was 4.274 that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the conditions necessary to minimize the fraud in accommodation applied increase the financial performance at Nobleza Hotel, the correlation was $r=0.778$, and it was statistically significant with $p\text{ value}=0.000$. It concludes that fraud financial affect the financial performance and they have relationship. It recommends that accommodation establishment should implementation anti-fraud measures and improve internal control system which help them to upsurge the financial performance.

TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
TABLE OF CONTENTS	vi
LIST OF TABLES	xi
LIST OF FIGURES	xiii
LIST OF ACRONYMS AND ABBREVIATIONS	xiv
DEFINITION OF OPERATION KEY TERMS.....	xvi
CHAPTER ONE: INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background of the study	1
1.2 Problem Statement	4
1.3 Objectives of Study.....	5
1.3.1 General objective	5
1.3.2 Specific Objectives	5
1.4 Research Questions	6
1.5 Significance of the Study	6

1.6 Limitation of the Study	7
1.7 Scope of the Study	7
1.7.1 Context scope.....	7
1.7.2 Geographic scope.....	8
1.7.3 Time scope	8
1.8 Organization of the study.....	8
CHAPTER TWO: REVIEW OF RELATED LITERATURE.....	9
2.0 Introduction.....	9
2.1 Theoretical Literature.....	9
2.1.1 Fraud	9
2.1.2 Financial Performance	11
2.1.3 Accommodation establishment.....	12
2.2 Empirical literature	13
2.2.1 Elements of Fraud and financial performance	13
2.2.2 Reasons of fraud in accommodation and financial performance.....	14
2.2.3 Conditions necessary of minimizing the fraud and financial performance	15
2.3 Critical Review and Research Gap Identification.....	16
2.4 Theoretical Framework.....	17
2.4.1 The Fraud Scale Theory.....	17
2.4.2 The Theory of Fraud	17

2.4.3 Theory of Reasonable Action	19
2.4.4 The Anomic Theory on Fraud (ATF)	19
2.5 Conceptual Framework	20
2.6 Summary	21
CHAPTER THREE: RESEARCH METHODOLOGY	22
3.0 Introduction	22
3.1 Research Design	22
3.2 Target Population	22
3.3 Sample Design	23
3.3.1 Sample Size	23
3.3.2 Sampling Techniques	23
3.4 Data Collection Methods	23
3.4.1 Data Collection Instrument	24
3.4.2 Administration of Data Collection Instruments	24
3.4.3 Reliability and Validity	25
3.4.3.1 Reliability	25
3.4.3.2 Validity	25
3.5 Data Analysis Procedure	25
3.6 Ethical Consideration	26
CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION	28

4.0 Introduction.....	28
4.1 Demographic characteristics of respondents	28
4.2 Presentation of findings	31
4.2.1 Effects of elements of fraud and financial performance.....	31
4.2.2 Reasons of fraud in accommodation.....	35
4.2.3 Conditions necessary of minimizing the fraud in accommodation.....	39
4.2.4 Financial performance	44
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	46
5.0 Introduction.....	46
5.1 Summary of findings.....	46
5.1.1 Demographic characteristics of respondents	46
5.1.2 Effects of elements of fraud and financial performance.....	47
5.1.3 The Reasons of fraud in accommodation and financial performance.....	48
5.1.4 Conditions necessary of minimizing the fraud and financial performance	50
5.1.5 Financial performance	51
5.2 Conclusions.....	52
5.3 Recommendations.....	54
5.4 Suggestions for further studies.....	54
REFERENCES.....	55
APPENDICES.....	60

Appendix I: Research clearance letter	61
Appendix II: Research acceptance letter.....	62
Appendix III: Consent form.....	63
Appendix IV: Data collection instruments	64

LIST OF FIGURES

Figure 2. 1 Conceptual Framework.....	20
--	----

© GSJ

LIST OF TABLES

Table 3.1: Target population and Sample size determination.....	23
Table 4. 1 Gender	28
Table 4. 2 Age	29
Table 4. 3 Education level.....	30
Table 4. 4 Job Position	30
Table 4. 5 Effects of elements of fraud on financial performance	32
Table 4. 6 Relationship between elements of frauds and financial performance	33
Table 4. 7 Model Summary.....	34
Table 4. 8 ANOVA ^a	34
Table 4. 9 Coefficients ^a	35
Table 4. 10 The Reasons of fraud in accommodation.....	36
Table 4. 11 Relationship between the Reasons of fraud in accommodation and financial performance	37
Table 4. 12 Model Summary	38
Table 4. 13 ANOVA ^a	38
Table 4. 14 Coefficients ^a	39
Table 4. 15 Conditions necessary to minimize the fraud in accommodation	40
Table 4. 16 Relationship between the Conditions necessary to minimize the fraud in accommodation and financial performance	41
Table 4. 17 Model Summary	42
Table 4. 18 ANOVA ^a	43
Table 4. 19 Coefficients ^a	43
Table 4. 20 Financial performance.....	44

LIST OF ACRONYMS AND ABBREVIATIONS

ACFE:	Association of Certified Fraud Examiner
ACFE:	Association of Certified Fraud Examiners
AICP:	American Institute of Certified Public Accountants
ATM:	Automatic Teller Machine
CMA:	Capital Market Authority
EFT:	Electronic Fund Technology
GDP:	Gross Domestic Product
ISA:	International standard on Auditing
ISACA:	Information System Audit and Control Association
NBFI:	Non-Banking Financial Institution
NPPA:	National Public Prosecution Authority
RDB:	Rwanda Development Board
RIB:	Rwanda Investigation Bureau
RNB:	Rwanda National Bank
ROA:	Return on Asset
ROE:	Return on Equity
RWF:	Rwandan Franc

SPSS: Statistical Product for Service Solutions

TRA: Theory of Reasonable Actions

UN: United Nation

US\$: United States dollar

© GSJ

DEFINITION OF OPERATION KEY TERMS

- Fraud** : It is an intentional activity done by an individual or group of individuals among management those charged with workers involving in illegal advantage or use of deception or refer deliberate manipulation that led institutions to suffer damage especial monetary loss.
- Performance** : It refers to accomplishment of objectives or goals by using an appropriate planning schedule to achieve the expected result. Performance is what the organization hires one to do, and do well. It is not defined by the action itself but by judgmental and evaluative processes.
- Financial performance** : It is defined as to accomplish attainment of financial objective as expressed in monetary values.
- Accommodation establishment** : It refers to independent entity (hotel, a motel, guest house) owned and controlled by an individual or group of individuals providing overnight lodging or rooms service.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter introduces the background of the study, statement of the problem, objectives of the study, research question, significance of the study, limitations of the study, scope of the study and organization of the study.

1.1 Background of the study

Fraud is a global challenge affecting whole institutions financial fraud has existed for longtime. Fraud affects institution performance and can lead to much loss organization resources such as loss of customer's loyalty, embezzlement of fund available for operation (Bello & Oroh. 2019)

Currently the financial fraud in the Rwandan financial institutions industry has assumed caused huge fear proportion. Fraud is big challenge that faced the global business, no any organization possess immune to the misrepresentation. The most worry currently is to increase the wave of fraud in most organizations. Financial fraud if keep neglected might lead highly turnover of fraud, embezzlement of organization resources, forgeries and theft in banking financial institutions this lead this undermine the organization performance, development and stability. According to (ACFE) Association of Certified Fraud Examiners (2020), annual financial fraud survey report, reveal that institution loses 5% of its revenue to embezzlement to each year, there are more than 3.3 billion of people who are employee in word wide, and most of them have access and control of their employer's asset or financial therefore there are ones seek illegal opportunities or gain. As report revealed that there are trillions of dollars in losses every year. The study was done by CFE in 2020 their study covered 2504 cases from 125 countries causing

total of resources losses more than 3.6 billion, analysis the different region of the world number of fraud committed each year revealed that united states and Canada have higher percentage of fraud case than other rest part of the world with 895 cases (46%), Asia with 301 cases (15%) Europe with 233 cases (12%), Latin America with 101 cases (5%), middle east and north Africa with 127 cases (7%) and with 301 and sub-Sahara Africa where Rwanda located with 301cases (15%). The grate lesson ACFE revealed is no any organization is immune from financial fraud and these crimes can occurred anywhere within organization.

The study has done by Kroll (2020) reveals that 57% of all institution's turnover reported suffering from at least one kind of financial fraud. It was raised from the previous year in the year 2019, currently global fraud and risk report shows there are estimated to be improving over 1.75 trillion a year of financial misrepresentation. This led to imperative that institutions should implementation the policy to minimize the chance of financial fraud occurring. And this policy can be done through introducing good governance of organization, anti-fraud measures and effectiveness internal control.

The concept financial fraud focuses on intentional action of individual or group of individuals to deceive organization or take organization resources in term of deceitfully, the surviving of any institution is depended on its effective management ability to prevent any misrepresentation and level adoption of auditing practice, organization growth and survivals are depended on accounting methods the way organization protect from fraud and fraudulent activities. The most policy to eliminate completely fraud and fraudulent activities in any institution either private or public is the constant verification and review of the accuracy of financial books and accounts (Bello & Orah, 2019).

The effect of financial fraud and corporate scandals help to remind organization management the essential prevent measure and precaution their own institution from such failures. In recent history most scandal financial misrepresentation is held Volkswagen diesel scandal. According reports shows Volkswagen installed cheat devices on 10 million motor vans worldwide from 2009 to 2015 due to deceive emissions discover test and wrong market themselves (Ewing, 2018).

According association of certified fraud examiners (2020), financial fraud becoming a global big problem. Financial fraud from 1978 to 2020 the number trend up in 2003. The covid-19 pandemic increased fraud even though resulted economic shutdown and devastated firm's capital through the world economy. This change improves fraud of all types such as financial misrepresentation, information frictions and loss of trust in organization

According to the New Times (2019) the statistics from Rwanda investigation bureau (RIB), during year of 2019 a total of 446 cases of fraudulent have been recorded, involved 767 people who are arrested suspects. Majority of those suspects were convicted and sentences while others are still in judicial process. To compare Rwanda and those other eastern African countries such as (Tanzania, Uganda, and Kenya) overall 47% of Rwandan respondents shows they experience one type of financial fraud by the survey. This percentage is lower than the global average 49%, financial fraud over the preceding over RWF 45.5Millions. The institutions in Rwanda are to vet to promote the culture of zero tolerance to any fraud.

According to auditor general report (2020), the national public prosecution authority (NPPA) handled 92 cases related to financial fraud of Rwf537 millions lost in fraudulent activities was

returned before some of the cases went to trial. Prosecution has also taken 373 cases to court over financial fraud.

1.2 Problem Statement

Financial fraud is global challenge that leads to undermine the business, organization and institutions. It can cause the losses that persistence to pose significance problems in industry despite advances in fraud detection technology. Global fraud study report to the publication of the Association of Certified Fraud Examiner (ACFE) on occupational fraud indicates that typical organization losses 5% of its accounting period income to fraud. According to Kroll (2020), 57% of institutions that suffering from at least one kind of fraud, and it was raised from previous year of 2019 which was 61%.

Different researches have in Africa most businesses are suffered from financial fraud. Kanneh (2021) carried out a study on the financial fraud in the public sector a case study of Rwanda. The study revealed that insufficiency internal audit of financial statement rises the chance of fraud.

Ernst & Young (2018) 37% respondents of different establishment globally reveals that they experienced various kind of fraud that occur in their establishment, and the number of financial crimes is persistent increase and this led the threat to organization and organization resources, researcher also reveals that all 59 countries involved in research agreed that fraud cases are not declining.

Cavaliere, *et al*; (2021) Studied the impact of internet fraud on financial performance of banks. The recommendation of this was the need of banker to strengthen law enforcement to fight against fraud and enforcement of internal control and external audit over financial reporting.

From finding have done, greed is most cause of financial fraud from his finding on identify the impact of fraudulent activity in commercial banks and measures to prevention this misbehavior.

While different number of the studies has been done on the financial fraud and other unethical behavior in financial in the different part of world as shown the foremost reason of fraud are weak internal control system, poor moral values, greed and advancement in technology. Here in Africa has only focused in public sector and reason of that fraud, however no study has focused on the impact fraud on financial performance of private institutions. This leave a huge academic gap that this study needs to fill, the objective of this research is therefore determining the impact of fraud on financial performance in selected accommodation establishment in Rwanda. This study seeks answering this research questions: what is the impact of fraud on financial performance, what are conditions necessary to minimize the financial fraud in accommodation establishment in Kigali city, Kicukiro District, Rwanda.

1.3 Objectives of Study

This section focuses on: general objective and specific objectives.

1.3.1 General objective

To assess fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel.

1.3.2 Specific Objectives

- i. To analyze the effect of elements of fraud and financial performance of selected accommodation establishment in Kigali city, Kicukiro District, Rwanda at Nobleza Hotel.

- ii. To identify the reasons of fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel.
- iii. To establish conditions necessary to minimize the fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel.

1.4 Research Questions

- i. What is the effect of elements of fraud on financial performance of selected accommodation establishment in Kigali city, Kicukiro District, Rwanda at Nobleza Hotel?
- ii. How the reasons of fraud affects on financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel?
- iii. What are the conditions necessary to minimize the fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel?

1.5 Significance of the Study

First foremost to researcher, since it helps to understand the impact of fraud on financial performance of accommodation establishment.

This study contribute great advantage to the policy makers such as Rwanda national bank (BNR) as regulator to make policy like prevent and at worst detect fraud timely, ensuring put in place appropriate controls and policies and make favorable working environment. To Nobleza Hotel since will help to make managerial decision on policy for the minimize of financial fraud

This study also help of organization staff to code of conduct, improve the profession ethic and this will help staff to re-evaluate themselves and make appropriate measures to prevent fraud. To other researchers and scholars interested in the area as the finding from this study bring much contribution to existing literatures on financial fraud.

1.6 Limitation of the Study

The interest of this study is to access the fraud and financial performance of selected accommodation establishment in Kigali from 2015 to 2020 year furthermore, due to 6 years it is impossible to collect sufficient data this make huge data gap. This study was quite different limitation encountered during study research especially in data collection some of the staff were unwilling to answer the questions from the questionnaire of the study, because of privacy and confidentiality reason. To address this challenges researcher informed the respondents the research it for only pure academic purpose.

1.7 Scope of the Study

The scope of this study includes the context scope, time scope and geographic scope

1.7.1 Context scope

This study assesses the fraud and financial performance of selected accommodation establishment at Nobleza Hotel. The study focused on the elements of fraud, reasons of fraud and conditional necessary to minimize as the factors of fraud affecting financial performance of selected accommodation establishment.

1.7.2 Geographic scope

This research study was conducted at Nobleza Hotel located in Nyanza Cell, Gatenga Sector, Kicukiro district, Kigali city, Rwanda.

1.7.3 Time scope

The study limited period of 5 years, from 2017 to 2022 for assessing the fraud and financial performance of selected accommodation establishment.

1.8 Organization of the study

This research of study is disposed in five chapters: the first chapter was introduced research topic, research problem, objectives of study and guiding research question, this section also include significance of study and the limitation researcher face during research. Chapter two contains review of related literature which incorporates the theoretical literature, theoretical framework, empirical literature, critical and research gap and empirical framework.

Chapter three contains how study was conducted in terms of study design, population, methodology and respondents' method of data collection, sampling and analysis of information and ethical issues. Chapter four contains the data analysis; presentation and interpretation that included the analysis and discussion of the study finding were presented. Chapter five was included the summary of study, conclusions of study, recommendations, and the suggestions for further study.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter is going to look at the theories which explain financial fraud, theoretical framework, local and global perspective of empirical studies and identify the research gap

2.1 Theoretical Literature

This section focusses on reviewing the literature related to financial fraud and financial performance. Start with clearly explains of some vital model applied in this research work. These provide facilitate the interpretation of the findings.

2.1.1 Fraud

Financial fraud has been defined differently institutions. The Information System Audit and Control Association defines financial fraud as deliberate manipulate that led to institution to suffer damages especial monetary losses. according to the International Standard on Auditing, (ISA) financial fraud are an intentional activity done by individual or group of individuals among management those charged with workers involving in illegal advantage or use of deception.

There are different reasons that lead to which have been showed by various researchers. According to AICPA, (2020), financial fraud is an intention activity done by individual or group of individuals involving deception that result in misrepresentation of financial statements it often happened due to pressure or to indicate of attitudes. Reasons of financial fraud depend on the environment. They divided the different reason as; management, technology, social, person and legal.

Management reason of misrepresentation are those of omissions by management of institution which cause of fraud, for instance poor internal control systems, technology reason is those cause by advancement in technology. For instance, it is occurring when processing Electronic Fund Technology (EFT). Personal reasons of financial fraud are those crimes by personal due to immoral behavior as result of poor upbringing. Social reason of fraud is those happen due to low societal values where the most people like a person who possesses much wealth without knowing the source of his income. Legal reasons of financial fraud are those causes of poor legal system. Halbouni, *et al*; (2016) defined fraud as deliberate manipulation or deceitfully action done by an individual or group of individuals to deceived others or take illegal gain or possession in deceitfully means.

Unauthorized withdrawal it means to take, transfer or withdrawal some amount of money from personal account or organization fund without proper consent or authorization by the own individual. Sometime this event may occur due to individual knowingly or unknowingly, divulging their personal information such password or personal identification numbers to third parties, fraudulent. Forgeries of customer's signature with fraudulent draw amount of money from customers' accounts according to Ogata, *et al*; (2020). Here are following the individual reason of that have found that lead to financial fraud according research revealed that person who have greed, such personal can steal if they have opportunities, notwithstanding their status or their wealth (kleptomaniacs). Ethical values upbringing among society are totally different. Some parents leave alone to their children and some parent make attention to this important issue.

Most financial fraud cases are often bail crime due to this criminal in most case get lost even when caught, fraud prosecution require much process of the law, it require the much attention

during investigation process sometime the evidence documents are inadequate in the court. Persistence advancement in technology create huge factor in improving fraud, the way technology make thing fast it makes perpetrator to commit in criminal easy, when criminal use technology the cost misrepresentation it will be very low, technology make world to a global village this make easy to perpetration to commit the crime to worldwide and removed physical boundaries. Technology misrepresentation is difficult to prevent and detect, (Kanneh, 2021).

2.1.2 Financial Performance

Financial performance defined as achieve or attainment of financial goals or objectives as expressed in financial values. Establishment makes financial statement as document to show all summary of the most activities of the establishment and the financial performance of those activities. Financial statement made due to support in management decision making process and in coordination of organization resources towards the financial performance (Njenga, 2015).

Financial statement provides financial information which are essential to all the interested parties. This assist in mean of assessing financial condition and the performance of the audited organization (Ahmed & Hassain, 2010). Since financial data or information are essential to various parties for various objective its crucial to ensure that all data are reliability and quality, this lead to implement fraud policy in order to follow all accounting principal.

Fraud prevention policy must be implemented or practice in order to ensure financial performance. These include the need for accountant to be professional in their conduct; internal management must put priority interest of all parties and this led to sustaining financial performance of the establishment (Moeller, 2016)

Beyanga (2011) suggested that fraud prevention has fundamental contribution in management and as such is an effective instrument that leads to organization financial performance. Fraud prevention measures help in efficient and effectiveness wealth maximization of shareholders, successful fraud prevention is connected with exemplary financial performance of organization.

The tools to measure financial performance of establishment, there are different measures, some of the most and common measures of financial performance are return on asset (ROA), return on equity ROE show how well organization use available capital to grow its self and return on sales (ROS). These measures are essential to help to compute financial position and financial health of the organization (Njenga, 2015)

2.1.3 Accommodation establishment

Accommodation establishment refer to an institutions that provide rooms and other related services to either leisure travelers or business. The accommodation industry is abroad category of fields within the service such as event planning, lodging. The accommodation establishment is a several billion Rwandan francs establishments that most depend on the lodging; Accommodation establishment is fast growing to the need for accommodation services in Rwanda hospitality industry

Rwanda is one of countries that have adopted hospitality as major economic category and the need for accommodation service is fast increase. The accommodation establishments has grown fast over the years and currently, hospitality is a major foreign exchange earner for the nation, therefore it contribute over 14% to the GDP gross domestic product, (RDB, 2018). The fast growing of accommodation establishments worldwide has present employment opportunity and economic development.

According to chan and machenzie, (2019) accommodation different greatly in service offer and style from one star to upmarket or five stars (luxury hotel), there are different types of accommodation such as motel, commercial hotel, resort hotels, guest house or villas. There some other special kind of accommodation establishments which have unique design like cave hotel, underwater hotel and tree house hotels.

2.2 Empirical literature

2.2.1 Elements of Fraud and financial performance

According to Akindele (2011) many empirical studies present the effects of fraud on organization financial performance. He identified the effects of elements of fraud like; embezzlement, procurement fraud and unauthorized withdraw in bank performance of Nigeria. His research shows that bankers recorded the more fraud case in 2008. Kalen (2020) warned owners of businesses against assuming that they are immune to the possibility of embezzlement. Small businesses typically place greater trust in those performing the accounting duties thus becoming likely victims. The convenience theory is presented as a major contributor to embezzlement. This theory identified three characteristics common to embezzlers: a financial motive, opportunity within the organization to commit the fraudulent act, and the willingness to commit the fraud (Kalen, 2020). From finding of his study reveal that, there huge relationship between total amount of money involved in fraud and banks profit. Other study has done his study reveal the greatest reason of fraud in bank from finding shows that poor leadership skills, communication gap and inadequate training. From his recommendation revealed that employee's satisfaction and efficiency internal control mechanism. his study also identifies remedy, effects and reason for bank misrepresentation in Nigeria, from his finding reveal that retribution and

uncovering of fraud, the way reduces the risk of financial misrepresentation are to improve the chance of detection and decrease the temptation to commit financial misrepresentation.

Garcia (2010) from his finding revealed that customers of bank are trust and more depend on (ATM) automatic teller machine to timely meet their banking service, currently there are increases of a lot of number of ATM frauds, to minimize the risk related with ATM fraud this lead to reduce financial performance of the bank. Gikiri (2012) from his finding the researcher examine the impact of risk management practice on fraud in commercial bank and risk exposure on fraud. In his research the general objective was to identify fraud detection and fraud risk management practices

2.2.2 Reasons of fraud in accommodation and financial performance

Akindele (2011) carried out the research on examine the cause and remedy of bank fraud in Nigeria. The study reveals that the greatest reason of fraud in bank are less adequate training, lack of leadership skills and communication gap. He recommended that banker must have adequate internal control system and minimize the temptation to commit fraud.

Local in Rwanda Maurine (2015) carried out the research his main objective was to identify the cause of mobile banking fraud from his finding revealed that the highest cause are culture issues, the second highest cause of mobile banking fraud are seasonality and lastly common reason of mobile banking fraud was consumer awareness and poor communication within the system. Maurine in his study also carry out the research on various category of fraud in mobile banking in Rwanda. From his finding revealed that consumer drive fraud was the least rampant type of fraud, secondarily agent driven fraud lastly system related fraud, Maurine in his study also carry out the research he also finds out cause of mobile banking fraud from his finding revealed that

the highest cause are culture issues, the second highest cause of mobile banking fraud are seasonality and lastly common reason of mobile banking fraud was consumer awareness and poor communication within the system.

2.2.3 Conditions necessary of minimizing the fraud and financial performance

Idowu (2009) from his study the main objective of this research is to determine the means of reduce risk of fraud in Nigerian bank from his study shows that most employees are more frustrated due to poor remuneration system, poor working condition and poor management of procedure and policies. Adeoye (2018) carried out research in Nigeria his main objective was to identify the impact of external auditing in curbing fraud in the Nigeria banking industry, descriptive research design adapt and data were analyzed with multiple regression from the finding reveals that external auditing is significant in limit or control fraud in banking industry as compare to external auditing. Appelbaum and Shapiro (2006) assess the diagnosis and remedies for bad behaviors of employees at workplace in Cambridge and identify the major contribution of high-level management in fraud control. From his finding conclude that zero tolerance to fraud play big role in fraud reduction, stress of higher-level management will determine how employees react in case of need of ethical implication.

Leuchtner (2011) carry out the research his main objective was to identify four internal fraud and measures to detect them. From his finding he suggested organization fraud can be spot through having adequate technology infrastructure and strength safeguard of client data, restriction access customer information avoid show thieve and constant control employee's behavior. In his study conclude that institutions require making more awareness on the contribution of technology in reduce the risk of fraud in losses in industry. Shah and Usman (2013) carried study about the

major for avoiding fraud in electronic banking due to strengthening fraud detection policy in e-banking, from the finding conclude that there are following factors foremost are technology factor, the other considered such as employees' education on fraud prevention policy, adequate internal control and customers education. According Shah and Usman this finding will help policy maker and banker strengthening fraud prevention policy.

2.3 Critical Review and Research Gap Identification

KPMG (2012) carry out the research on fraud prevention approaches as primary line of defense and cost effectiveness method of curb fraud in manufacturing industries in Nigeria, which revealed strong relationship between variables under study. The research gap existing in this theory objective is that author only listed manufacturing companies in Nigeria did not focus other industries and study fails to cover other countries

Leuchtner (2011) carry out the research on four various internal frauds and how to spot them. It recommended that the fraudulent occur in bank could be prevented and investigate by use or possess enough technology infrastructure and safeguard means to protect the customers confidentiality and data, same to Appelbaum and Shapiro (2006) inculcate where they state that higher level management contribute much role in fraud prevention measures. These arguments agree with this already exist as Shah and Usman (2013) carry out the study on the factors to preventing electronic banking fraud in order to understand the factors that could be make effectiveness fraud preventing policy in electronic banking. His research makes conclusion that beyond technology there are other factors should be conceded for instance staff education, customer education and internal control.

Researcher found academic gap, where even all above mentioned researcher carried out their research on fraud detection and prevention measures on banking, they did not assess the linkage between fraud and financial performance in accommodation establishment. So, there are still much room for improvement in the literature, therefore this research is here to fill this exist gap.

2.4 Theoretical Framework

2.4.1 The Fraud Scale Theory

The fraud scale theory was developed by Albrecht, Howe and Romney (1984) a method of the theory of fraud triangle, the fraud scale is had same character to the fraud triangle but there some little different, the fraud scale is no use of rationalization but personal integrity. Person integrity element is related to every single person moral principal that guides the character. Albrecht, *et al* (1984) show that integrity person possess and Fraud triangle theory can identify in person perspective and his/her decision-making process, and this assist to measure of probability that person may or may not commit to fraud or other immoral behavior. This argument agrees with other researchers, lack of moral value or personal integrity and unethical behavior its major reason that leading to fraud (Sausser, 2007). Personal judgement and decision are mostly considered to person ethical norms and moral

2.4.2 The Theory of Fraud

The theory of fraud tringle was developed by Cressey (1973) each leg of triangle present something. First leg of triangle represents source of pressure due to perceived non-shareable financial need the second leg of triangle is perceived opportunity and last leg of triangle is rationalization (Cressey, 1973). According Cressey concluded there three factor that present

when personal commit in the fraud, first is a personal rationalization of the act second factor are a financial that need can't be shared lastly are thought of instant opportunity through illegal gain. Most unethical behavior is because perceived pressure.

Albracht, Hill and Albrecht (2006) pointed out ninety five percent of all fraud a case was influenced by high financial pressure. Financial pressure is one common type of pressure which has major impact on labor motivation which may reduce the financial performance. Word perceives may be pressure some time most this behave are absolutely wrong manner, therefore criminal in his opinion they believe that are being pressure and this are cause of financial misrepresentation or other fraud.

In accounting field when there many opportunities that make weakness in the system this can be easily to perpetrators to commit in fraud it called poor internal control. Perpetrators consider to perceived opportunity suggest them self to take advantage of circumstance available (Albrecht, *et al*, 2006). In most case more fraud is likely to occur when perpetrators expect lower risk of getting caught. The other major reason of perceived opportunity that can lead to fraud are believe that no one will care, think that employer don't know it, assumption of employers are not regular control for deviation of company policies, lastly employees believe that nobody will care the small thing to be severe crime that no one consider the small thing to be serious offense (Sause, 2007). Rationalization means justification that the immoral behavior is something other than criminal activity (Albrecht *et al*, 2006). When personal avoid any unethical activity the probability of engaging in the fraud will be low. For instance, rationalization behavior that leads to fraudulent are: it is not real serious matter, I am only borrowing. It's essential to know that rationalization is difficult to detect. Due to it not be able to know what is in perpetrators mind (Jensen, 2003).

2.4.3 Theory of Reasonable Action

Theory of reasonable action is social psychology theory developed by Ajzen and Fishbien (1980). According Ajzen theory of reasonable actions refers to connection between person behaviors, norms, believes attitude and intention to use information communication and technology. Theory of reasonable actions assumes that individual attitude is determined by individual attitude planned to execute it, and planned itself is determine the individual and his subject moral towards the attitudes. Personal belief or code means that personal opinion that most people who are essential to him thought they can or cannot do the attitude in question

The subjective norm means the individual perception that most people who are important to him think they should or should not perform the attitude in question (Ajzen & Fishbien, 1980) in theory of reasonable action suggest that person behavior is governed person attitude, theory of reasonable action consider determine the perception and personal attitudes, and individual intention. An intention means personal motivation and plans to commit particular actions. Intention also means personal behavior and increase to which personal perceive a particularly activity as desirable.

2.4.4 The Anomic Theory on Fraud (ATF)

According the Anomic theory on fraud, in competitive society of capitalist, the other personal of the society who are not included from access to legitimate means to success will experience a sense of relative deprivation which they try to relieve by social immoral such as armed robbery attacks, bank fraud and aggressive criminal behaviors aggressive revolutionary behavior and retreat into psychosomatic illnesses such as drug addiction.

2.5 Conceptual Framework

Independent variables

Dependent variables

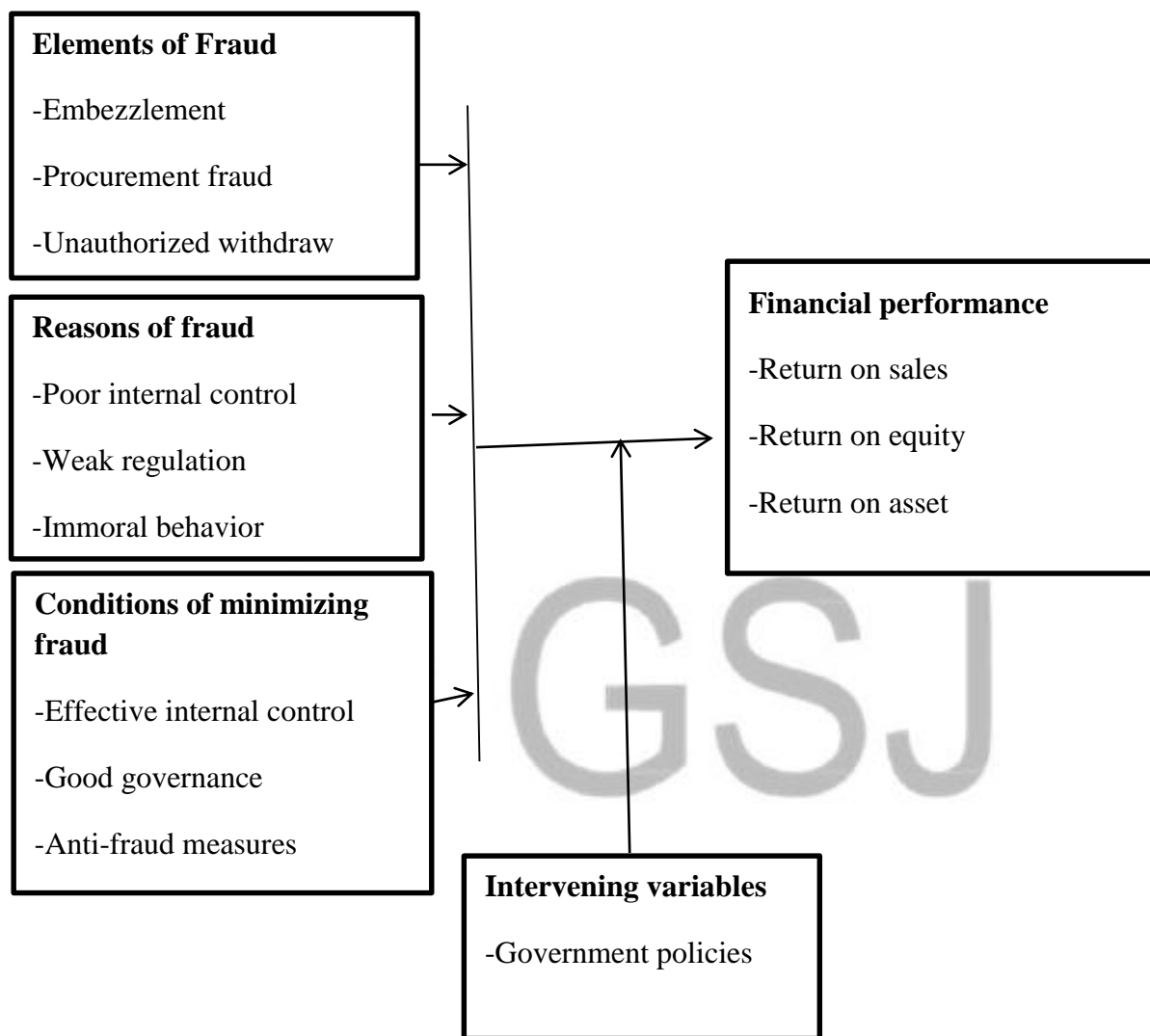


Figure 2. 1 Conceptual Framework

Resource: Research, (2022)

The conceptual framework deal with reveal the relationship between the dependent variable and independent variables of the study, the independent variable influences the dependent variable. In this study, the increase of the dependent variable is influenced by the independent variable. In this study fraud is the independent variables while financial performance is dependent variable. The indictors used in this research as measure of the independent variable included the money

laundering, reduce working capital, poor internal control, immoral behavior and weak regulation. To find out these indicators in this research, structured questionnaires were used for that purpose. These indicators are in this expected to be measured to find their effect or relation against financial performance of selected accommodation as measured by Return on Equity, Return on Sale and Return on Asset.

The figure therefore presents the diagrammatic view of the objective of study and hence of the topic in the research. As indicated, the direction of influence is indicated by the arrows showing that the research result outputs expected a link between the fraud and financial performance of selected accommodation establishment. However, there are some intervening factor influence the relationship between fraud and financial performance, these intervening factor are included government policy.

2.6 Summary

A various number of researches have been carried out in the subject of financial fraud. From the research, it is proving that they have largely on perpetrators of financial fraud and their modus operandi. Various researches are examined financial fraud in banking industry are most quantitative in nature and put much effort on the detail of causes and categories of financial fraud without providing strong empirical support. This is the academic gap in literature this research project is to fill by empirically investigation to assess of fraud and financial performance of selected accommodation establishment in Kigali.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter explain techniques and methods that researcher use in data collect and data analysis, this chapter also explain the methodology that were used by researcher due to achieve the general objective of this research project which was assess fraud and financial performance of selected accommodation establishment in Kigali, Rwanda, it included the techniques was used under research design, target population, sample design, data collection, data analysis procedure and ethical consideration.

3.1 Research Design

According to Herbert (2013) Research design is study design for researcher to investigate opinions, comments and idea on the research problem. This study used the descriptive research design. This research design helps in depth the study analysis, the researcher used it to deeply assessing the fraud and financial performance of selected accommodation establishment at Nobleza Hotel, in Kicukiro District, Kigali city where method approach used the quantitative method due to examine the findings and relationship between the variables.

3.2 Target Population

According Gorard (2013), Target population defined as the all element or group of people, object or event having common qualities, or individuals or events that meet the sample criteria in include the study. The target population for this research was 115 employees of Nobleza Hotel (54 staff and 61 casual workers).

3.3 Sample Design

3.3.1 Sample Size

In this study, the census sampling technique was used where the sample size was equal to target population of 115 employees of Nobleza Hotel.

Table 3.1: Target population and Sample size determination

Category	Target population	Sample size	Sampling technique
Directors	3	3	Census
Managers	18	18	Census
F & B or service department	33	33	Census
Casual workers	61	61	Census
Total	115	115	

Source: Researcher, 2022

3.3.2 Sampling Techniques

The sampling techniques of this study concerning the components for the sample, researcher adopt census sampling techniques of data collection, this sampling techniques allow all people in the target population to participate in this study as member of the sample.

3.4 Data Collection Methods

In data collection researcher used several ways of data collection, to select the instrument and method it was depend on the research objectives, funds and research design. The quantitative

nature of the research was another factor that contribute to determine the method and instrument used in data collection, primary source of data used structured questionnaire.

3.4.1 Data Collection Instrument

The research tools were utilized to collect the data is the structured questionnaire. The study submitted the structured questionnaire to every employee includes in sample size and make follow-up in order to ensure that all structured questionnaires submitted has been answered.

The researcher used the structured questionnaire and written in an easy language so it makes easy to accumulate the specific statistics. It is therefore a combination of interconnected questions that designed in a definite order aimed at collecting the data from the sample size of the study. Significantly, it may include both open and close ended questions directed to the respondents. For close ended questions, respondents were given the different alternative to choose otherwise open ended questions require the respondents to give their personal opinions according to the research variables.

3.4.2 Administration of Data Collection Instruments

This research study was used the questionnaire due to many causes. Foremost administration of the questionnaire, the researcher was requested for an introduction letter from the post graduate of school of business and economy of Mount Kenya University. Questionnaire was provided by researcher was used only for academic purpose and information kept confidential. The researcher was issue the questionnaire to the respondent's base on their convenient time and availability

3.4.3 Reliability and Validity

3.4.3.1 Reliability

Reliability interested on the range of values that a phenomenon measurement the stability of acts and consist result. Reliability was linked with repeatability. Test of reliability was a great deal because it directed the attention to the consistency across the parts of a measuring instrument. A scale was announced to have high internal consistency reliability if the items of scale was fitting well or was connected and measured the same construct, (Garg, 2014). The researcher carried out a pilot study at Nobleza Hotel for testing questionnaires to 10 employees, researcher tested questionnaires and a Cronbach Alpha Coefficient was calculated that resulted the 0.892 which indicated it was higher than 0.7 and meant that the instruments had high reliability.

3.4.3.2 Validity

Validity in research relates to the extent at which the research measures right indicators that need to be measured. Validity referred to how well an instrument as measures what was intended to be measured and show correctively the study report was. It showed a rough calculation or assessment of the value degree accurately the findings obtained in the study represented a given variable or construct in the study, (Shukla, 2013). The researcher make sure that the instruments match with study objectives and there was not a duplications and initiated based on the confirmation of external viewer.

3.5 Data Analysis Procedure

In data analysis procedures the information from the field was tabulation and edited according to themes which shows from the purpose of study and research questions. In this research project,

data analysis were done using SPSS version 21, due to help to analysis of the significant relationship between variables. The tables were used for the process of frequencies presentation. This makes easily to researcher to summarize and analysis the finding according the purpose of the study. In order to identify the relationship between dependent variable and independent variables researcher used the inferential statistics, for data analysis researcher used the inferential statistics specifically correlation analysis by using Statistical Package for Social Science (SPSS) version 21. The multiple linear regression analysis was applied, the following formula was used;

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + e$$

Where: Y = Financial performance

β_i ; $i=1,2,3$ = The coefficients representing predictors variables. B_0 = the Y intercept

X_i ; $i=1, 2, 3$ = Values of the various independent (Covariates) variables

e = the error term which is assumed to be normally distributed with mean zero and constant variance, X_1 = Elements of fraud, X_2 = Reasons of fraud in accommodation establishment, X_3 = Conditional necessary to minimize the fraud in accommodation establishment. The findings were the base of make recommendation and conclusion.

3.6 Ethical Consideration

The research conducted with respected to ethical values and rules governing the conduct of a research especially in areas of respondents' anonymity, confidentiality, crediting scholars where and when due and using the sourced data for research purpose only. The researcher sought permission from management of Nobleza Hotel for data collection before engaging in the data collection process. This was facilitated through recommendations letter from Mount Kenya

University, introducing the researcher as Master's student at the institution. The letter also confirms that the reports are solely used for scholarly intention. The researcher also took a declaration that the data collected is not revealed to any unauthorized persons, otherwise it would lead to breach of confidence. The research accepted any errors due to omission or commission while compiling the report of the study. The study findings were presented without any manipulation or influence by the researcher in any way.

© GSJ

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This study assessed the fraud and financial performance of selected accommodation establishments in Kigali city, Kicukiro District in Rwanda at Nobleza Hotel. The data analysis was in accordance with the specific objectives. The first section provides information on demographic characteristics of respondents while the second section presents the findings accordance to the study objectives. The descriptive research design and inferential statistics were used for data analysis. For the 115 employees of Nobleza Hotel as sample size, the 108 respondents responded the questionnaires presenting the 93.9% of sample size.

4.1 Demographic characteristics of respondents

The overall information of respondents is very important to the research because it is used by the researcher as a baseline statistics to the research questions and objectives. Demographic characteristics of respondents were gender, age groups, and education level and job position.

Table 4. 1 Gender

		Frequency	Percent
	Male	68	63.0
Valid	Female	40	37.0
	Total	108	100.0

Source: Primary data, (2022)

The gender distribution of respondents was on the concern of the study, researcher wanted to know how gender of respondents was dispersed. The results is presented in table 4.1. Out of 108

respondents responded the questionnaires, the 63% of 68 respondents were the Men while 37% of 40 respondents were the women. It showed that gender balance at Nobleza Hotel took place in their group.

Table 4. 2 Age

	Frequency	Percent
18-30 Yrs	36	33.3
31-40 Yrs	38	35.2
Valid 41-50 Yrs	24	22.2
51 Yrs-Above	10	9.3
Total	108	100.0

Source: Primary data, (2022)

The age group distribution of respondents is one of demographic background of respondents the study wanted to know. The results presented in table 4.2. Out of 108 respondents responded the questionnaires, 33.3% of 36 respondents were in between 18-30 age group, 35.2% of 38 respondents were in between 31-40 age group, 22.2% of 24 respondents were in between 41-50 age group, and 9.3% of 10 respondents had 51 old years and above. The results showed that high number of them had old years between 31-40 age group.

Table 4. 3 Education level

	Frequency	Percent
Secondary school	44	40.7
Bachelor	56	51.9
Master	8	7.4
Total	108	100.0

Source: Primary data, (2022)

The study wanted to know the influence of education level of respondents on fraud and financial performance. The results presented in table4.3. Out of 108 respondents responded the questionnaires, the 40.7% of 44 respondents had High school, 51.9% of 56 respondents had Bachelor's level and 7.4% of 8 respondents had the Master's level. Generally high number of them had the Bachelor's level.

Table 4. 4 Job Position

	Frequency	Percent
Directors	3	2.77
Managers	18	16.66
Valid FB or Service Department	33	30.55
Casual workers	54	50.00
Total	108	100.0

Source: Primary data, (2022)

The researcher wanted to know the job position of respondents. The results presented in table4.4. Out of 108 respondents responded the questionnaires, the 2.77% of 3 respondents were Directors, 16.66% of 18 respondents were Managers and 30.55% of 33 respondents were on

front offices and 50.00% of 54 respondents were casual workers. Generally high number of them were the casual workers.

4.2 Presentation of findings

In this subdivision, the study assesses the fraud and financial performance of selected accommodation establishment in Kigali city, Kicukiro District, Rwanda at Nobleza Hotel. The analysis was based on the factors of the effects of elements of fraud on financial performance, reasons of fraud in accommodation and conditions necessary to minimize the fraud in accommodation establishment on financial performance.

4.2.1 Effects of elements of fraud and financial performance

The first indicator analyzed was the effect of elements of fraud on financial performance. The study wanted to determine how elements of fraud affect the financial performance of Nobleza Hotel located in Kigali city, Rwanda. The results will assist on the knowledge of how the elements of fraud gives any impact on financial performance. The further presentation and interpretation are in table 4.5 as follow:

Table 4. 5 Effects of elements of fraud on financial performance

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		Mean	Sd
	N	%	N	%	N	%	N	%	N	%	N			
Embezzlement	0	0	8	7.4	0	0	78	72.2	22	20.4	108		4.06	0.712
Reduce working capital	0	0	0	0	0	0	68	63	40	37	108		4.37	0.487
Procurement fraud	0	0	4	3.7	6	5.6	46	42.6	52	48.1	108		4.35	0.756
Unauthorized withdraw	4	3.7	6	5.6	8	7.4	48	44.4	42	38.9	108		4.09	1.014
Overall Mean													4.218	

Source: Primary data, (2022)

Table 4.5 presents the results of findings on the effects of elements of fraud on financial performance. The research analyzed the effect of embezzlement on financial performance. Out of 108 respondents responded the questionnaires, 7.4% of 8 respondents disagreed, the 72.2% of 78 respondents agreed and 20.4% of 22 respondents strongly agreed that embezzlement affects the financial performance in Nobleza Hotel. The study wanted to know if the reduce working capital affect the financial performance, 63% of 68 respondent respondents agreed and 37% of 40 respondents strongly agreed that working capital reduction affect their financial performance of Hotel.

The researcher wanted to know if the procurement fraud affects financial performance, 3.7% of 4 respondents disagreed, 5.6% of 6 respondents were neutral, 42.6% of 46 respondents agreed and 48.1% of 52 respondents strongly agreed that procurement fraud affects the financial performance. The study also wanted to know the effect of unauthorized withdraw on financial performance. The 3.7% of 4 respondents strongly disagreed, 5.6% of 6 respondents disagreed, and 7.4% of 8 respondents were on neutral side, and 44.4% of 48 respondents agreed and 38.9% of 42 respondents strongly agreed that unauthorized withdraw affects the financial performance.

The overall mean of results (4.218) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that elements of fraud affect financial performance. The hotel organization is requested to carefully manage all elements of fraud in order to promote the financial performance.

Table 4. 6 Relationship between elements of frauds and financial performance

		Elements of fraud	Financial Performance
Elements of fraud	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	108	
Financial Performance	Pearson Correlation	.810**	1
	Sig. (2-tailed)	.000	
	N	108	108

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data, (2022)

Table 4.6 presents the relationship between elements frauds and financial performance at Nobleza Hotel, Kigali city, Kicukiro District, Rwanda. The statistical product and service solutions (SPSS) software was used to get the results of pearson coefficients. A pearson coefficient correlation is between -1 and 1 where -1 to 0 present negative correlation (-1 to -0.5 indicates high negative correlation and -0.5 to 0 indicates low negative correlation); and 0 to 1 present positive correlation (0 to 0.5 indicates low positive correlation and 0.5 to 1 indicates high positive correlation). According to the results, the inferential statistics showed that the correlation between effects of elements of fraud and financial performance was $r=0.810$, it shows that there was a high positive correlation and there was high significant relationship between elements of frauds and Nobleza Hotel financial performance in Kigali city, Kicukiro District, Rwanda.

Table 4. 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810 ^a	.656	.650	.411

a. Predictors: (Constant), Effects of elements of fraud on financial performance

Source: Primary data, (2022)

Table 4.7 presents Model Summary, the results indicates that the R Square=0.656. It was clear that 65.6% of all variables of financial performance can be explained by one's of all variables of elements of frauds.

Table 4. 8 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.734	1	16.734	99.264	.000 ^b
	Residual	8.766	52	.169		
	Total	25.500	53			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Effect of elements of fraud on financial performance

Source: Primary data, (2022)

Table 4.8 presents ANOVAa, the results presented that the variables were statistically significant with F (16.734) =99.264 and P value=0.000b, it means there was a significant relationship between elements of frauds and financial performance of Nobleza Hotel in Kigali city, Kicukiro District, Rwanda.

Table 4. 9 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.604	.296		5.417	.000
1	Effect of elements of fraud on financial performance	.683	.069	.810	9.963	.000

a. Dependent Variable: Financial Performance

Source: Primary data, (2022)

Table 4.10 presents the constant of independent variable of frauds. It is statistically significant since pvalue is less than 0.05. The results presented that variables of elements of fraud were statistically significant with p value =0.000.

4.2.2 Reasons of fraud in accommodation

The second indicator analyzed was to identify the impact of reasons of fraud in accommodation establishment on financial performance. Researcher wanted to identify how the reasons of fraud in accommodation affect financial performance of Nobleza Hotel located in Kigali city, Rwanda. The results were presented in in table 4.10 as follow:

Table 4. 10 The Reasons of fraud in accommodation

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		Mean	Sd
	N	%	N	%	N	%	N	%	N	%	N			
Poor internal control	0	0	6	5.6	8	7.4	62	57.4	32	29.6	108		4.11	0.769
Weak regulation	0	0	4	3.7	0	0	62	57.4	42	38.9	108		4.31	0.668
Lack of training	6	5.6	8	7.4	4	3.7	76	70.4	14	13	108		3.78	0.965
Overburden employees	4	3.7	10	9.3	4	3.7	68	63	22	20.4	108		3.87	0.972
Immoral behavior lead to greed	2	1.9	6	5.6	2	1.9	52	48.1	46	42.6	108		4.24	0.883
Overall Mean													4.062	

Source: Primary data, (2022)

The study wanted to identify the reasons of fraud in accommodation establishment on financial performance. The indicators were analyzed and the results are as follow; the impacts of poor internal control on financial performance. Out of 108 respondents responded the questionnaires, 5.6% of 6 respondents disagreed, the 7.4% of 8 respondents were on neutral side, the 57.4% of 62 respondents agreed and 29.6% of 32 respondents strongly agreed that poor internal control affects the financial performance in Nobleza Hotel;. The study wanted to know how the weak regulation affect the financial performance, the 3.7% of 4 respondent respondents disagreed, 57.4% of 62 respondents agreed and 38.9% of 42 respondents strongly agreed that weak regulation affect their financial performance of Nobleza Hotel;. The study analyzed how the lack of training affects the financial performance, the 5.6% of 6 respondents strongly disagreed, 7.4% of 8 respondents disagreed, 3.7% of 4 respondents were on neutral side, 70.4% of 76 respondents agreed and 13% of 14 respondents strongly agreed that lack of training affect financial performance. The high percent indicated that training in organization is essential which help employees to perform and enhance their financial performance. The researcher analyzed the

impact of overburden employees on financial performance, the 3.7% of 4 respondents strongly disagreed, 9.3% of 10 respondents disagreed, and 3.7% of 4 respondents were on neutral side, and 63% of 68 respondents agreed while 20.4% of 22 respondents strongly agreed that overburden employees affects the financial performance. And also researcher identified how the immoral behavior lead to greed and affect financial performance, the 1.9% of 2 respondent strongly disagreed, 5.6% of 6 respondents disagreed, 1.9% of 2 respondent was on neutral side, 48.1% of 52 respondents agreed and 42.6% of 46 respondents strongly agreed that immoral behavior lead to greed and affect financial performance. The hotel organization is requested to properly manage the reasons of fraud in accommodation establishment factors in order to increase the financial performance. The overall mean of results (4.062) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the reasons of fraud in accommodation establishment affect the financial performance at Nobleza Hotel.

Table 4. 11 Relationship between the Reasons of fraud in accommodation and financial performance

		Reasons of fraud in accommodation	Financial Performance
Reasons of fraud in accommodation	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	108	
Financial Performance	Pearson Correlation	.747**	1
	Sig. (2-tailed)	.000	
	N	108	108

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data, (2022)

Table 4.11 presents the relationship between the reasons of fraud in accommodation establishment and financial performance in Nobleza Hotel, Kigali city, Kicukiro District,

Rwanda. The statistical product and service solutions (SPSS) software was used to find out the results of pearson coefficients. A pearson coefficient correlation is between -1 and 1 where -1 to 0 present negative correlation (-1 to -0.5 indicates high negative correlation and -0.5 to 0 indicates low negative correlation); and 0 to 1 present positive correlation (0 to 0.5 indicates low positive correlation and 0.5 to 1 indicates high positive correlation). According to the results, the inferential statistics showed that correlation between the reasons of fraud in accommodation establishment and financial performance was $r=0.747$, it presents that there was a positive correlation and there was the significant relationship between the reasons of fraud in accommodation establishment and Nobleza Hotel financial performance in Kigali city, Kicukiro District, Rwanda.

Table 4. 12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747 ^a	.558	.549	.466

a. Predictors: (Constant), Reasons of fraud in accommodation

Source: Primary data, (2022)

Table 4.12 shows Model Summary, the results shows that the R Square=0.558. It was clear that 55.8% of all variables of financial performance can be explained by one's of all variables of the reasons of fraud in accommodation establishment.

Table 4. 13 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.228	1	14.228	65.642	.000 ^b
	Residual	11.272	52	.217		
	Total	25.500	53			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Reasons of fraud in accommodation

Source: Primary data, (2022)

Table 4.13 presents ANOVAa, the results presented that the variables were statistically significant with $F(14.228)=65.642$ and $Pvalue=0.000b$, it means there was a significant relationship between reasons of fraud in accommodation establishment and financial performance of Nobleza Hotel in Kigali city, Kicukiro District, Rwanda.

Table 4. 14 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.245	.286		7.862	.000
1 Reasons of fraud in accommodation	.569	.070	.747	8.102	.000

a. Dependent Variable: Financial Performance

Source: Primary data, (2022)

Table 4.14 presents the constant of independent variable of the reason of fraud in accommodation establish. It is statistically significant since pvalue is less than 0.05. The results presented that variables of reasons of fraud in accommodation were statistically significant with p value =0.000.

4.2.3 Conditions necessary of minimizing the fraud in accommodation

The third indicator analyzed was to establish the conditions necessary to minimize the fraud in accommodation establishment and enhance the financial performance. Researcher wanted to establish how the conditions necessary to minimize the fraud in accommodation it gives the impact on financial performance of Nobleza Hotel located in Kigali city, Rwanda. The results were presented in in table 4.15 as follow:

Table 4. 15 Conditions necessary to minimize the fraud in accommodation

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		Mean	Sd
	N	%	N	%	N	%	N	%	N	%	N			
Effectiveness internal control	0	0	8	7.4	0	0	78	72.2	22	20.4	108		4.06	0.712
Introducing good governance	0	0	0	0	0	0	68	63	40	37	108		4.37	0.487
Introducing anti-fraud measures	0	0	4	3.7	6	5.6	46	42.6	52	48.1	108		4.35	0.756
Research on fraud	4	3.7	6	5.6	8	7.4	48	44.4	42	38.9	108		4.09	1.014
Financial education	2	1.9	0	0	0	0	46	42.6	60	55.6	108		4.50	0.694
Overall Mean													4.274	

Source: Primary data, (2022)

The study wanted to establish the conditions necessary to minimize the fraud in accommodation establishment and enhance the financial performance. The indicators were analyzed and the results were as follow; the impacts of effectiveness internal control on financial performance. Out of 108 respondents responded the questionnaires, 7.4% of 8 respondents disagreed, the 72.2% of 78 respondents agreed and 20.4% of 22 respondents strongly agreed that effectiveness internal control enhance financial performance in Nobleza Hotel;. The study wanted to know how the introducing good governance help to promote the financial performance, the 3.7% of 4 respondent respondents disagreed, 56% of 6 respondents were on neutral side, 42.6% of 46 respondents agreed and 48.1% of 52 respondents strongly agreed that introducing good governance promote the financial performance of Nobleza Hotel;. Researcher analyzed how the introducing ant-fraud measures used as one method to improve the financial performance, 3.7% of 4 respondents disagreed, 5.6% of 6 respondents were on neutral side, 42.6% of 46 respondents agreed and 48.1% of 52 respondents strongly agreed that introducing anti-fraud measures is good

method can be applied to increase the financial performance;. The researcher analyzed how the research on fraud can be applied to augment the financial performance, the 3.7% of 4 respondents strongly disagreed, 5.6% of 6 respondents disagreed, and 7.4% of 8 respondents were on neutral side, and 44.4% of 48 respondents agreed while 38.9% of 42 respondents strongly agreed that research on fraud can be applied to know how to increase the financial performance in organization. And also researcher identified how the financial education can enhance the financial performance, the 1.9% of 2 respondent strongly disagreed, 42.6% of 46 respondents agreed and 55.6% of 60 respondents strongly agreed that financial education is one good method can be applied in organization for increasing the financial performance. The hotel organization is requested to properly management of the conditions necessary to minimize the fraud in accommodation factors in order to rise the financial performance. The overall mean of results (4.274) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the conditions necessary to minimize the fraud in accommodation increase the financial performance at Nobleza Hotel.

Table 4. 16 Relationship between the Conditions necessary to minimize the fraud in accommodation and financial performance

		Conditions necessary to minimize the fraud in accommodation	Financial Performance
Conditions necessary to minimize the fraud in accommodation	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	108	
Financial Performance	Pearson Correlation	.778**	1
	Sig. (2-tailed)	.000	
	N	108	108

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data, (2022)

Table 4.16 presents the relationship between the conditions necessary to minimize the fraud in accommodation and financial performance in Nobleza Hotel, Kigali city, Kicukiro District, Rwanda. The statistical product for service solutions (SPSS) software was used to find out the results of pearson coefficients. A pearson coefficient correlation is between -1 and 1 where -1 to 0 present negative correlation (-1 to -0.5 indicates high negative correlation and -0.5 to 0 indicates low negative correlation); and 0 to 1 present positive correlation (0 to 0.5 indicates low positive correlation and 0.5 to 1 indicates high positive correlation). According to the results, the inferential statistics showed that correlation between the conditions necessary of minimizing the fraud in accommodation and financial performance was $r=0.778$, it presents that there was a positive correlation and there was the significant relationship between the conditions necessary to minimize the fraud in accommodation and Nobleza Hotel financial performance in Kigali city, Kicukiro District, Rwanda.

Table 4. 17 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778 ^a	.605	.598	.440

a. Predictors: (Constant), Conditions necessary to minimize the fraud in accommodation

Source: Primary data, (2022)

Table 4.17 shows Model Summary, the results shows that the R Square=0.605. It was clear that 60.5% of all variables of financial performance can be explained by one's of all variables of the conditions necessary to minimize the fraud in accommodation.

Table 4. 18 ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.434	1	15.434	79.731	.000 ^b
	Residual	10.066	52	.194		
	Total	25.500	53			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Conditions necessary to minimize the fraud in accommodation

Source: Primary data, (2022)

Table 4.18 presents ANOVAa, the results presented that the variables were statistically significant with $F(15.434)=79.731$ and $Pvalue=0.000b$, it means there was a significant relationship between the conditions necessary to minimize the fraud in accommodation and financial performance of Nobleza Hotel in Kigali city, Kicukiro District, Rwanda.

Table 4. 19 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.073	.278		7.450	.000
	Conditions necessary to minimize the fraud in accommodation	.582	.065	.778	8.929	.000

a. Dependent Variable: Financial Performance

Source: Primary data, (2022)

Table 4.19 presents the constant of independent variable of the reason of fraud in accommodation establish. It is statistically significant since pvalue is less than 0.05. The results presented that variables of the conditions necessary to minimize the fraud in accommodation were statistically significant with p value =0.000.

4.2.4 Financial performance

Financial performance defined as achieve or attainment of financial goals or objectives as expressed in financial values. Establishment makes financial statement as document to show all summary of the most activities of the establishment and the financial performance of those activities. Financial statement made due to support in management decision making process and in coordination of organization resources towards the financial performance Njenga (2015).

Finally researcher the factors of financial performance. Researcher wanted to know how the respondents know the financial performance of Nobleza Hotel located in Kigali city, Rwanda.

The results were presented in in table 4.20 as follow:

Table 4. 20 Financial performance

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		
	N	%	N	%	N	%	N	%	N	%	N	Mean	Sd
Increase annual turnover	0	0	4	3.7	2	1.9	82	75.9	20	18.5	108	4.09	0.591
Access adequate finance	0	0	0	0	0	0	68	63	40	37	108	4.37	0.487
Increase return on equity	0	0	0	0	0	0	46	42.6	62	57.4	108	4.57	0.499
Increase in net asset	4	3.7	6	5.6	2	1.9	60	55.6	36	33.3	108	4.09	0.957
Profitability	2	1.9	0	0	0	0	46	42.6	60	55.6	108	4.50	0.694
Overall Mean												4.324	

Source: Primary data, (2022)

The study wanted to examine the image of financial performance at Nobleza Hotel. The following indicators were analyzed; increase annual turnover, access adequate finance, increase return on equity, increase in net asset and profitability for assessing the financial performance.

The results were presented in table 4.20 and discussed as follow. Increase annual turnover; out of 108 respondents responded the questionnaires, 3.7% of 4 respondents disagreed, the 1.9% of 2

respondent was on neutral side, 75.9% of 82 respondents agreed and 18.5% of 20 respondents strongly agreed that annual turnover increased and enhance financial performance in Nobleza Hotel;. On to access adequate finance, the 63% of 68 respondents agreed and 37% of 40 respondents strongly agreed that finance was adequately accessed and promote the financial performance of Nobleza Hotel; On increase return on equity, 42.6% of 46 respondents agreed and 57.4% of 62 respondents strongly agreed that return on equity increased and upsurge the financial performance; On increase in net asset, the 3.7% of 4 respondents strongly disagreed, 5.6% of 6 respondents disagreed, and 1.9% of 2 respondent was on neutral side, and 55.6% of 60 respondents agreed while 33.3% of 36 respondents strongly agreed that net asset increased and rise the financial performance in business of Nobleza Hotel. And also study analyzed how profitability of Hotel was based on responses of respondents, the 1.9% of 2 respondent strongly disagreed, 42.6% of 46 respondents agreed and 55.6% of 30 respondents strongly agreed, only 1 respondents strongly disagreed and other all agreed, it means the profitability of Nobleza hotel was good. The overall mean of results (4.324) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the financial performance of Nobleza Hotel was nobly good.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter provides the summary of findings discussed in chapter four, conclusion, recommendations and suggestions for further studies.

5.1 Summary of findings

The summary of results is in accordance with elements analyzed in chapter four. The factors of fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel. Those factors were; impact of fraud, reasons of fraud in accommodation establishment and conditions necessary to minimize the fraud in accommodation establishment used as independent variables of study. Descriptive research design was used and questionnaire was utilized as the research instruments for data collection and statistical product for service solutions (SPSS) software version 21 was used for data analysis.

5.1.1 Demographic characteristics of respondents

In this research, the sample size was 115 employees of Nobleza Hotel, the 108 respondents responded questionnaires presenting 93.9% of sample size of the study. Demographic characteristics of respondents were gender, age groups, and education level and job position. Out of 54 respondents; the 63% of 34 respondents were the men while 37% of 20 respondents were the women. It showed that gender balance at Nobleza Hotel took place in their group. 33.3% of 18 respondents were in between 18-30 age group.; The 35.2% of 19 respondents were in between

31-40 age group, 22.2% of 12 respondents were in between 41-50 age group, and 9.3% of 5 respondents had 51 old years and above. The results showed that high number of them had old years between 31-40 age group.; The 40.7% of 22 respondents had High school, 51.9% of 28 respondents had Bachelor's level and 7.4% of 4 respondents had the Master's level. Normally high number of them had the Bachelor's level. The 2.77% of 3 respondents were Directors, 16.66% of 18 respondents were Managers and 30.55% of 33 respondents were on front offices and 50.00% of 54 respondents were casual workers. Generally high number of them were the casual workers.

5.1.2 Effects of elements of fraud and financial performance

The first study specific objective was to assess impact of fraud on financial performance in Kigali city, Kicukiro District, Rwanda at Nobleza Hotel. According to Akindele (2011) identified the effect of fraud in bank performance of Nigeria, his research shows that bankers recorded the more fraud case in 2008, from finding it revealed that there huge relationship between total amount of money involved in fraud and banks profit. By results of this study, Out of 108 respondents responded the questionnaires, 7.4% of 8 respondents disagreed, the 72.2% of 78 respondents agreed and 20.4% of 22 respondents strongly agreed that money laundering give the impacts on financial performance in Nobleza Hotel;. The study wanted to know if the reduce working capital affect the financial performance, 63% of 68 respondent respondents agreed and 37% of 40 respondents strongly agreed that working capital reduction affect their financial performance of Hotel.

The researcher wanted to know if the increasing of transaction cost impacts financial performance, 3.7% of 4 respondents disagreed, 5.6% of 6 respondents were neutral, 42.6% of 46

respondents agreed and 48.1% of 52 respondents strongly agreed that transaction cost affect financial performance indicators on money laundering;. The study also wanted to know the impact of negative impact of organization brand on financial performance. The 3.7% of 4 respondents strongly disagreed, 5.6% of 6 respondents disagreed, and 7.4% of 8 respondents were on neutral side, and 44.4% of 48 respondents agreed and 38.9% of 42 respondents strongly agreed that negative impact of organization brand affects the financial performance. The hotel organization is requested to all factors of fraud in order to promote the financial performance. The overall mean of results (4.218) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that fraud give any impact on financial performance. The results showed that the correlation between frauds and financial performance was $r=0.810$, it shows that there was a high positive correlation and there was statistically significant with $p\text{ value}=0.000$ between frauds and Nobleza Hotel financial performance.

5.1.3 The Reasons of fraud in accommodation and financial performance

The second objective of this study was to identify reasons of fraud in accommodation establishment on financial performance in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel. According to Maurine (2015), in his study also carried out the research on various category of fraud in mobile banking in Rwanda. From his finding revealed that consumer drive fraud was the least rampant type of fraud, secondarily agent driven fraud lastly system related fraud, Maurine in his study also carried out the research he also finds out cause of mobile banking fraud from his finding revealed that the highest cause are culture issues, the second highest cause of mobile banking fraud are seasonality and lastly common reason of mobile banking fraud was consumer awareness and poor communication within the system. According to the results, out of 54 respondents, 5.6% of 6 respondents disagreed, the 7.4% of 8 respondents

were on neutral side, the 57.4% of 62 respondents agreed and 29.6% of 32 respondents strongly agreed that poor internal control affects the financial performance in Nobleza Hotel;. The study wanted to know how the weak regulation affect the financial performance, the 3.7% of 4 respondent respondents disagreed, 57.4% of 62 respondents agreed and 38.9% of 42 respondents strongly agreed that weak regulation affect their financial performance of Nobleza Hotel;. The study analyzed how the lack of training affects the financial performance, the 5.6% of 6 respondents strongly disagreed, 7.4% of 8 respondents disagreed, 3.7% of 4 respondents were on neutral side, 70.4% of 76 respondents agreed and 13% of 14 respondents strongly agreed that lack of training affect financial performance. The high percent indicated that training in organization is essential which help employees to perform and enhance their financial performance. The researcher analyzed the impact of overburden employees on financial performance, the 3.7% of 4 respondents strongly disagreed, 9.3% of 10 respondents disagreed, and 3.7% of 4 respondents were on neutral side, and 63% of 68 respondents agreed while 20.4% of 22 respondents strongly agreed that overburden employees affects the financial performance. And also researcher identified how the immoral behavior lead to greed and affect financial performance, the 1.9% of 2 respondent strongly disagreed, 5.6% of 6 respondents disagreed, 1.9% of 2 respondent was on neutral side, 48.1% of 52 respondents agreed and 42.6% of 46 respondents strongly agreed that immoral behavior lead to greed and affect financial performance. The hotel organization is requested to properly manage the reasons of fraud in accommodation establishment factors in order to increase the financial performance. The overall mean of results (4.062) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the reasons of fraud in accommodation establishment affect the financial performance at Nobleza Hotel. According to the results, the correlation

between the reasons of fraud in accommodation establishment and financial performance was $r=0.747$, it presents that there was a positive correlation and there was the significant relationship between the reasons of fraud in accommodation establishment and Nobleza Hotel financial performance. And there was statistically significant with p value $=0.000$ between reasons of fraud in accommodation establishment and Nobleza Hotel financial performance.

5.1.4 Conditions necessary of minimizing the fraud and financial performance

The third objective of this study was to establish conditions necessary to minimize the fraud in accommodation establishment on financial performance in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel. According to Leuchtner (2011) carried out the research his main objective was to identify four internal fraud and measures to detect them. From his finding he suggested organization fraud can be spot through having adequate technology infrastructure and strength safeguard of client data, restriction access customer information avoid show thief and constant control employee's behavior. According to the results, out of 108 respondents responded the questionnaires, 7.4% of 8 respondents disagreed, the 72.2% of 78 respondents agreed and 20.4% of 22 respondents strongly agreed that effectiveness internal control enhance financial performance in Nobleza Hotel;. The study wanted to know how the introducing good governance help to promote the financial performance, the 3.7% of 4 respondent respondents disagreed, 5.6% of 6 respondents were on neutral side, 42.6% of 46 respondents agreed and 48.1% of 52 respondents strongly agreed that introducing good governance promote the financial performance of Nobleza Hotel;. Researcher analyzed how the introducing anti-fraud measures used as one method to improve the financial performance, 3.7% of 4 respondents disagreed, 5.6% of 6 respondents were on neutral side, 42.6% of 46 respondents agreed and 48.1% of 52 respondents strongly agreed that introducing anti-fraud measures is good method can be applied

to increase the financial performance;. The researcher analyzed how the research on fraud can be applied to augment the financial performance, the 3.7% of 4 respondents strongly disagreed, 5.6% of 6 respondents disagreed, and 7.4% of 8 respondents were on neutral side, and 44.4% of 48 respondents agreed while 38.9% of 42 respondents strongly agreed that research on fraud can be applied to know how to increase the financial performance in organization. And also researcher identified how the financial education can enhance the financial performance, the 1.9% of 2 respondent strongly disagreed, 42.6% of 46 respondents agreed and 55.6% of 60 respondents strongly agreed that financial education is one good method can be applied in organization for increasing the financial performance. The hotel organization is requested to properly management of the conditions necessary to minimize the fraud in accommodation factors in order to rise the financial performance. The overall mean of results (4.274) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the conditions necessary to minimize the fraud in accommodation increase the financial performance at Nobleza Hotel. According to the results, the correlation between the conditions necessary to minimize the fraud in accommodation and financial performance was $r=0.778$, it presents that there was a positive correlation and there was statistically significant with p value $=0.000$ between the conditions necessary to minimize the fraud in accommodation and Nobleza Hotel financial performance.

5.1.5 Financial performance

According to Njenga (2015), financial performance defined as achieve or attainment of financial goals or objectives as expressed in financial values. Establishment makes financial statement as document to show all summary of the most activities of the establishment and the financial performance of those activities. Financial statement made due to support in management

decision making process and in coordination of organization resources towards the financial performance. According to the results, out of 108 respondents responded the questionnaires, 3.7% of 4 respondents disagreed, the 1.9% of 2 respondent was on neutral side, 75.9% of 82 respondents agreed and 18.5% of 20 respondents strongly agreed that annual turnover increased and enhance financial performance in Nobleza Hotel;. To an access adequate finance, the 63% of 68 respondents agreed and 37% of 20 respondents strongly agreed that finance was adequately accessed and promote the financial performance of Nobleza Hotel; on an increase return on equity, 42.6% of 46 respondents agreed and 57.4% of 62 respondents strongly agreed that return on equity increased and upsurge the financial performance;. increase in net asset, the 3.7% of 4 respondents strongly disagreed, 5.6% of 6 respondents disagreed, and 1.9% of 2 respondent was on neutral side, and 55.6% of 60 respondents agreed while 33.3% of 36 respondents strongly agreed that net asset increased and rise the financial performance in business of Nobleza Hotel. And also study analyzed how profitability of Hotel was based on responses of respondents, the 1.9% of 2 respondent strongly disagreed, 42.6% of 46 respondents agreed and 55.6% of 60 respondents strongly agreed, only 2 respondents strongly disagreed and other all agreed, it means the profitability of Nobleza hotel was good. The overall mean of results (4.324) that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the financial performance of Nobleza Hotel was nobly good.

5.2 Conclusions

The study analyzed the factors of fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel. These factors of the impact of fraud, reasons of fraud in accommodation establishment and conditions necessary to minimize the fraud in accommodation establishment were analyzed. The study concluded based

on the results; the overall mean of results of the impact of fraud on financial performance was 4.218 that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that fraud give any impact on financial performance. The results showed that the correlation between frauds and financial performance was $r=0.810$, it shows that there was a high positive correlation and there was statistically significant with $p\text{ value}=0.000$ between frauds and Nobleza Hotel financial performance; The overall mean of results of the reasons of fraud in accommodation establishment was 4.062 that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the reasons of fraud in accommodation establishment affect the financial performance at Nobleza Hotel. According to the results, the correlation between the reasons of fraud in accommodation establishment and financial performance was $r=0.747$, it presents that there was a positive correlation and there was the significant relationship between the reasons of fraud in accommodation establishment and Nobleza Hotel financial performance. And there was statistically significant with $p\text{ value}=0.000$ between reasons of fraud in accommodation establishment and Nobleza Hotel financial performance; and The overall mean of results of conditions necessary to minimize the fraud in accommodation was 4.274 that is between Agree (4) and Strongly Agree (5), it presented that the high number of respondents agreed that the conditions necessary to minimize the fraud in accommodation increase the financial performance at Nobleza Hotel. According to the results, the correlation between the conditions necessary to minimize the fraud in accommodation and financial performance was $r=0.778$, it presents that there was a positive correlation and there was statistically significant with $p\text{ value}=0.000$ between the conditions necessary to minimize the fraud in accommodation and Nobleza Hotel financial performance.

5.3 Recommendations

This study analyzed the fraud and financial performance of selected accommodation establishment in Kigali City, Kicukiro District, Rwanda at Nobleza Hotel. Based on the finding, researcher recommends the Nobleza managerial team to implement the anti-fraud measures in daily management activities and promote the conditional necessary to minimize the fraud in accommodation. Researcher recommends others business companies to take carefully the elements of fraud in management.

5.4 Suggestions for further studies

Meanwhile this study has showed that it will be supportive to fraud and financial performance, it is recommended that further studies should be carried out to know more elements of fraud, reasons of fraud and conditional necessary to minimize the fraud in accommodation.

The study also illustrates that further researches should be carried out on the measures leading to reduce fraud and promoting financial performance.

Further studies should also be worked on the methods to eliminate the barriers facing business companies to financially ensure their performance.

REFERENCES

- Adeoye, Y. N. (2018). Risk management and internal auditing relationship: developing and validating a model, *international journal of auditing*, 3(3), 159-174.
- AICPA, (2020) consideration of fraud in financial statement audit *report of general accepted auditing*
- Ajzen, I. and Fishbien, M. (1980). *Understanding attitudes and predicting social behavior*. Englewood cliffs, NJ: prentice-hall
- Akindele R.I (2011),“Fraud as a negative catalyst in the Nigerian banking industry”” Journal of Emerging Trends in Economics and management Sciences (JETEMS)
- Akindele R.L (2011) Fraud as a Negative Catalyst in the Nigerian Banking Industry *Journal of Emerging Trends in Economic and Management Sciences*
- Albrech, W, S., Hill, N. C. and Albrech, C. C. (2006). The ethics development model applied to declining ethics in accounting. *Australian accounting review*, 16(1), 30-40.
- Albrech, W., Howe, K. and Romney, M. (1984). *Deterring fraud: the internal auditor's perspective*. The Institute of Internal Auditors Research Foundation. Altamonte Spring, FL
- Appelaum, S. and Shapiro, B. (2006) Diagnosis and Remedies for Deviant Workplace Behaviors, *Journal of American Academy of Business*, Cambridge: 14-15
- Association of certified fraud examiner (ACFE). (2020). Report to the national occupational fraud *retrieved 2020*

- Bello, Y. P. & Oroh, H. K. (2019). Internal auditing and Nigeria financial service sector, *journal of business and financial accounting*, 7(3), 56-87
- Beyanga, T. A. K. (2011). Internal audit function, employee attitude and financial performance of public universities: A Case Study of Kyambogo and Makerere Universities. *Makerere Universities business school*.
- Caplow, T. (2012), Management Organization, *New York, Holt, Rinchart and Winston*
- Carole (2018), Employee favoritism in workplace. *Michigan: Michigan state university*. P-72-94
- Cavaliere, L. P. L (2021). The Impact of Internet Fraud on Financial Performance of Banks. *Turkish Online Journal of Qualitative Inquiry (TOJQI)*. 12(6). 8126-8158.
- Chan, B., & Mackenzie, M. (2019). Introduction to hospitality, manual on module II. Fine-tuned version. Hong Kong: education bureau.
- Chiemeke, S. C., Ewwiekpaefe, A. and Chete, F., (2006). The Adoption of Internet Banking In Nigeria: An Empirical Investigation, *Journal of Internet Banking and Commerce*, Vol.11 (3), 182-210
- Cooper, R. D & Schindler, S. P (2014) *Business Research Methods*. Boston: Mcgraw Hill
- Cressey, D. R. (1953). Other People Money: *A Study in the Social Psychology of Embezzlement*, Glencoe, Free Press.
- Crosby, Philip B. (1990), the Externally Successful Organization, *New York, the Art of Corporate Wellness, New American Library*

- Ernst & Young (2018). Forensic accounting: A tool for fraud detection and prevention in public sector. *Mediterranean journal of social sciences*, 6(2, 54-76)
- Ewing, Jack. 2018. Engineering a deception: what led to Volkswagen diesel? Scandal- *the New York time* 2018
- Garcia, G. (2010), "Failing prompt corrective action", *Journal of Banking Regulation*, Vol. 11, pp. 171-90.
- Gikiri, M. (2012). *Determination of Occupational Fraud in Commercial Bank in Kenya*.
Doctoral dissertation
- Githinji, D.W. (2010). Relationship between Financial Performance and Camel Rating of Commercial Banks in Kenya. Published MBA Project, University of Nairobi
- Gorard, S. (2013). *Research design: creating robust approaches for the social science* Los Angeles: Sage publications.
- Guthrie, G. (2010). *Basic Research Methods: An Entry to Social Science Research*. New Delhi: SAGE Publications India Pvt Ltd
- Haibo, Z. & Peter, V. Z. (2019) the relationship between organization growth and firm exit, *industrial and corporate change*, volume 28, issue5, page 129-132 ,
- Herbert, (2013). Split in roles of performance appraisal, *Harvard business review*, (P) 123-291
- Jensen, G. F. (2003). Social Control Theories. *Encyclopedia of Criminology*. Richard A. Wright, Fitzroy Dearborn Publishers.

- Johnson G, & Scholes, K. (2018), *Exploring Corporate Strategy*, Seventh Edition London: Prentice Hall
- Kanneh, A. B. (2021) *Corruption and Economic Crimes in the Public Sector: A Case Study of Rwanda*, Kigali
- Kothari, C. R., & Garg, G. (2014). *Research Methods: Methods and Techniques*. New Delhi: New Age International (P) Limited
- KPMG (2012). *The common types of fraud, its cause and impact to a public sector organization*.
- Kroll, (2020). Global Fraud Survey Report: *Retrieved From Fraud. Kroll.Com on July 25, 2020*
- Leuchtner T. (2011). Four Internal Frauds and How to Spot Them, *ABA Banking Journal*, Retrieved On 2nd March 2015 at 7.54 Pm From://Www.Ababj.Com/
- Maurine K. (2015). Mobile Money Banking and Fraud. *Unpublished MBA project, Mount Kenya University Library*
- Moeller, R. R.(2016). *Brinks modern internal auditing: A Commom Body of Knowledge*.8th ed. New Jersey: John Wiley & Son.
- Njenga. B. S. (2015), Audit committee attributes and firm performance; evidence from Malaysian finance companies, *Asian review of Accounting*, Vol. 23 No. 3, PP. 206-231
- Ogata, H., Ishikawa, T., Miyamoto, N., & Matsumoto, T. (2020). An ATM security measure to prevent unauthorized deposit with a smart card. *IEICE TRANSACTIONS on Information and System*, 103(3), 590-601.

RAG, (2020), Rwanda auditor general set to present 2019/2020 report to parliament *the new times journal*, May 2021

Rwanda Development Board, (2018), Rwanda skills survey, tourism and hospitality sector report. RDB.

Sauser, W. (2007). Employee theft: Who, how, why, and what can be done. *S.A.M. Advanced Management Journal*, 72 (3), 13-25.

Shah, M.H and Usaman, A.K (2013) *Journal of internet banking and commerce*, 18 (2).

Verma, P. & Kumar, V. (2021) "Development leadership styles and green entrepreneurial orientation to measure organization growth: a study on Indian green organizations", *journal of entrepreneurship in emerging economies*. Vol. ahead of print no.

Wheeler, T & Hunger, D (2007), *Strategic Management and Business Policy*, Eleventh Edition, London, Prentice Hall.



APPENDICES

Appendix I: Research clearance letter

Mount Kenya University

INSTITUTE OF POST GRADUATE STUDIES & RESEARCH

INTRODUCTION LETTER

REF: MKU04/PGS&R/621/2022
15 MARCH, 2022

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: MANISHIMWE EMMANUEL MBA/2020/66299

This is to confirm that the above-named person is a bonafide student of Mount Kenya University Rwanda.


He is currently carrying out research work to enable him complete his master's program for the award of a Degree in Master of Business Administration (Accounting Option) of Mount Kenya University. The title of his research is:



FRAUD AND FINANCIAL PERFORMANCE OF SELECTED ACCOMMODATION ESTABLISHMENT IN KIGALI, KICUKIRO:

A CASE OF NOBLEZA HOTEL.

The information received will be confidential and for academic purposes only.
Any assistance accorded to him to complete this study will be highly appreciated.

Thank you.


Alice Kituyi Kwake (PhD)
Ag. DIRECTOR INSTITUTE OF POST GRADUATE STUDIES & RESEARCH

Appendix II: Research acceptance letter



Appendix III: Consent form

Dear Respondent,

I am Manishimwe Emmanuel, a student at Mount Kenya University Rwanda School of business administration option of accounting and finance. I am currently carrying out research as requirement to complete my post graduate studies entitled **“Fraud and Financial Performance of Selected Accommodation Establishment in Kigali, Kicukiro”** Your completion of the following questionnaire will be invaluable contribution to this study; the information obtained shall be purely academic. And the information obtained will be treated confidentiality and shall not be used for any other purpose apart from academically. Any assistance in this study will be highly appreciated.

Thank you for your invaluable support

Yours sincerely,

Manishimwe Emmanuel

Appendix IV: Data collection instruments

This questionnaire will be divided into two sections. Whereas the first section will be covering all demographic data and the last section will be relating the research objectives.

Section A: Demographic information

Please tick answers as applicable to you.

1. Gender:

Male ()

Female ()

2. Age of respondents:

18-30 years ()

31-40 years ()

41-50 years ()

51 years and above ()

3. Please indicate your education background

Secondary school ()

Bachelor ()

Master ()

4. Position occupied in this organization

Directors ()

Managers ()

Front Officers ()

Section B: Questions Related to the Research Objectives

Please choose the correct level; use a tick to fill the table for showing the position related the statement.

Please select a tick in the appropriate block for each question.

Strongly Disagree =1, Disagree=2, Neutral=3, Agree=4, Strongly Agree=5.

No	Statement	5	4	3	2	1
7	Effect of elements of fraud					
i.	The embezzlement activity of money in managerial staff directly affect financial performance of hotel					
ii.	Because of reduce working capital, employees disappointed in their daily activities and affect performance financially					
iii.	Unlawful manipulation of a procurement process to acquire contracts affect financial performance					
iv.	The unauthorized withdraw reduce financial performance					
8	Reasons of fraud in accommodation					
i.	The poor internal control increases the fraud in accommodation and affect financial performance.					
ii.	Useless and uncontrolled of regulation in management of hotel affect financial performance					

iii	Inadequate training of employees is one reason of fraud in accommodation					
iv	The overburden employees give the reason of fraud in hotel management.					
v.	Immoral behaviour lead to greed and bring the reason of fraud in employees of hotel					
9	Conditions necessary of minimizing the fraud in accommodation					
i.	The effectiveness internal control reduce the fraud in accommodation					
ii.	Introducing good governance in management of hotel overcome the fraud problem in organization					
iii	Introducing ant-fraud measures help to minimize the fraud in accommodation					
iv	Another condition necessary of minimizing fraud in accommodation is Research on fraud					
v.	Study and training of Financial management help to minimize the fraud in accommodation					
10.	Financial performance					
i.	Increase annual turnover describes the financial performance					
ii.	Available funds leads to access adequate finance and					

	promote financial performance					
iii	The financial performance is described by Increase return on equity					
iv	Increase in net asset is a characteristic of financial performance					
v.	Profitability presents the financial performance					

Thank you for your kind collaboration.

© GSJ