Internal Audit and the Independent Review of Anti-Money laundering Compliance in Nigeria

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*Abstract-*The study examined the role of "Internal Audit in the Independent Review of Anti-Money laundering (AML) Compliance in Nigeria". Primary data sourced through administration of two hundred and forty-five (245) copies of a structured questionnaire on the staff of internal audit department / AML compliance department of sampled NDMBs and FIUs were used for this study. Pearson Product Moment Correlation Coefficient (PPMCC) was adopted to ascertain whether regular independent AML compliance reviews are critical to the fight against money laundering. Pooled OLS was used to evaluate the extent at which enacted laws in Nigeria have discouraged money laundering tendencies among Nigerians. The results showed positive relationship between regular independent AML compliance reviews and the fight against money laundering and the extent at which enacted laws in Nigeria have discouraged money laundering tendencies among Nigerians Hence, the study concluded that there exist positive significant relationship between modeled regular independent AML compliance review and critical fight against money laundering; and the extent at which enacted laws have discouraged ML tendencies among Nigerian. It is therefore recommended that anti-money laundering compliance officers of NDMBs should monitor and enforce strict compliance with the reporting standard in relation to financial statement and other financial dealings of customers.

Keywords- Money Laundering, Internal Audit, Independent Review, Compliance, AML

I. INTRODUCTION

Money laundering has occupied the minds of regulators and law enforcement agencies for many decades as it continues to pose significant threat to countries and financial systems around the globe. It has been established that money laundering is done in various forms, but launderers have always searched for processes to turn their proceeds into usable assets, without leaving any paper trail [21]. Therefore, it has become difficult for the law enforcement agencies and prosecutors to detect money laundering activities, let alone gathering evidence for court hearing (Mohamed & Ahmad, 2012), thus making the negative economic effects of money laundering on economic development difficult to quantify. To this end, this scourge is now a global phenomenon which has impacted negatively on the economies of most nations around the world [16].

The idea of money laundering is simple: a criminal who acquires illegal funds will seek to ensure that he can use the money without the authorities' realizing that the funds are derived from criminal activities [19]. By this, the criminals disguise the illegal origins of their wealth and protect their asset bases, so as to avoid the suspicion of law enforcement agencies and prevent leaving a trail of incriminating evidence. Recently, and in an attempt to tame this ugly trend, the European Union (EU) launched a new project designed to contribute to the fight against money laundering in Ghana, Nigeria, Senegal and Cape Verde and according to the latest World Bank estimate, "nearly forty per cent of Africa's aggregate wealth has fled to foreign bank accounts [2]. Since it has been established that money laundering cannot be effected singularly; it requires conspiracy among many players and most particularly, the financial institutions, either within a territory or across borders, all hands must be on deck to checkmate this scourge.

However, to do this, a workable self-regulatory system must be put in place to make it seriously impossible to go scout-free with the act. Perhaps, that is the main reason why internal audit sections are established in financial institutions to monitor the movement of funds. In the fight against money laundering, internal audit functions in banks and financial services industries must respond to new challenges and expectations. There is a need for auditing to provide greater value as a key component of an organization's governance framework [20]. To strengthen the compliance requirement and tame cases of money laundering activities through proper internal audit [7]. Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) methodology recommendations state: "Financial institutions should be required to maintain an adequately resourced and independent audit function to

test compliance (including sample testing) with procedures".

Statement of the problem
In order to ensure transparency at all times, financial institutions in Nigeria have been mandated to maintain an internal audit department with a view of among others, independently review the anti-money laundering compliance of those institutions. However, the independent review of anti-money laundering compliance by internal auditors in Nigeria's financial institutions have proved ineffective due to increasing trend in money laundering cases which are traced to them. Could this be due to inadequate training (on the part of internal auditors), inappropriate policy guidelines, and lack of regular review of the policies to meet diversities in size and scope or deliberate conspiracy among the parties? Whatever the cause is, one thing is certain, the anti-money laundering effort of the government of Nigeria has yielded little or no result at combating the menace [7].

In addition to this, laws have been enacted in Nigeria, with continuous amendments, to discourage money laundering. For example in Nigeria, such laws as: The Economic and Financial Crimes Commissions Act (EFCC), Money laundering Act, Code of Conduct Bureau Act, Independent Corrupt Practices and other related Act (ICPC), Bank and other Financial Institutions Act (BOFIA) etc. The expectation of the government is that all these laws would help reduce to the barest minimum the cases of money laundering by discouraging those acts, regrettably, this has not being the case. Banks and other financial institutions that are the prime target or perhaps the medium for perpetuating this illegal act have been mandated to report to the EFCC any suspicious transactions or even transactions of more than one- million for individual and five million for corporate entities. It is expected also that banks maintain a proper internal audit department to always check for compliance with the provisions of the laws in respect to reporting of illicit flows of funds to the appropriate authorities. All these efforts have yielded little or no result considering the quantum of money been reportedly stolen and laundered in foreign countries.

Research questions
The following questions will be answered in the course of this study.
i. In what ways are the regular independent AML compliance reviews critical to the fight against money laundering?
ii. To what extent have the enacted laws in Nigeria discourage money-laundering tendencies of Nigerians?

Objectives of the study
Broadly, this study aimed to examine the role of Internal Audit in the Independent Review of Anti-Money laundering Compliance in Nigeria while specifically; it has ascertained whether regular independent AML compliance reviews are critical to the fight against money laundering and evaluated the extent at which enacted laws in Nigeria

have discourage money-laundering tendencies among Nigerians.

Hypotheses of the study
H_{01}: Regular independent AML compliance review has no significant relationship with critical fight against money laundering.
H_{02}: There is no significant relationship between enacted laws and the extent to which money laundering tendencies are discouraged among Nigerians.

II.   LITERATURE REVIEW

Money laundering
The concept " money laundering'' originated in the 1930s when the US Treasury agents were trying to apprehend AI Capone for fraudulent activities [15]. According to [10]. Many definitions exist of this concept but none has fully defined it. It is usually seen in term of what is thought to be rather than it really is hence it not been adequately defined [16]. To this end, those saddled with the responsibility to identify it do not find it easy to recognize what it really is in its entire disguise [16]. According to [11]. Money laundering connotes the act of transferring illegally obtained money or investment through an outside party to conceal its true source. In the Nigerian context, money laundering is the processing of these criminal proceeds to disguise their illegal origin. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardizing their source [7]. [13]. described the criminal activity of money laundering as a process by which the illicit source of assets obtained or generated by criminal activity is concealed to obscure the link between the funds and the original criminal activity. On his part, [6]. Defined money laundering as the criminal practice of processing ill-gotten gains, or 'dirty' money, through a series of transactions; in this way the funds are 'cleaned' so that they appear to be proceeds from legal activities. The idea behind this is simple: a criminal who acquires illegal funds will seek to ensure that he can use the money without the authorities' realizing that the funds are derived from criminal activities [19]. Most of the laundered monies are usually across borders and those behind these will always do everything within their powers to conceal this original identity and source of such monies so that it will not portray what its dirtiness. Invariably, those involved are also aware of what they are into and know it to be inimical and counter-productive to the economy. From the legislative point of view, Financial Intelligence Centre Act (FICA), defines money laundering as an activity which has or is likely to have effect of concealing or disguising the nature, source, location, disposition or movement of proceeds of unlawful activities or any interest which anyone has in such proceeds, and includes any activity which constitutes an offence in terms of section 64 of the Act or section 4, 5, or 6 of the Prevention Act [8].

Compliance

To fathom a clear understanding of the concept of compliance, a clear vision of what it is and the part it plays in the financial service industry is necessary [16]. While factoring-in financial services, [18]. Defined "compliance" as the function of identifying relevant legislative, regulatory and best practice requirements and implementing the necessary systems and controls to ensure adherence to laws and regulations. It is also seen as the implementation of a financial institution's integrity policy. An effective compliance program is the one that establishes internal control that is developed in response to an organization's risk assessment and manages these risks according to risk tolerance of the institution (Risk Solution Financial Services, 2007). The [7]. Through its recommendations endorses regular AML compliance of financial institutions by performing customers due diligence (CDD) check, keeping records and reporting suspicious transactions. As a matter of fact, the Central bank of Nigeria, as a way of enforcing AML compliance rule, has mandated all deposit money banks operating within the chore of this nation to always report any suspicious transactions even those above certain amount, for corporate bodies and individual, to her failure of which tend to attract stiff punishment.

Internal Audit

According to [12]. Internal audit is defined an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. At its simplest, internal auditing involves identifying the risks that could keep an organization from achieving its goals, making sure the organization's leaders know about these risks and proactively recommending improvements to help reduce the risks. For internal auditing to be effective, the organization's leaders must be open to discussing tough issues and seizing opportunities to make necessary changes for improvement. And the internal auditors must have an independent reporting line to the highest governing body (e.g., the audit committee of the board of directors), ensuring them the requisite authority to access all areas of the organization and know that they will be supported if and when their views differ from those of management. Ultimately, internal auditors add value to their organizations by providing assurance, insight, and objectivity. Internal auditors can save their organization substantial amounts of money and protect its reputation in the marketplace by identifying operating inefficiencies, wasteful spending, employee theft, fraud, and cases of noncompliance with laws or regulations, for example. They keep an eye on the corporate climate and perform a variety of activities such as assessing risks, analyzing opportunities, suggesting improvements, promoting ethics, ensuring accuracy of records and financial statements, educating senior management and the board on critical issues, investigating fraud, detecting wasteful spending, raising red flags, recommending stronger controls, monitoring compliance with rules and regulations, and much more. The role and importance of internal control procedures for detecting or preventing money laundering

operations can be identified by: the guidelines and policies issued by the administration of deposit money banks as well as the training given to employees on related issues; a banks' automated programs or systems; the sudden or significant changes of their clients' accounts; the accomplishment of all the clients-specific information; and creating a culture of compliance to ensure staff adhere to the bank's policies and processes. However, the level of sophistication of the internal control systems should be commensurate with the size, structure, risks and complexity of the individual bank. The larger more complex banks are more likely to implement better compliance departmental internal controls. Banks are in need of appropriately trained personnel, and training efforts are required to achieve the regulatory requirements and adherence to the bank's internal policies, procedures and processes [12].

Money Laundering and Nigerian Experience

The money laundering activities in Africa and most particularly Nigeria highlight the importance of being vigilant internationally. The Nigerian government has sought to tackle money laundering by creating the Economic and Financial Crimes Commission. It is an unfortunate reality that corruption is rife in Nigeria where powerful people abuse their positions which in turn undermines the political integrity of the entire State. For example, the former Nigerian Head of State Late Gen. Sani Abacha laundered billions through British banks. The case demonstrates the importance of recognizing that money launderers may not appear as typical criminals and the culprits are usually those "with professional backgrounds and above-average levels of social status and respect." [5].The money laundering activities of the former Nigerian governor, James Ibori, also serves to establish how corrupt individuals can misuse the banking system for criminal activities. Ibori laundered money derived from the Delta State budget into British banks [3]. He concealed the illicit money in accounts of Nigerian companies which were owned by Ibori's acquaintances for so-called oil supplies. The money laundering schemes were aided by "corrupt lawyers, financiers and officials. The case demonstrates the audacious nature of the corrupt as Ibori made a failed attempt to bribe a member of the EFCC with millions of dollars.

However, President Yar'adua suspiciously dropped all of the EFCC's 170 charges which were made against James Ibori. HSBC also allowed the launderer to conceal the illicit funds within their branches despite the Know Your Client requirement under the Prevention of Money Laundering Act 2002. HSBC's failures derived from the fact that they failed to identify Politically Exposed Persons. Ibori was sentenced in 2010 for 13 years. Had Ibori's criminal activities gone undetected "it could have seen Ibori in the presidential villa rather than a British jail cell. The importance of continuously monitoring client accounts must be acknowledged by firms although more importantly, firms should ensure that they conduct the appropriate background checks before allowing the

individual to become a customer. The Nigerian firm Guaranty Trust Bank (UK) Limited was fined £525,000 for numerous failures in their AML controls, one being the failure to carry out background checks to establish whether certain customers were PEPs. The bank also facilitated an avenue whereby customers can effectively circumvent risk assessments when asked the purpose of the client accounts. As the bank suggested that a legitimate reason for having an account could be "day to day expenses," many customers utilized this idea and claimed that this was also their reason for opening the accounts despite the fact that this reason did not coincide with their profile

Anti-money laundering and Egmont Group
The Egmont Group is a united body of financial intelligence units (FIUs) from 151 jurisdictions which provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing (ML/TF). This is especially relevant as FIUs are uniquely positioned to cooperate and support national and international efforts to counter terrorist financing and are the trusted gateway for sharing financial information domestically and internationally in accordance with global AML/CFT standards. The Egmont Group continues to support the efforts of its international partners and other stakeholders to give effect to the resolutions and statements by the United Nations Security Council, the G20 Finance Ministers, and the Financial Action Task Force (FATF). The Egmont Group also responds to calls for greater international cooperation and exchange of operational and strategic information to combat the Islamic State of Iraq (ISIL) and other illicit financial activity. The Egmont Group is able to add value to the work of member FIUs by improving the understanding of ML/ TF risks amongst its stakeholders.

The organisation is also able to draw upon operational experience to inform policy considerations; including AML/CFT implementation and AML/CFT reforms. The Egmont Group is the operational arm of the international AML/CFT apparatus. The Egmont Group recognizes sharing of financial intelligence is of paramount importance and has become the cornerstone of the international efforts to counter ML/ TF. Financial Intelligence Units (FIUs) around the world are obliged by international AML/CFT standards to exchange information and engage in international cooperation. As an international financial intelligence forum the Egmont Group both facilitates and prompts this amongst its member FIUs.

Challenges of Anti-Money laundering Compliance
Immediately after the financial meltdown experienced in the late 2000, the financial sector witnessed a tremendous shift in policy design and implementation. According to [22]. Unsound financial systems provide a safe haven for criminal activities. Financial institutions have been charged with a number of disclosure duties and faced with the end of bank secrecy privileges and the freezing of certain client accounts. However, these changes have actually put banks

under serious pressure and even threatened their survival [14]. [23].opined that all organizations regardless of their size, are vulnerable to companies and individual intending to launder money but financial institutions are exposed to the greatest risk. With this, financial institutions are now required to create AML procedures that go beyond their usual concern and affiliates [11]. According to Angel and [1]. Concealing this large amount of criminal proceeds requires fraudulent methods that have become extremely complicated and sophisticated over time, with a continuous and highly technologically oriented methodology. As a major role player of financial intermediation, AML counter-measures rely on the cooperation of financial system with an increase in the level of reliance over the year to an extent that information collected and analyzed, as part of the compliance requirement, become essential [1].

[23]. revealed that financial institutions play an invaluable role in preventing and detecting money laundering. They can make it difficult and expensive for criminals to launder money thereby making FIs contribute, a great deal, to the investigation of money laundering and the prosecution of those involved. To this end, banks have had to modify and update their existing AML programmes. Regrettably, banks still today face extensive regulations and scrutiny with serious penalties imposed on their failure to comply with requirements. This has made compliance officers face serious challenges ranging from, providing clients with affordable, realistic and supportive services, on one hand, and ensure compliance with law on the other hand. [4]. notwithstanding the challenges in place, there also appears to be a strong bonus driven culture by financial institutions which may impact how diligently financial institutions which may impact how diligently financial institutions perform their checks for money laundering and fraud [23]. Some of the significant challenges facing financial institutions' management and audit committees include an enhanced risk management function, a greater emphasis on complex computer and information systems and the need to allocate resources to meet the compliance requirements.

III. METHODOLOGY

This work focused on the role of internal audit in the independent review of Anti-money laundering compliance in selected Nigerian deposit money banks. The study will cover specifically those NDMBs quoted on the floor of the Nigerian stock exchange (NSE) and also the Nigeria Financial Unit (NFIU) of Economic and Financial Crimes Commission (EFCC). Qualitative and quantitative research designs were employed for this study which also includes content analysis system. These were chosen because of the nature of data to be used for this study which includes both the internal audit reports on NDMBs compliance, AML agencies and other regulators' reports and extracts from a structured questionnaire administered on NDMBs compliance officers and staff members of FIU of EFCC.

Population of this study consisted of the entire staff of the internal audit department and the AML stakeholders of the twenty-three (23) quoted NDMBs in Nigeria in addition to staff members of FIUs EFCC. A simple random sampling technique was purposively used to select nine (9) senior staff from each of the NDMBs while thirteen (13) senior staff were also selected from the FIU of EFCC to arrive at two hundred and seven (207) and thirteen (13) from each groups making it a total of two hundred and twenty (220) persons which formed the sample size. The primary data employed consisted of administration of two hundred and forty-five (245) copies of a structured questionnaire on the staff of the internal audit/ AML compliance department of the sampled NDMBs and FIU of EFCC with Ten (10) copies each on top officials of the affected department in the twenty-three (23) selected NDMBs and fifteen (15) for the FIU respectively. Opinions were then graduated using 5-point Likert scale design. The research model was as follows;

Equation Model

$$AML^c_{it} = \beta_0 + \beta_1 R^k_{it} + \beta_2 C^{dd}_{it} + \beta_3 K^{yc}_{it} + \beta_4 R^s_{it} + \varepsilon_{it....}$$
$$(1)$$

$$AML^c_{it} = \beta_0 + \beta_1 N^c S_{it} + \beta_2 S^r_{it} + \beta_3 SAR^s_{it} + \beta_4 E^{Dd}_{it} + \varepsilon_{it} \quad .....$$
$$(2)$$

Where: **AML^c** – Anti-Money laundering Compliance, **R^k** – Record keeping. **C^{dd}** – Customer due diligence. **K^{yc}** – Know Your Customer. **R^s** – Regular Supervision. **N^{c}S** – Sanction for non-compliance. **S^r** – Reporting standards. **SAR^s** – Suspicious activity reporting **E^{Dd}** – Enhanced due diligence. **ε$_{it}$** – Error term. **β$_0$** – Intercept. **β$_1$, β$_2$, β3, β$_4$** – Co-efficients

IV. RESULTS AND DISCUSSIONS

Diagnostics Test on Regression Analysis (Unit Root Test)

However, in an attempt to test for the Stationarity of the data; this study used Levin, Lin and Chu test model. The decision rule adopted here is that if the probability value of Levin, Lin and Chu test is lesser than 5% critical value, then it is adjudged that the tested data is non-stationary. If on the other hand, the probability value of the Levin, Lin and Chu test is greater than 5% critical value, then it is adjudged that the tested data are stationary. Hence, the purpose of the unit root test is to know if the data are I (0), I (1) or I (2). Invariably, the results show that all the variables are stationary (no unit root) at the first difference. Table.1 results show that the data are stationary (no unit root) at the levels except Professional qualification (Q^p) which are non-stationary.

Analysis to Ascertain Whether Regular Independent AML Compliance Reviews Are Critical To the Fight against Money Laundering
This study conducted correlation analysis to ascertain whether regular independent AML compliance reviews are

critical to the fight against money laundering. The result of the analysis presented in Table.2 revealed the simultaneous direction of movement between pairs of variables. Though the reported statistic does not predict causal-effect relationship, however the statistics revealed how the pooled observations of variables move together over time. From table.2, it was revealed that anti-money laundry compliance (AML^c) correlated positively with record keeping (R^k), customer due diligence (C^{dd}), know your customer (K^{yc}) and Regular supervision (R^s). Specifically table 4.2 reported correlation coefficients of 0.8620, 0.0983, 0.4222, 0.0683, for pairs including AML^c and R^k, AML^c and C^{dd}, AML^c and K^{yc}, AML^c and R^s.

The reported correlation between anti-money laundry compliance (AML^c) and other variables used in the study shows that anti-money laundry compliance (AML^c) has strong correlation. Table.2 reported correlation values of 0.3210, 0.06110, 0.0359, for AMLc and C^{dd}, AMLc and K^{yc}, AML^c and R^s respectively. The reported coefficients revealed that there is weak positive correlation anti-money laundry compliance and variables like customer due diligence, know your customer and Regular supervision. In the same vein, the result revealed that 0.0630 and 0.0023 respectively. Other correlation coefficients reported in table.2 stood at 0.0354 for AML^c and R^s. However, the reported correlation coefficients revealed that there is weak correlation between all the explanatory variables though direction differs across pairs. However the establishment of the correlation between the dependents and independents variables of the study does not in any sense connote the direction and magnitude of causal-effect relationship that exist between them, hence the reported coefficient is only meant to give first hand overview of the direction of movement of each pairs of variables used in the study.

Analysis of the Extent at which Enacted Laws in Nigeria have Discouraged Money Laundering Tendencies among Nigerians
The result of model one in Table .3, showed that Sanction for non-compliance (N^{c}S) and suspicious activity reporting (SAR^s) have positive effect on Anti-money laundry system while Reporting standard (S^r) and Enhanced due diligence have negative effect on Anti-money laundry system. From the Table; it is vividly seen that sanction for non-compliance (N^{c}S) and suspicious activity reporting (SAR^s) possess positive relationship with anti-money laundry policy which suggests that an increase in both will ultimately discourage money laundering tendencies among Nigerians. This claim is supported by the coefficient of the variables 2.373417 and 7.209654 which meant that a unit increase in N^{c}S and SAR^s may lead to 2.4% and 7.2% increase in extent at which enacted laws in Nigeria will discourage money laundering tendencies among Nigerians. This claim is further supported by the t-stat 0.137553 and 1.919331 which indicated that the variable was significant. The probability value 0.0000 indicated that the variable is significant at 1% level of significance.

This further shows that N^cS and SAR^s are determining factor when considering the extent at which enacted laws in Nigeria discourage money laundering tendencies among Nigerians. On other hand, Reporting standard (S^r) and Enhanced due diligence (E^{dd}) indicated negative effect with extent of discouragement, meaning that the variable has the potential in money laundry discouragement among Nigerians. This claim is buttressed by the coefficient of the variables -19.53504 and -11.35432. This simply meant that a unit or 1% increase in Reporting standard (S^r) and Enhanced due diligence (E^{dd}) may lead to over 19% and 11% reduction in extent at which enacted laws in Nigeria discourage money laundering tendencies among Nigerians. This results show insignificant (t-stats = -0.162363 and -6.644264) indicating that Nigeria banks is lacking behind on the use of Reporting standard (S^r) and Enhanced due diligence (E^{dd}) properly and this was further supported by the probability value (p = 0.8712 and 0.7632).

Discussions

Finally, the coefficient of determination (R^2) 0.652832 suggested that the independent variables account for over 65% of total variation in the dependent variable. This is an indication that the model is of good fit. The F-stat showed the total significance of the model with the value 105.7751 which is significant at 1% level of significance. The study rejects the null hypothesis and accept alternative hypothesis that; there is significant relationship between enacted laws and the extent to which money laundering tendencies are discouraged among Nigerians. The Durbin Watson (DW) showed that there is no autocorrelation or serial correlation in the model with the value DW 1.78294 respectively.

V. CONCLUSION AND RECOMMENDATIONS

Conclusion

Consequent upon data collected to unravel the role of internal audit in the independent review of anti-money laundering compliance in Nigeria and based on the results of the analysis carried out, the study concluded that there exist positive significant relationship between modeled regular independent AML compliance review and critical fight against money laundering; and the extent at which enacted laws in Nigeria have discouraged money laundering tendencies among Nigerians showed positive significant relationship. Generally, it is concluded that internal audit sections of banks in Nigeria and other compliance officers of FIUs of Anti-money laundering agencies in Nigeria play important role in the Anti-money laundering compliance in Nigeria.

Recommendations

Anti-money laundering compliance officers of NDMBs should monitor and enforce strict compliance with the reporting standard in relation to financial statement and other financial dealings of customers.

Tables

Table 1: Stationarity Result for Levin, Lin & Chu Test of the Used Data

Variables	Level	1st Difference	2nd Difference	Order of Integration
R^k	- 2.03811**	-8.47051		I(0)
C^{dd}	-1.92716**	-6.31717		I(0)
K^{yc}	-1.90938**	-9.06745		I(0)
R^s	-2.31438***	-10.2714		I(0)
AML^C	3.78160***	13.0561		I(0)

(***) indicates significance at 1% level, (**) indicates significance at 5% level, (*) indicates significance at 10% level of freedom.
Source: Author's Computation, 2019 (E-views 10).

Table 2: Pearson Correlation Matrix

	AML^c	R^k	C^{dd}	K^{yc}	R^s
AML^c	1.0000				
R^k	0.8620	1.0000			
C^{dd}	0.0983	0.3210	1.0000		
K^{yc}	0.4222	0.6110	0.0630	1.0000	
R^s	0.0683	0.0359	0.0023	0.0354	1.0000

Source: *Author's Computation (2019).*

Table 3: Pooled Ordinary Least Square Test on the extent at which enacted laws in Nigeria have discouraged money laundering tendencies among Nigerians

Variable	Coefficient	Std. Error	t-Statistic	Prob.
N^cS	2.373417	17.25447	0.137553	0.0000
S^r	-19.53504	12.03169	-0.162363	0.8712
SAR^s	7.209654	3.756338	1.919331	0.0043
E^{Dd}	-11.35432	1.708891	-6.644264	0.7632

R-squared	0.652832	Mean dependent var	27049.69
Adjusted R-squared	0.30666	S.D. dependent var	30799.32
S.E. of regression	18307.86	Akaike info criterion	22.48955
Sum squared resid.	7.545110	Schwarz criterion	22.56429
Log likelihood	-2581.298	Hannan-Quinn criter.	22.51970
F-statistic	105.7751	Durbin-Watson stat	1.782941
Prob(F-statistic)	0.0450		

Source: *Author's Computation (2019)*

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