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Nigeria's Public Accountability and Supreme Audit Institutions: A Case Study of Lagos State Civil Service

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Abstract
The study investigates the role of auditors from the Office of Internal Audit in enhancing financial performance and accountability within Lagos State Civil Service. Financial accountability is crucial for transparency, integrity, and responsible management of funds. However, inadequate audit resources, resistance to scrutiny, inefficiencies in audit processes, and non-regulatory compliance can affect it. The study aims to evaluate the impact of financial audits conducted by the Office of Internal Audit on the financial accountability of Ministries, Departments, and Agencies in Lagos State. The research employs an explanatory research design to assess cause-effect relationships using numerical data and statistical analysis. Primary data was gathered through structured questionnaires targeting auditors, financial officers, and administrators within Ministries, Departments, and Agencies (MDAs). The collected data was analyzed using regression analysis, correlation tests, and descriptive statistics to establish relationships between variables. At 0.05 significant level, the study's key findings of the study revealed that financial, performance, and regulatory audits significantly improve financial accountability among MDAs in Lagos State, fostering transparency, responsible resource management, and ethical governance. The study however concludes that regular financial audits are essential for accountability, policy decisions, and strengthening internal controls. Performance audits guide resource allocation, budget planning, and enhance financial oversight. Regulatory and compliance audits ensure ethical governance, legal compliance, and safeguard public resources against mismanagement and corruption. The study recommends that regular implementation of financial audits to maintain accountability and guide policy decisions. Strengthening internal controls and audit committees is crucial for sustained financial discipline.

Keywords: Audit, Financial Performance, Compliance Regulatory, Lagos State, Nigeria.

1. Introduction

The public sector accountability is now considered a key aspect that surrounds fiscal pressures, government reforms and public expectations. Nigeria for instance, particularly within Lagos state, has its role of internal audit extended far beyond the old financial error to a more systematic tool that can be used to enhance transparency and add value-for-money in government operations. The office of the internal audit office is a very key institution that has been put in place to assist in holding government Ministries, Departments, and Agencies (MDAs) that are accountable and ensure it works so well. This study focuses on understanding how this different office can affect financial performance and accountability of public institutions. This paper focuses on three key activities that form the basis on the role of the office of the internal audit which are: financial audit, performance audit, and regulatory/compliance audit. Where each of these represent a mirror through which accountability and financial discipline are to be enforced. This study investigates audit practice and the extent of its contribution to audit practices thereby promoting responsible management and public trust within Lagos State MDAs.

In spite of their positive objectives, internal audit is not left without criticism. Questions often arise concerning their effectiveness, independence and political influence. People are of the opinion that they are not effective enough, and that politics often influences their decisions so much, most especially in a complex government setting. They are often criticized on the basis that audit leads to real accountability. There are often issues such as audit fatigue, recommendations not well implemented, and resistance from those being audited, all of which cloud the perceived impact of internal audit. Several empirical studies have affirmed the positive influence of internal audits on public sector governance, fiscal control, and service delivery. Through timely and systematic evaluations, audits help detect inefficiencies, uncover irregularities, and promote adherence to public finance management laws. Their presence can also reduce corruption risks and foster a culture of compliance across agencies.

Government MDAs may resist full transparency in audit reporting due to potential political interference or exposure of systemic inefficiencies. However, withholding audit information undermines the intent of public accountability and the democratic value of openness in governance. Consequently, this study seeks to fill that gap by evaluating the effects of financial, performance, and compliance audits on public accountability.

Financial accountability is crucial for transparency, integrity, and responsible management of funds. However, inadequate audit resources, resistance to scrutiny, inefficiencies in audit processes, and non-regulatory compliance can affect it.

This paper is structured into five sections, section one details the introduction, followed by section 2 which reviewed the relevant literature and presents the theoretical framework. Section 3 outlines the research methodology and data collection processes, section 4 presents the data analysis and key findings, and section 5 is used for the discussion and conclusion of the study.

2. Literature Review and Hypotheses Development

The concept and nature of Internal Audit in Public Sector

Public sector auditing involves the examination and assessment of government operations to ensure efficiency, accountability, and transparency in the use of public funds. Auditors have the responsibility of holding public officials and government organizations to account for their decisions, actions, and use of public funds. The purpose is to ensure efficiency, accountability, and transparency in government operations. It is characterized by operational efficacy, financial integrity, and compliance with regulations. PSA is important so as to maintain public faith in governmental institutions, ensures effective and ethical use of public resources.

Auditing profession is a discipline that evaluates management personnel and activities. Internal auditors need organizational independence from management (Setiawan et al., 2023). The audit profession includes the audit committee, a subcommittee of the Board of Directors. Typically, Chief Audit Executives maintain their independence by reporting directly to the Chairperson of the Audit Committee. Notably, any decision to replace them generally requires the approval of the Chairperson. Internal audits consist of financial audits, which is a systematic process of checking financial reports and records; regulatory audits, which is the review of compliance with laws, regulations, and policies; and compliance audits, which evaluation of adherence to standards, policies, and processes. These three variables mentioned should constitute specific objectives for the study: Financial audit; Regulatory audit; and compliance audit

Public sector auditing is a crucial aspect of good governance, as it examines and assesses government operations to ensure efficiency, accountability, and transparency in the use of public funds. This includes audits that review operational efficacy, financial integrity, and compliance with regulations. Public sector accountability involves responsibility by public officials and government organizations to account for their decisions, actions, and use of public money, ensuring transparency and accountability.

Financial Audits: Financial audits involve the systematic process of checking financial reports and records to ensure correctness, reliability, and conformity with accounting principles (Irowa-Omoregie & Ohonba,2025). They affirm that MDAs manage public funds accordingly and present their financial activities correctly. They also propose ways of improving financial management practices and help in identifying financial anomalies. Regulatory Audits: Regulatory audits review whether organizational entities are conducting their operations within the law, regulations, and policy that control their activities (Mohammed et al., 2023). They ensure that MDAs comply with statutory requirements and their internal rules, focusing on procurement, financial management, and human resources.

Compliance Audits: Compliance audits establish the level at which an institution adheres to both internally and externally laid down standards, policies, and processes (Adam et al., 2023). They help discover areas of non-compliance and advise on various corrective actions to be taken, thus enhancing governance and transparency.

Accountability and Governance

Accountability in the public sector is critical in maintaining public faith in governmental institutions, as it ensures that public resources are used effectively, ethically, and in accordance with citizen needs and expectations. Internal auditing, a discipline developed after World War II, bears many conceptual similarities with activities such as financial auditing by public accounting firms, quality assurance, and banking compliance (Asare, 2021). Management consulting and public accounting fields provide much of the theoretical theory in internal auditing.

The importance of accountability is to ensure transparency, trust, and good governance. Financial accountability is crucial in the public sector to ensure value for money and prudent financial management. The roles of audit are to enhance accountability, identify areas for improvement, and make recommendations for better financial management. Accountability is an essential part of good governance because it ensures accountability of public officials regarding decisions taken and actions pursued. Accountability means having people and organizations answerable for their performance, which helps build a high degree of transparency and trust. Financial accountability is crucial in the public sector to ensure value for money on the use of public funds for their intended purposes. It encourages transparency and builds confidence through prudent financial management. Audits enhance accountability in financial matters, attesting to the reliability and accuracy of financial information. They identify areas needing improvement and make recommendations on how financial management processes could be improved to better ensure the efficient use of public resources.

Justification in Support or Against Internal Control Systems

Several studies support the argument that internal control systems, including internal audits, have a positive impact on financial accountability and performance. Adeola (2020) found that internal control systems have a positive effect on financial accountability in the Nigerian public service, highlighting the importance of effective internal controls in promoting transparency and accountability. Similarly, Akankwasa and Akakikunda (2022) directly supports this argument, finding that internal auditing has a positive impact on the financial performance of micro-financial institutions. Other studies argued,

especially Akther and Xu (2020) found that the audit expectation gap affects stakeholders' confidence, potentially impacting financial performance. Additionally, Al-Aamri et al. (2021) found that audit committees, which oversee internal audits, have a positive impact on financial reporting quality, further emphasizing the importance of internal controls in ensuring accurate and reliable financial reporting. These studies collectively underscore the significance of internal control systems and internal audits in promoting financial accountability, transparency, and performance in various organizational settings.
Bakori et al. (2024) evaluates expenditure control measures on state spending in Nigeria and finds that internal auditors play a crucial role in ensuring effective expenditure control. Supporting the argument: Internal audits can improve financial performance by ensuring effective expenditure control and promoting transparency (Mohammed et al., 2023). Also, Bajra and Čadež (2020) explores alternative regulatory policies, compliance, and corporate governance quality. Indirect support: Effective internal audits can ensure compliance with regulatory policies, which can positively impact financial performance.

Financial performance as an influencing factors in the context of internal audit

Several key factors influence financial performance in the context of internal audit. Effective internal control systems are crucial, as they promote transparency and accountability, ultimately enhancing financial performance (Eton et al., 2022). High-quality audits also play a significant role, contributing to better financial performance by ensuring accurate financial reporting and identifying areas for improvement (Hazaea et al., 2020). Compliance with regulatory frameworks and policies is essential, as non-compliance can lead to financial losses and reputational damage (Bajra & Čadež, 2020). Effective risk management practices are also vital, enabling organizations to mitigate potential risks and capitalize on opportunities (Budiandru, 2020). Strong accountability mechanisms are necessary, promoting a culture of responsibility and transparency (Maama & Marimuthu, 2020). Accurate and transparent financial reporting is critical, providing stakeholders with reliable information to make informed decisions (Muktiadji et al., 2020). Furthermore, effective audit committees can positively impact financial performance by overseeing internal audits and ensuring their effectiveness (Al-Aamri et al., 2021). Ultimately, effective internal audits can significantly enhance financial performance by identifying areas for improvement, promoting transparency, and ensuring accountability (Bakori et al., 2024). By focusing on these factors, organizations can improve their financial performance and achieve their goals.

Link between internal audit and public accountability

The link between internal audit and accountability is complex. Internal audits can improve financial accountability, leading to better financial performance by ensuring that financial transactions are properly recorded and reported (Adeola, 2020; Eton et al., 2022). Additionally, internal audits can ensure compliance with regulatory frameworks, reducing the risk of non-compliance and associated financial penalties (Abrahams et al., 2024; Bajra & Čadež, 2020). Effective internal audits can also identify and mitigate risks, reducing the likelihood of financial losses (Budiandru, 2020). Furthermore, internal audits can ensure accurate and transparent financial reporting, leading to better financial decision-making (Muktiadji et al., 2020). By identifying areas for improvement, internal audits can also lead to increased efficiency and effectiveness (Zinyama, 2013). Moreover, internal audits can contribute to better governance, leading to improved financial performance (Maama & Marimuthu, 2020). Internal audits can also help prevent and detect corruption, reducing the risk of financial losses (Salawu, 2007). Ultimately, internal audits can increase stakeholder confidence, leading to improved financial performance (Akther & Xu, 2020).

Theoretical Review

The research framework consists of two major theories: Agency Theory, and Auditing Expectation Gap Theory. These two theories provide a theoretical framework for understanding the role and importance of auditing in both internal and external audits by organizations. The Expectation Gap Theory of Auditing provides the theoretical basis for a strong audit expectation gap between what consumers believe auditors are responsible for and vice versa, or what auditors themselves think their role is. This gap is a long-standing problem in the auditing profession, often aggravated by well-publicized corporate failures that erode public trust in audits. It results from differing opinions on the duties of an auditor and the actual extent of an audit (Ojo, 2006).

The collapse of WorldCom, for example, extended a crisis of credibility within the accounting profession, with investors and employees reporting millions in financial losses (Whittington & Pany, 2004). External auditors' perceptions of their roles often differ from user groups and the public, leading to misconceptions and dissatisfaction over audit results, especially when financial mismanagement or fraud are discovered later on (Fowzia, 2010). According to Agency Theory, auditors have a role of reducing the gap between management and shareholder interests through an independent judgment of management's financial reporting. This oversight regulation helps stakeholders gain more confidence by ensuring that the financial statements give a true and fair view of the company's financial situation. The study was silent about the agency theory. If the study has nothing to write about agency theory, then delete it.

Empirical Studies

Akankwasa and Akakikunda (2022) investigated the impact of internal auditing on the financial performance of micro-financial institutions in Uganda's Kigezi region. The key findings showed that internal auditing positively influences financial performance, thereby concluding that effective internal auditing is crucial for improving financial performance in this sector. Similarly, Hazaea et al. (2020) conducted an empirical investigation using survey data to examine the impact of internal audit quality on the financial performance of Yemeni commercial banks and found that internal audit quality positively affects financial performance. Thereby concluding that high-quality internal audits are essential for enhancing financial performance in commercial banks. More recently, Bakori et al. (2024) adopted an empirical approach with survey data to evaluate expenditure control measures on state spending in Nigerian ministries, departments, and agencies. The findings highlighted the crucial role internal auditors play in ensuring effective expenditure control, concluding that effective internal audits are essential for improving financial performance within the public sector.

Budiandru (2024) found that effective internal audits significantly improve financial performance by fostering compliance, boosting operational efficiency, and offering valuable insights for decision-making. Focusing on the banking sector, Qadri et al. (2025) demonstrated a direct and significant influence of internal audit on the financial performance of Saudi Arabian banks, underscoring its importance in achieving better financial outcomes.

El Gharbaoui (2021) in his systematic literature review emphasized the link between internal audit quality and financial performance. In the public sector, a case study by Kiiza et al. (2023) at Masindi District Local Government reveals that effective internal audit practices positively influence financial performance. This finding is reinforced by Hussein et al. (2024), who emphasizes the crucial role internal

audits play in ensuring accurate and reliable financial reporting, ultimately promoting transparency and accountability.
The link between internal audit and financial performance is influenced by several key factors. Internal audit effectiveness is crucial, as high-quality audits can significantly impact financial performance by identifying areas for improvement and ensuring compliance with regulatory frameworks (Alajeli & Wahhab, 2022; Abdelrahim & Al-Malkawi, 2022). Effective risk management practices also play a vital role, enabling organizations to mitigate potential risks and capitalize on opportunities (Weekes-Marshall, 2020). A strong organizational culture can support internal audits and improve financial performance by promoting transparency and accountability (Praise & Rapina, 2022). Additionally, internal audit independence is essential, as it allows auditors to conduct their work objectively and without bias (Abdelrahim & Al-Malkawi, 2022). The quality of audit committees is also important, as they oversee internal audits and ensure their effectiveness (Alzeban, 2020). Given the above, the study therefore hypothesize as follows:

A financial audit is a systematic examination of an organization's financial records, statements, and related operations to ensure accuracy, compliance with accounting standards, and transparency. Within the public sector, financial audits help to validate how public funds are received, managed, and spent. They are vital for ensuring the integrity of financial reporting and the proper use of government resources. Through detailed scrutiny of revenue and expenditure records, financial audits can uncover discrepancies, recommend corrective actions, and strengthen internal control mechanisms.
Given the role financial audits play in enhancing transparency and accountability, it is necessary to evaluate their actual impact. Thus, the following hypothesis is proposed:
H1: Financial audits conducted by the Office of Internal Audit do not have a significant impact on the financial accountability of Ministries, Departments, and Agencies (MDAs) in Lagos State.

These audits assess whether MDAs deliver services in a way that achieves intended outcomes while making the best use of available resources. In Lagos State, performance audits conducted by the Office of Internal Audit aim to evaluate whether MDAs are meeting their stated objectives and whether their activities align with public interest. To determine the value added by performance audits, the following hypothesis is presented:
H2: Performance audits carried out by the Office of Internal Audit do not have a significant effect on the accountability of Ministries, Departments, and Agencies (MDAs) in Lagos State.

Regulatory and Compliance Audit Regulatory and compliance audits assess whether an organization adheres to relevant laws, regulations, policies, and procedures. In the public sector, these audits ensure that MDAs operate within the boundaries set by regulatory frameworks, thereby reducing the risk of legal infractions and administrative sanctions. To test the significance of regulatory and compliance audits in enforcing accountability, the following hypothesis is developed:
H3: Regulatory and compliance audits conducted by the Office of Internal Audit do not have a significant influence on the accountability of Ministries, Departments, and Agencies (MDAs) in Lagos State.

3. Methodology

The Sample and Data

The study examines the impact of internal audits on public accountability in the Lagos State Civil Service. The population consists of 399 internal auditors, including 168 heads of internal audit units. These heads oversee audit activities, enforce compliance, and advocate for financial accountability. A purposive sampling technique was used to select respondents with in-depth knowledge of internal auditing processes. Simple random sampling was employed for efficiency and fairness. A sample size of 200 respondents was calculated using the Taro Yamane formula. Structured questionnaires were administered to heads of internal audit units and key management staff to gather information on their perceptions and experiences regarding internal audit procedures, internal controls' effectiveness, and the overall impacts of audits on public sector accountability.

Model Specification

Model 1: Influence of Financial Audits on Financial Accountability

$FA=\beta0+\beta1(FIA)+\beta2(Orgsize)+\beta3(Inds)+\beta4(II)+\beta5(RA)+\epsilon$

Model 2: Impact of Performance Audits on Public Accountability

$PA=\beta0+\beta6(PEA)+\beta2(Orgsize)+\beta3(Inds)+\beta4(II)+\beta5(RA)+\epsilon$

Model 3: Effect of Regulatory/Compliance Audits on Accountability

$RA=\beta0+\beta7(RCA)+\beta2(Orgsize)+\beta3(Inds)+\beta4(II)+\beta5(FA)+\epsilon$

Where:

FA: Financial Accountability, FIA: Financial Audits, PA: Public Accountability, PEA: Performance Audits, RA: Accountability, RCA: Regulatory and Compliance Audits, β0: Intercept, constant term, β1 ,β2,β3,β4,β5: Coefficients for respective variables, ϵ: Error term, which captures unexplained variation in financial accountability.

Measurement of Variables

The study focuses on the financial accountability, public accountability, financial audits, performance audits, regulatory/compliance audits, organizational size, industry type, institutional independence, and resource availability of multinational corporations (MDAs). Financial accountability measures transparency and accuracy in financial reporting, while public accountability represents overall accountability, including compliance with regulations and ethical standards. Financial audits examine financial statements and records, while performance audits evaluate the efficiency and effectiveness of operations. Regulatory/compliance audits assess adherence to laws, regulations, and internal policies. The study also considers organizational size, industry type, institutional independence, and resource availability.

4. Results and Discussion

Table 1: Reliability Test (Cronbach's Alpha Test)

Measures	Questionnaire Items	Number of Items	Alpha (α)
Demographics Information	A1 – A7	7	0.447
Financial Audits	B1 – B10	10	0.926
Performance Audits	B11 – B18	8	0.924
Regulatory and Compliance Audits	B19 – B29	11	0.957
Public Accountability	B30 – B40	11	0.946

Source: Fieldwork, 2024.

The Table 1 reliability of "Demographics Information" (0.447) is poor, indicating inconsistency among its items. In contrast, the measures for "Financial Audits" (0.926), "Performance Audits" (0.924), "Regulatory and Compliance Audits" (0.957), and "Public Accountability" (0.946) all demonstrate excellent internal consistency (typically, alpha values above 0.7 are considered acceptable, and values above 0.9 are excellent), suggesting that the items within each of these scales are highly correlated and reliably measure their respective constructs.

Table 2. Descriptive Statistics

Statistics	[FA] Financial Audits.	[PEA] Performance Audits.	[RA] Regulatory and Compliance Audits.	[PA] Public Accountability
Mean	4.26	4.02	4.15	4.11
Std. Deviation	0.725	0.776	0.768	0.671
Skewness	-1.401	-1.337	-1.472	-1.342
Std. Error of Skewness	0.172	0.172	0.172	0.172
Kurtosis	4.468	3.252	3.980	5.557
Std. Error of Kurtosis	0.342	0.342	0.342	0.342

Source: Fieldwork, 2024.

Table 2 presents the descriptive statistics for the variables. The mean scores for all audit types and public accountability were notably high, indicating a generally positive perception or presence of these aspects. Specifically, Financial Audits (FA) had the highest mean score at 4.26, followed by Regulatory and Compliance Audits (RA) at 4.15, Public Accountability (PA) at 4.11, and Performance Audits (PEA) at 4.02. Regarding dispersion, the standard deviations were relatively consistent across the variables. Financial Audits had a standard deviation of 0.725, Performance Audits had 0.776, Regulatory and Compliance Audits had 0.768, and Public Accountability had 0.671. These values indicate a moderate spread of data around their respective means.

The skewness values for all variables were negative: -1.401 for Financial Audits, -1.337 for Performance Audits, -1.472 for Regulatory and Compliance Audits, and -1.342 for Public Accountability. With a standard error of skewness of 0.172 for all variables, these negative values, being significantly greater than twice their standard error in magnitude, suggest that the distributions are negatively skewed. This indicates a leftward tail, implying that a larger proportion of responses fell towards the higher end of the scale for these variables.

Furthermore, the kurtosis values were all positive: 4.468 for Financial Audits, 3.252 for Performance Audits, 3.980 for Regulatory and Compliance Audits, and 5.557 for Public Accountability. Given a standard error of kurtosis of 0.342, these values, being significantly greater than zero and in many cases greater than twice their standard error, indicate that the distributions are leptokurtic. This suggests that the distributions have sharper peaks and heavier tails than a normal distribution, implying a higher concentration of data around the mean and a greater likelihood of outliers.

Correlation Analysis

Table 3: Correlation Analysis

Variable	Financial Audits.	Performance Audits.	Regulatory and Compliance Audits.	Public Accountability
Financial Audits.	1			
Performance Audits.	.491**	1		
Regulatory and Compliance Audits.	.543**	.601**	1	
Public Accountability	.561**	.575**	.562**	1

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

Source: Fieldwork, 2024.

Table 3 reveals significant links between Financial Audits (FA), Performance Audits (PEA), Regulatory and Compliance Audits (RA), and Public Accountability (PA) audits. Specifically, a strong correlation was found between FA and Performance Audits, indicating strong relationships between these audit types. The same was true for Performance Audits, which showed a strong positive relationship with Public Accountability and Regulatory and Compliance Audits. The study also found a strong positive relationship between Public Accountability and Regulatory and Compliance Audits, indicating alignment between these two constructs. The correlations suggest strong interlinkages between audit types, suggesting common audit goals, integration of audit functions, and in-depth audit methodologies. These findings suggest that different types of audits are interconnected and share common objectives.

Table 4: Covariances Matrix

Model	Public Accountability	Regulatory and Compliance Audits	Performance Audits
Public Accountability	0.006	-0.002	-0.002
Regulatory and Compliance Audits	-0.002	0.005	-0.002
Performance Audits	-0.002	-0.002	0.005

a. Dependent Variable: Financial Accountability

The diagonal elements (e.g., 0.006 for Public Accountability, 0.005 for Regulatory and Compliance Audits and Performance Audits) represent the variances of the individual coefficient estimates, indicating their precision (smaller values mean more precise estimates). The off-diagonal elements (e.g., -0.002) represent the covariance between the coefficient estimates of different independent variables. These negative covariances suggest that as the estimate of one coefficient increases, the estimate of another tends to decrease, which can occur when independent variables are correlated.

Regression Analysis

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679[a]	0.461	0.453	0.496

a. Predictors: (Constant), [RA] Regulatory and Compliance Audits, [FA] Financial Audits, [PEA] Performance Audits.

Source: Fieldwork, 2024.

Table 6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.301	3	13.767	55.890	.000[b]
	Residual	48.279	196	0.246		
	Total	89.580	199			

a. Dependent Variable: [PA] Public Accountability

b. Predictors: (Constant), [RA] Regulatory and Compliance Audits, [FA] Financial Audits, [PEA] Performance Audits.

Source: Fieldwork, 2024.

Table 7: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.110	0.236		4.700	0.000
	Financial Audits.	0.272	0.060	0.294	4.561	0.000
	Performance Audits.	0.255	0.059	0.295	4.354	0.000
	Regulatory and Compliance Audits.	0.197	0.061	0.225	3.209	0.002

a. Dependent Variable: [PA] Public Accountability.

Source: Fieldwork, 2024.

The regression model in Table 5 demonstrated a strong relationship between public accountability and the three audit types. The adjusted R-squared value of 0.453 indicated that financial, performance, and regulatory audits collectively explained 45.3% of the variance in public accountability. The R-value of 0.679 suggested a substantial positive correlation between the predictors and public accountability. Also, the ANOVA results in Table 6 confirmed that the regression model predicting public accountability was highly significant (F (3,196) =55.890, p<0.001). This indicated that financial, performance, and regulatory audits together had a statistically significant influence on public accountability. The coefficient analysis in Table 7 revealed that all three audit types positively and significantly predicted public accountability. Financial Audits (FA) had a positive and significant effect on public accountability (B=0.272, t=4.561, p<0.001). Performance Audits (PEA) also had a positive and significant effect on public accountability

(B=0.255, t=4.354, p<0.001). Regulatory and Compliance Audits (RA) similarly exhibited a positive and significant effect on public accountability (B=0.197, t=3.209, p=0.002). The constant term was 1.110, which was also significant (t=4.700, p<0.001).

Test of Hypotheses

The findings of this study directly address the hypotheses posed regarding the impact of various audit types on the accountability of Ministries, Departments, and Agencies (MDAs) in Lagos State.

Financial Audits (H1)

These results align with the core tenets of auditing, agency, and expectation theories, which emphasize responsibility and openness in financial management. Effective internal controls, often a product of robust financial audits, foster transparency, financial discipline, and efficient resource allocation within MDAs. This is crucial for sound policy choices and overall accountability. Supportive research by Nugrahanti (2023) highlights the role of audits in promoting accountability, while Muktiadji et al. (2020) link financial management accountability to organizational performance. Ferry et al. (2023) further explore place-based accountability. However, it's worth noting that some studies, like Dakhli (2022) on corporate social responsibility and audit quality, offer different perspectives. The null hypothesis, stating that financial audits conducted by the Office of Internal Audit do not have a significant impact on the financial accountability of MDAs in Lagos State, is rejected. Statistical analysis revealed a t-statistic of 4.561 and a p-value of 0.000, indicating a highly significant positive impact of financial audits on financial accountability.

Performance Audits (H2)

This finding is bolstered by existing research. Rana et al. (2022) provides a critical review of public sector performance auditing, suggesting areas for further study, while Muktiadji et al. (2020) connect organizational performance with financial management responsibility. Parker et al. (2021) delve into the dynamic between auditors and auditees. Other works by Maama and Marimuthu (2020), Marijani and Jarbandhan (2022), and Cuganesan (2020) explore related concepts such as local government accountability, professionalizing public administration, and performance budgeting. The null hypothesis, stating that performance audits carried out by the Office of Internal Audit do not have a significant effect on the accountability of MDAs in Lagos State, is **rejected**. The analysis demonstrated a significant positive effect, evidenced by a t-statistic of 4.354 and a p-value of 0.000. This provides sufficient evidence at the 0.05 level of significance to conclude that performance audits significantly influence accountability.

Regulatory and Compliance Audits (H3)

Regulatory audits primarily review whether organizations adhere to relevant laws, regulations, and policies, ensuring compliance with statutory requirements and internal rules, particularly in areas like procurement, financial management, and human resources. Complementary to this, compliance audits assess the extent to which an institution adheres to both internal and external standards, policies, and processes. They are instrumental in identifying non-compliance and recommending corrective actions, thereby strengthening governance and transparency. The null hypothesis, stating that regulatory and compliance audits conducted by the Office of Internal Audit do not have a significant influence on the accountability of MDAs in Lagos State, is also **rejected**. Regulatory and compliance audits were found to have a significant positive influence, with a **t-statistic of 3.209** and a **p-value of 0.002**.

5. Conclusion and Recommendations

The study concludes that financial audits, performance audits, and regulatory compliance audits significantly enhance financial accountability among Ministries, Departments, and Agencies (MDAs) in Lagos State. Financial audits foster transparency, responsible resource management, and adherence to financial regulations. Performance audits improve operational efficiency and effectiveness by identifying areas for financial and managerial improvement. Regulatory and compliance audits ensure ethical governance, legal compliance, and safeguard public resources against mismanagement and corruption.

Based on these findings, the study recommends the regular implementation of financial audits to maintain accountability and guide policy decisions. Strengthening internal controls and audit committees is crucial for sustained financial discipline. Performance audits should be utilized to inform resource allocation and budgetary planning, ensuring continuous improvement in financial oversight. Additionally, regulatory frameworks should be enhanced to improve audit independence, strengthen governance structures, and ensure compliance with established financial policies. These measures will collectively reinforce transparency and accountability within Lagos State's public sector.

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