RICH IN REVENUE, POOR IN DISCLOSURE: A COMPARATIVE STUDY OF THE TRANSPARENCY PARADOX AND AUDITOR-GENERAL INDEPENDENCE IN LAGOS AND KOGI STATES, NIGERIA, 2015 TO 2023

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Auditor-General independence, Transparency paradox, Horizontal accountability, Subnational governance

Abstract

Research Problem: *Effective legislative oversight hinges on the strength of the audit evidence that underpins it, making the Auditor-General's operational independence vital for maintaining horizontal accountability. This study offers a comparative examination of Lagos and Kogi, two states with varying resources, spanning the years: 2015 to 2023.*
Methods/Theory: *This research utilises a comparative case study methodology, incorporating both quantitative and qualitative data. It encompasses a restricted institutional survey, interviews with key informants, and an examination of secondary documents. The analysis is structured around principal-agent theory, focusing on the disparity between formal and actual practices.*
Results: *The Lagos audit officials rated its independence at 4.90 out of 5.00. In contrast, 1/3 of civil society groups monitoring its activities assessed it as lacking independence. An external index quantified this independence at 52%. Despite Lagos generating the highest internally generated revenue among states, it ranks lowest in audit efficacy and does not publish its reports online. Conversely, the less affluent Kogi has made its audited statements available online since 2021.*
Conclusion: *The limitation on state audit independence in Nigeria arises not from inadequate legislation but from a lack of commitment to uphold the existing legal framework.*
Key Contribution to Knowledge: *This study transforms the de jure/de facto gap from a mere claim into a quantifiable measure. The transparency paradox it reveals indicates that wealth alone is insufficient to explain disclosure practices.*
Recommendation: *Initiatives for reform ought to focus on strategies that restrict autonomy, such as establishing protected budgets, implementing appointments based on merit, mandating the online release of reports, and conducting independent assessments of audit performance.*

1. Introduction

Public financial accountability depends on the credibility of the audit. A legislature cannot call the executive to account for the raising and spending of public money until someone has examined the accounts independently and reported their contents, and in most democratic systems, this duty falls to the Auditor-General. Independent audit institutions are, for this reason, widely treated as the foundation of sound public governance (OECD, 2026). Their reports are the evidence on which everything downstream depends: the Public Accounts Committee interrogates them, the legislature debates them, and citizens and civil society invoke them. Should the office that produces those reports lose its independence from the government it audits, the whole structure of oversight inherits the weakness (O'Donnell, 1998; Pelizzo & Stapenhurst, 2013).

Therefore, the independence of the Auditor-General is not a housekeeping detail of administration but a precondition of horizontal accountability, the capacity of state institutions to check and discipline one another (O'Donnell, 1998; Breuer & Leininger, 2021). This independence is also plural rather than singular. International standards and the comparative literature break it into several components: financial and organisational autonomy, security of tenure, a broad mandate, unhindered access to information, and freedom to report (INTOSAI, 2007; Blume & Voigt, 2011; Lateef et al., 2021). Weakness in any one of them can hollow out the office even where the rest hold firm.

Here the existing scholarship, for all its strengths, leaves an important question underexamined. Studies of audit and legislative oversight have shown that formal powers matter and that Nigeria's institutions possess them in generous measure (Wehner, 2003; Pelizzo et al., 2006; Jacobs & Olaore, 2016). Work on the federal audit office has gone further, finding that formal independence has not translated into operational independence and that even the appointment process can compromise it (Lateef et al., 2021; Abdul-Baki, Diab, & Kadir, 2023). The work has rarely turned the same lens on the states, held two contrasting cases side by side, and asked not what the law grants an audit office but what the office is actually permitted to do with it. The subnational tier, where most citizens meet the government directly, has been largely bypassed in favour of the centre.

This is the gap that the present study addresses. The research problem it addresses is the divergence between the audit independence that Nigerian law guarantees and the audit independence that Nigerian state audit offices actually exercise, a divergence that formal analysis cannot see and that, left unexamined, allows a compromised office to pass for a sound one. Framed as a question, the study asks: how independent is the Auditor-General, in practice rather than on paper, in two Nigerian states of sharply different means, and what explains the distance between what the law promises and what the office delivers?

To pursue this question, the study set the following three objectives:

1. to compare the formal, de jure independence of the audit office in Lagos and Kogi with its actual, de facto independence as seen by insiders, outsiders, and an independent benchmark.

2. to test whether fiscal capacity predicts transparency, by setting each state's wealth against its disclosure behaviour; and

3. to explain the resulting pattern, and in particular, to determine whether the binding constraint on audit independence is the design of the law or the will to honour it.

Two states anchor the comparison. Lagos is the wealthiest and most institutionally developed state in the federation; Kogi is fiscally dependent and politically turbulent. Because both operate under an identical constitutional framework for audit, any gap between the independence their offices enjoy cannot be attributed to formal design, which lets the political and fiscal setting show through. On a resource-based expectation, that is, the assumption that a state's fiscal strength and administrative capacity determine the quality and independence of the institutions it can sustain, Lagos should sustain a stronger and more independent audit office (Elegunde et al., 2023). This expectation is tested directly by setting each state's measured fiscal capacity against its actual audit performance, and one of the more instructive results reported below is how thoroughly it fails.

2. Literature Review

The literature bearing on this study spans several fields, and it is reviewed here thematically rather than author by author, so that the studies can be compared and their collective silence identified. Five themes organise the discussion: the concept and measurement of audit independence; the record of audit independence in Nigeria at both federal and state levels; the gap between de jure provision and de facto practice; horizontal accountability and the legislative oversight machinery that acts on audit findings; and the relationship between fiscal capacity and transparency. A sixth section draws the strands together and states the gap that the study fills.

2.1 Conceptualising Audit Independence

Audit independence is best understood as a bundle of guarantees rather than a single attribute. The Mexico Declaration sets out financial and organisational autonomy, security of tenure, a broad mandate, unrestricted access to information, and freedom to report as distinct components (INTOSAI, 2007). The comparative measurement work of Blume and Voigt (2011), which scores supreme audit institutions across countries, demonstrates that these components can be assessed separately and that they do not move together. Lateef et al. (2021) applied a similar disaggregation to Nigeria. The value of this literature is its conceptual precision; it supplies the vocabulary for asking which dimension of independence holds and which gives way. Its limitation, for present purposes, is that measurement is often conducted on the statute rather than in practice, so that an office richly endowed on paper is scored as independent regardless of how it behaves in practice. Oladele (2007), in an early Nigerian study of the Nigerian Ports Authority using questionnaires and chi-square analysis, empirically established that auditor independence conditions the accountability disposition of public bodies; however, his focus on a single federal parastatal and on external auditor objectivity leaves the independence of state audit offices untouched. This study adopts a disaggregated conception but insists on scoring each dimension against practice.

2.2 Audit Independence in Nigeria: Federal and State-Level Studies

The Nigerian evidence documents persistent tension between strong provision and weak practice. Akhidime and Izedonmi (2012), writing from the vantage point of the Auditor-General of Nigeria, catalogued delayed report submission and continuing executive influence over a formally independent office; their account names the constraints from the inside but describes rather than measures them, and it stays at the federal level. Lateef et al. (2021) advanced the field methodologically, using structural equation modelling on responses from federal audit officers and members of the National Assembly's Public Accounts Committee (PAC)

to show that under-funding and poor auditor quality impaired independence and, through it, good governance. Theirs is the closest precursor to the present study, but it too examines only the federal tier and rests on insider perceptions without an external check. The evidence thins at the subnational level. Onoja, Ajanya and Audu (2013) assessed internal control audit in Kogi State through questionnaires and an interview with the Auditor-General, finding weak controls and procedures compromised by political interference; their concern, however, was internal control rather than the independence of the office, and Kogi was examined in isolation. More recent work on Lagos has trained on adjacent questions, ethical leadership, and employee performance within the audit office (Elegunde et al., 2023) and the quality of audit reports (Kehinde & Amos, 2023), without asking whether the office is independent of the executive it audits. Samuel and Rufus (2024), surveying transparency and accountability across the public sector, concluded that the shortfall reflects a lack of political will rather than a defect of law. Taken together, these studies establish that formal independence has not secured operational independence in Nigeria, but they do so one office, one aspect, or one tier at a time, and never comparatively across states.

2.3 The De Jure/De Facto Gap: Theoretical and Empirical Perspectives

The distance between what accountability institutions are empowered to do and what they actually do is a recurring theme in the study of new democracies. O'Donnell (1998) observed that horizontal accountability frequently exists on paper but fails in practice, and Schedler (1999) showed that the concept of accountability itself must be disaggregated into answerability and enforcement, each of which can be present or absent independently of the law. Recent comparative work on audit institutions confirms and specifies this pattern: independence is shaped not only by statute but also by informal factors, public perceptions, professional norms, and the office's relations with the wider accountability ecosystem, so that de jure and de facto independence can diverge sharply (OECD, 2026; Blume & Voigt, 2011). The contribution of this literature is to reframe institutional weakness as a problem of practice rather than of design. Its shortcoming is that the gap is more often asserted than measured; few studies pin it to a single office and quantify it against an external benchmark, and fewer still observe it in a case where every material resource for independence is present. The present study sets out to do exactly that.

2.4 Horizontal Accountability, Legislative Oversight, and the Public Accounts Committee

The audit does not act alone; it feeds a chain of oversight whose final links are the Public Accounts Committee and the legislature. The comparative literature on financial scrutiny ranks the independence of the audit office among the enabling conditions of effective oversight, alongside adequate powers, access to information, and follow-up on recommendations (Wehner, 2003; Pelizzo et al., 2006; Fish, 2006; Pelizzo & Stapenhurst, 2013). However, the committees that receive audit reports vary widely in what they achieve, with broadly similar powers, and the difference lies in resourcing, political support, and follow-through rather than in the statute (Jacobs, 2013; Jacobs & Olaore, 2016; Dauda et al., 2020). The Nigerian evidence is pointed: Okpala (2013), sampling members of the National Assembly and testing the data with a Z-test, found the federal Public Accounts Committee unable to discharge its oversight function, and traced the failure to the late submission of audited reports, a weak regulatory framework, and the poor qualifications of committee members. If the body that acts on audit reports is shaped as much by practice as by law, the office that

produces those reports is likely to be shaped the same way. This study treats the independence of the audit office and the fate of its findings as parts of one subnational accountability chain, rather than as separate problems.

2.5 Transparency and Fiscal Capacity

A common assumption, rarely tested directly, holds that richer and more capable states will be more transparent, since disclosure requires resources, systems, and skilled staff. Transparency is itself consequential for accountability: Bauhr and Grimes (2014) show that transparency conditions societal accountability, prompting either engagement or resignation depending on the context. Independent civic assessments have begun to score Nigerian states on both fiscal capacity and audit performance, with BudgIT's (2025) State of the States report measuring fiscal sustainability and the Paradigm Leadership Support Initiative's (2025) Subnational Audit Efficacy Index scoring transparency, committee effectiveness, and the implementation of audit recommendations across all 36 states. These instruments make it possible, for the first time, to set a state's wealth against its disclosure behaviour on a common, standardised basis. The literature has not exploited this possibility to test the resource-based assumption directly by identifying a case in which capacity is abundant but disclosure is withheld. The transparency paradox documented below is precisely such a case, and Samuel and Rufus's (2024) claim that political will, not capacity, is the binding constraint is here put to an empirical test rather than left as an assertion.

2.6 Gap in the Literature

Collectively, these five bodies of work establish a clear set of findings and an equally clear omission. They show that independence conditions accountability, that formal provision has not secured operational independence in Nigeria, that the de jure/de facto gap is real but seldom measured, that the oversight chain acting on audits is weak, and that the relationship between capacity and transparency has been assumed rather than tested. What none of them provides is an integrated, comparative account of subnational audit independence: one that holds two contrasting states against an identical constitutional standard, triangulates the perceptions of insiders, the assessments of outsiders, and an independent index, and follows the gap into the concrete practice of disclosure. The functional independence of Nigeria's state audit offices and the reasons why it falls short of its legal guarantee are consequently known in pieces rather than as a whole. Filling that gap, and in doing so testing whether the binding constraint is capacity or will, is the task undertaken in the present study.

3. Materials and Methods

3.1 Design and Cases

This study uses a comparative mixed-methods case-study design covering Lagos and Kogi from 2015 to 2023, a span that covers two gubernatorial terms in each state (Yin, 2018). The two cases were chosen for maximum contrast on fiscal capacity and political stability while sharing an identical constitutional framework for audit. This shared framework is the point of the design: if the functional independence of the two audit offices diverges, the divergence cannot be blamed on differences in formal provision, and the political and fiscal setting is left as the variable in play.

3.2 Data Sources and Selection

Three strands of evidence were synthesised, each selected based on explicit criteria. Documentary sources were included if they addressed audit, accountability, or public finance in Lagos or Kogi during the study period and originated either from the audit

offices themselves or from independent bodies employing a standard method across all states. Additionally, sources outside the 2015 to 2023 timeframe, or outside the two states, were used solely for conceptual framing. The documentary base includes the audit reports of both states over the period, the governing audit legislation, relevant sections of the Constitution, the Subnational Audit Efficacy Index of the Paradigm Leadership Support Initiative (2025), and BudgIT's (2025) State of the States assessment. The latter two were deliberately chosen as external benchmarks: the Paradigm Leadership Support Initiative, established in 2016, has issued the audit-efficacy index annually since 2021, and BudgIT's report is in its 10th year, both applying a uniform, independent method to all thirty-six states.

Furthermore, the primary evidence was gathered through two methods. In each state, 20 questionnaires were distributed, totaling 40, across three stakeholder categories: 10 members of the Public Accounts Committee (PAC), 5 officials from the Auditor-General's office, and 5 representatives from civil society organisations (CSOs), all purposively selected for their direct involvement in oversight activities from 2015 to 2023. Alongside the survey, semi-structured key informant interviews were planned, with 10 interviews per state targeting civil society, legislative, and professional stakeholders. The institutional survey was intentionally limited in scope, and its constraints are transparently reported.

In Lagos, 6 questionnaires were returned, comprising responses from 2 audit office officials, 1 PAC member, and 3 CSOs. In Kogi, only the CSOs responded, returning all 5 of their questionnaires, while neither the audit office nor the PAC returned any, despite sustained efforts over three months. In total, out of the 40 questionnaires, 11 were completed. Additionally, from the 20 planned interviews, 4 were conducted and analysed: 2 in Lagos (one PAC official and one CSO representative) and 2 in Kogi (two CSO representatives), each lasting approximately 45 minutes and conducted between 17 and 24 November 2025. Consequently, the institutional survey is not treated as a representative sample but rather as a collection of situated perspectives, to be evaluated against each other and the documentary record. Table 1 provides a summary of the data sources, while Table 2 compares the intended sample with the achieved sample.

Table 1
Summary of Data Sources and Their Role in the Analysis

Source	Type	Coverage	Role in the analysis
Institutional survey (audit officials, PAC, CSOs)	Primary, structured	Lagos; Kogi non-response	Situated insider and outsider perceptions
Key-informant interviews	Primary, qualitative	Both states	Explanatory texture for the survey
Audit reports	Documentary	Both states, 2015 to 2023	Content of findings; publication practice
Audit legislation and Constitution	Documentary	Both states; federal	The de jure framework
Subnational Audit Efficacy	Independent index	All 36 states	External benchmark of

Index (PLSI, 2025)			audit efficacy
BudgIT State of the States (2025)	Independent civic assessment	All 36 states	Benchmark of fiscal capacity

Note. PAC: Public Accounts Committee; CSO: civil society organisation; PLSI = Paradigm Leadership Support Initiative.

Table 2
Intended and Achieved Sample by Respondent Category and State

Respondent category	Lagos: intended	Lagos: achieved	Kogi: intended	Kogi: achieved	Total achieved
Auditor-General office officials	5	2	5	0	2
Public Accounts Committee members	10	1	10	0	1
Civil society organisations	5	3	5	5	8
Questionnaires, all categories	20	6	20	5	11
Key informant interviews	10	2	10	2	4

Note. 40 questionnaires were distributed in all and 11 returned; 20 interviews were planned and 4 achieved. Respondents were selected purposively. The 4 interviews analysed were 1 PAC official and 1 CSO representative in Lagos and 2 CSO representatives in Kogi. The Overall Independence Index (Table 3) rests on the 2 Lagos audit office respondents, and the CSO assessments rest on the 8 CSO respondents across both states. Kogi's audit office and PAC did not respond. Data from field survey, 2025.

3.3 Analysis

The quantitative data were summarised as mean ratings on a five-point scale. On the other hand, the qualitative interview material underwent thematic analysis, following the six-phase approach delineated by Braun and Clarke (2006). This methodology commenced with a comprehensive reading of the interview records for familiarisation, succeeded by the inductive generation of initial codes that closely mirrored the respondents' language, concentrating on topics such as budgetary control, appointment, report publication, and executive pressure. These codes were subsequently organised into candidate themes, which were reviewed against the coded extracts and the entire dataset. The final themes, primarily addressing the practical qualification of formal independence and the divergence between insider and outsider accounts, were defined and named. The documentary record was scrutinised for both the content of audit findings and the offices' disclosure behaviour, with each state's reports being annually checked for online publication and coded according to the recurring categories of findings reported in Table 5.

Furthermore, the analysis employed triangulation, using convergence across independent sources as the test of validity, rather than relying on the testimony of any single actor (Yin, 2018). The significance of this approach is evident in the findings: a study based solely on official self-assessment

would have concluded that independence was nearly complete, whereas external and documentary sources present a contrasting narrative. Two points regarding research ethics and interpretation warrant explicit mention. Instructively, participation was voluntary and confidential, ensuring that no individual respondent can be identified from the results. In fact, the non-response from Kogi's oversight bodies is not considered missing data to be lamented but rather as evidence, given that a sustained refusal to engage with independent inquiry into audit accountability aligns with the transparency deficits the study aimed to investigate.

Notwithstanding, the design has limitations that should be acknowledged from the outset. The institutional survey is small, particularly concerning insider perspectives, and the Kogi audit office did not participate at all; thus, the analysis relies on triangulation across different strands rather than the representativeness of any single one. These limitations are partly integral to the findings, as the non-participation is itself analysed as evidence, and the documentary and index sources provide an independent basis that does not depend on survey volume; these aspects are revisited in the discussion.

4. Theoretical Framework

Principal-agent theory provides a framework for analysis, focusing on scenarios where a principal delegates a task to an agent, whose actions and information are not fully observable by the principal. This situation may lead the agent to pursue personal objectives, necessitating mechanisms to align the agent's behaviour with the principal's interests amidst information asymmetry (Gailmard, 2014; Rajala, 2025). When applied to public accountability, the theory suggests a constrained expectation. Given that monitoring is inherently imperfect and information is unevenly distributed, the accountability achievable by any institution is limited. The observed weaknesses are often attributable to the incentives in play rather than mere administrative shortcomings (Gailmard, 2014).

Within this framework, auditing occupies a particularly insightful role. The audit office addresses an agency problem by scrutinising and reporting on the executive's use of public funds, thereby reducing the information gap between citizens and the government and providing the legislature with reliable data for action (Rajala, 2025; Bauhr & Grimes, 2014). Nonetheless, the auditor functions as an agent, accountable to the executive that finances and staffs them, the legislature that receives their reports, and the public they serve, whose interests may diverge. This situation, characterised by multiple principals, is notably pronounced in the public sector, rendering the office vulnerable. The executive wields significant influence over budgets, appointments, and report outcomes, potentially compromising the auditor's independence when both motive and means are present (Gailmard, 2014).

This study provides an illustration of the framework's operation through the de jure/de facto gap and presents a case that extends the theory into less commonly explored areas. Formal independence provisions function as the terms of the delegation contract, while de facto independence assesses whether these terms are upheld given existing incentives. Most applications of principal-agent theory to public audit examine scenarios where resources are limited, making it difficult to distinguish between capacity and will. The transparency paradox discussed below offers a less common and more definitive test: a state possessing all material capacities for independence yet withholding it, thereby isolating political will as the operative constraint. In this context, the study not only applies the theory to a novel setting but also employs an extreme case to differentiate

between the theory's two potential constraints, capacity and will, and to identify which one is binding.

Nonetheless, the framework has limitations that must be acknowledged, as they influence the extent to which its conclusions are applicable. Principal-agent theory presupposes broadly rational actors with fixed, self-interested preferences, potentially underestimating the normative and professional commitments to public service, professional integrity, and the public interest that also motivate auditors and officials. In contexts where such commitments are strong, an agent may resist the executive's influence for reasons not modeled by the theory, and where they are weak, capture may be more profound than incentives alone would suggest. Consequently, the analysis treats principal-agent theory as the primary, but not the sole, lens, integrating its predictions with an institutional perspective that considers norms, professional culture, and the broader accountability ecosystem (OECD, 2026). These perspectives are complementary: principal-agent theory elucidates why the executive's levers are significant, while an institutional perspective clarifies why their effects vary across different offices and professional cultures.

5. Findings

5.1 The Formal Framework of Independence

Both offices are afforded comprehensive protection akin to that of an audit institution. Sections 125 to 128 of the 1999 Constitution ensure security of tenure, investigative authority, and unrestricted access to state financial records and legislation. The Lagos State Audit Law of 2020, as amended, and the Kogi State Public Audit Law of 2021 delineate operational autonomy, independent budget allocations, and statutory reporting schedules. These frameworks are nearly identical. In each state, the Auditor-General is appointed by the Governor, subject to confirmation by the House of Assembly, and can only be removed by a two-thirds resolution of the legislature. Additionally, the Public Accounts Committee in each state possesses the authority of a High Court to summon witnesses, supported by provisions for contempt and surcharge. Table 3 presents the five dimensions of independence in relation to their formal provisions.

Table 3
Dimensions of Auditor-General Independence: Formal Provision and Insider Self-Assessment (Lagos)

Dimension of independence	Formal (de jure) provision	Self-rating
Financial autonomy	Independent budget line in law	5.00
Operational autonomy	Statutory discretion over audits	5.00
Security of tenure	Constitutionally guaranteed	4.50
Freedom from executive interference	Constitutionally protected	5.00
Independence in reporting	Statutory reporting mandate	5.00

Note. Self-rating is the mean rating by the 2 Lagos audit office officials (n = 2) on a 1 to 5 scale (1 = not independent, 5 = fully independent). The Overall Independence Index was 4.90 (SD = 0.22). Data from field surveys and audit legislation, 2025.

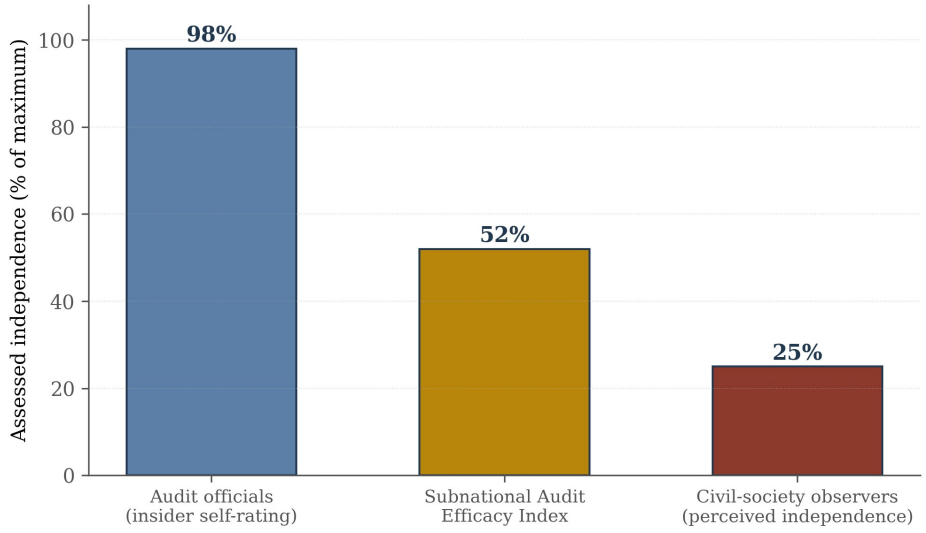
A critical aspect of the legal comparison must be addressed initially. In terms of disclosure, Kogi's framework surpasses that of Lagos, as its audit law requires audit reports to be published online, a requirement not present in Lagos's legislation. The observation that the state with a stronger formal commitment to transparency also implements online publication, as documented below, while the wealthier state neither mandates nor practises online publication, indicates that formal provisions and financial resources are unreliable indicators of these offices' actual practices.

5.2 Divergent Assessments of Independence

Figure 1 sets the insider and outsider assessments of the office beside the independent index.

Figure 1

Divergent Assessments of Auditor-General Independence in Lagos, Reconciled by an Independent Index



Note. Audit officials' self-assessment expressed as a percentage of the maximum (4.90/5.00 = 98%). The civil society figure is the perceived independence implied by the finding that 6 of the 8 civil society respondents (75%) rated the office as not independent at all. Index value from the Subnational Audit Efficacy Index (Paradigm Leadership Support Initiative, 2025).

Asked to rate their office across the five dimensions, Lagos audit officials returned scores close to the ceiling, four of the five at the maximum and only security of tenure marked slightly lower, for an Overall Independence Index of 4.90 out of 5.00 (SD = 0.22). On this account, the office sees itself as all but fully independent, its legal protections realised in daily practice. A study that stops at the insider view would confidently conclude that audit independence in Lagos is secure. There is reason to pause before accepting that reading. The scores cluster almost without variation at the top of the scale, across dimensions that in real institutions tend to

come apart, which suggests that officials were rating the framework they are entitled to rather than the conditions they actually work in; and people asked to grade their own institution have an obvious stake in a flattering result, a tendency the research on organisational self-assessment finds reliably (Dunning et al., 2004).

The view from outside is almost a mirror image. Among civil society organisations working on accountability, three-quarters, 6 of the 8 civil society respondents, rated the audit office as not independent at all from political interference, placing it at the bottom of the scale on which officials had placed it at the top. The qualitative interviews explain this. External stakeholders located the constraint on independence not in the statute but in the everyday operation of the office, and specifically in the executive's practical control of resources and appointments and in the slight public consequence of audit findings. A Lagos civil society respondent was blunt, describing a legislature and executive that 'sleep on the same bed' and concluding that 'there is no legislative oversight or accountability' in the state (CSOL1). The Public Accounts Committee official interviewed located the failure at the point of implementation: the committee sends the executive all of its recommendations, yet, as he asked, when an indicted office is expected to act on findings against itself, 'who implements such?' (PACL1). What these accounts describe is not an office stripped of legal protection but one whose protections are only partly honoured.

5.3 Reconciling the Divergence

The Subnational Audit Efficacy Index supplies the independent measure, and with it a reconciliation. On the index, Lagos scores 52% for audit independence, squarely between the insiders' near-total independence and the outsiders' near-total dependence (Figure 1). Formal independence provisions genuinely exist, which is what officials, attentive to the framework they operate within, report; but those provisions are only half realised in practice, which is what civil society observers, attentive to outcomes, perceive. Neither side is simply mistaken; each has a different part of a partly realised independence, and the index locates the reality between them. This is more than splitting the difference. It names the phenomenon at the centre of the study, the de jure/de facto gap, and puts a number on it: an office whose officials rate its independence at 98% operates with an independence an external index scores at little more than half. The space between those figures is where executive influence works without breaching a single provision.

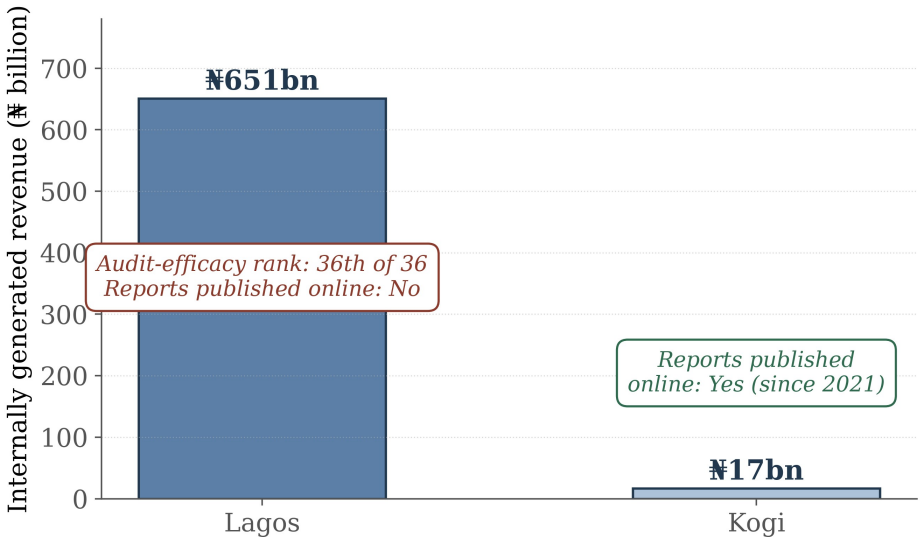
The index does not exist independently. On the same instrument, Lagos scored 55.2% on transparency, 41.2% on Public Accounts Committee effectiveness, and 35.8% on the implementation of audit recommendations; thus, the strongest state in the federation clears little more than half on its best dimension and trails badly on the rest. Kogi's figures are lower again, at 20.8%, 23.5%, and 16.2%. This is not a portrait of one strong and one weak state; it is a system performing poorly across the board, and getting worse, with the index's national average slipping from 31.81% in 2022 to 29.47% in 2024. Against that external backdrop, the officials' self-rating of near-total independence looks less like optimism than like an outlier, as no independent source supports it.

5.4 The Transparency Paradox

Figure 2 and Table 4 set each state's fiscal capacity against its disclosure behaviour.

Figure 2

The Transparency Paradox: Fiscal Capacity Against Disclosure Behaviour



Note. Lagos ranks first among the 36 states in internally generated revenue, yet ranks last on the Subnational Audit Efficacy Index and does not publish audit reports online; the fiscally weaker Kogi publishes audited statements online. Fiscal figures from BudgIT (2025); efficacy ranking from Paradigm Leadership Support Initiative (2025).

Table 4

Online Publication of Auditor-General Reports, Lagos and Kogi, 2015 to 2023

Year	Lagos	Kogi
2015 to 2020	Produced; not published online	Produced; not published online
2021	Produced; not published online	Produced; published online
2022	Produced; not published online	Produced; published online
2023	Produced; not published online	Produced; published online

Note. Reports were produced every year in both states; the columns record online publications only. Data from documentary analysis, 2025.

If the independence divergence exposes the gap, the states' transparency behaviour makes it impossible to explain it away by any shortage of means. Lagos ranks first in the federation for internally generated revenue, at roughly 651 billion naira, about thirty-seven

times Kogi's figure of approximately 17 billion naira, and it has the technology and the staff to excel on any transparency measure one cares to name. However, Lagos ranks last, thirty-sixth of thirty-six, on the Subnational Audit Efficacy Index, and does not publish its audit reports online; its audit-office website offers no access to full reports (Figure 2, Table 4). Kogi, far poorer, has published audited financial statements online since 2021, a disclosure that the wealthier state has simply not matched.

The fiscal gulf makes the reversal starker. On independent assessments of state finances, Lagos is the second most fiscally sustainable state in the country, one of only two large states whose internal revenue exceeds its entire operating expenditure, at a ratio of approximately 121%; it draws less than half its revenue from federal allocation and commands more than 13% of all revenue accruing to the states, some 1.93 trillion naira in a single year. Kogi sits near the other end, leaning on federal transfers for more than 80% of its revenue and contributing under 2% of the states' total. By any measure of capacity, Lagos is not just ahead of Kogi but among the strongest anywhere in Nigeria, which is exactly what makes its place at the bottom of the audit-efficacy table, and its refusal to publish what Kogi publishes, so hard to explain by anything other than choice.

The paradox undercuts any account of accountability that runs on resources alone. Lagos does not fail to disclose because it cannot; it has every capacity to disclose and declines to. A better description is voluntary information asymmetry, in which an executive with discretionary power keeps back audit information it is fully able to release, and the most economical explanation for keeping it back is an interest in concealment rather than any limit on capability. Kogi's better showing on this one measure should not be oversold: it performed poorly on other measures examined here, including its outright non-response and a low rate of query resolution, and its online publication may owe as much to external pressure or the priorities of a particular administration as to any settled commitment. The comparison is not meant to hold Kogi up as a model, but to establish, by counter-example, that online disclosure is well within the reach of a fiscally modest state.

5.5 Non-Response and the Impact Deficit

A final finding concerns the engagement itself. When the Lagos audit office and Public Accounts Committee took part in the research, if only partly, their Kogi counterparts returned nothing across three months of approaches. In a study of institutional openness, silence is not a neutral hole in the data; it fits the transparency deficits the study set out to measure, and it lines up with the record on report publication and the external assessments of independence. Where data are available, the impact deficit substantiates this observation: in Kogi, approximately 23% of audit queries result in corrective measures within a given year, indicating that the majority of identified irregularities remain unaddressed. This is corroborated by the implementation sub-score of the index, where Lagos achieves only 35.8% and Kogi 16.2%.

Kogi's civil society respondents described the same wall from outside the institutions. Officials 'always dodge from us', one reported, meeting requests with a bureaucratic 'come today, come tomorrow' that blocks engagement without ever quite refusing it, and treating accountability advocates as 'whistle-blowers' rather than partners (CSOK2). Across the four interviews analysed, the codes clustered on institutional barriers and executive-legislative relations rather than on technical or capacity questions, so that structural and political factors, not administrative shortcomings, dominate the

qualitative account of why audit findings go unactioned.

Table 5 gathers the recurring categories of audit finding across both states.

Table 5
Recurring Categories of Audit Finding and Their Accountability Implications

Finding category	Typical issues identified	Accountability implication
Unretired advances	Funds disbursed but not accounted for	Expenditure leakage
Contract irregularities	Procurement violations, inflated costs	Value for money compromised
Revenue leakages	Collection gaps, unremitted funds	Fiscal capacity reduced
Asset-management gaps	Register deficiencies, missing assets	Public property at risk
Payroll irregularities	Ghost workers, irregular payments	Personnel-cost inflation

Note. Categories synthesised from the audit reports of both states across the study period. Data from documentary analysis, 2025.

The contents of the audit reports give this deficit its weight. The recurring categories of finding, gathered in Table 5, are not trivial technicalities but the familiar signatures of leakage: advances paid out but never retired, procurement in breach of the rules and at inflated cost, revenue collected but not remitted, public assets unaccounted for, and payrolls swollen with irregular or fictitious entries. Each carries a direct accountability cost, and each recurs year upon year in reports the auditors dutifully produce. The infrequent correction of detected and reported findings indicates that the primary issue lies not in the identification of irregularities but in the subsequent response. This suggests that the political environment surrounding the audit, rather than the audit process itself, is where the weakness lies.

Table 6 summarises the findings against the three research objectives.

Table 6
Summary of Findings by Research Objective

Objective	Principal finding	Evidence
1. Formal vs actual independence	Independence is comprehensively provided in law but only partly realised in practice	Insiders 98%; index 52%; outsiders near zero
2. Fiscal capacity and transparency	Capacity does not predict transparency; the wealthiest state discloses least	Lagos 1st in IGR, 36th on audit efficacy, no online reports

3. Binding constraint	The constraint is political will, not legal design or fiscal capacity	Transparency paradox; non-response; low query resolution

Note. IGR: internally generated revenue. Compiled from the study findings.

Read against the three objectives, the findings line up as follows. The initial analysis of formal versus actual independence revealed partially achieved independence. This is quantified by insiders, outsiders, and the index at 98%, near zero, and 52%, respectively. Regarding the second point, the relationship between fiscal capacity and transparency, it is evident that fiscal capacity does not predict it. Notably, the wealthiest states exhibit the lowest levels of transparency. The observed pattern is attributed to political will rather than legal design or fiscal capacity. Table 6 summarises this correspondence.

6. Discussion

The findings directly address the research problem and effectively engage with previously reviewed literature. Taken together, they show an audit office that is neither as independent as its officials believe nor as captured as its critics charge, but formally protected and practically constrained, with executive influence operating in the space between. Three implications follow.

The first is methodological, and it bears on how audit independence should be assessed. The divergence between insider and outsider views, reconciled by the efficacy index, is the empirical face of the de jure/de facto gap that O'Donnell (1998) and Schedler (1999) described but did not measure, and it confirms their claim in the concrete: this study extends their general observation by attaching a number to the gap in a specific office. It also vindicates the caution of the measurement literature (Blume & Voigt, 2011) against reading independence off the statute. The practical lesson is blunt: institutional self-assessment, which the evidence on organisational self-evaluation shows to run systematically optimistic (Dunning et al., 2004), cannot carry a study of independence on its own, and must be triangulated against external and independent measures.

The second implication addresses the resource-based expectation that the study aimed to test and modifies the conventional policy response. Resource-based accounts predict that richer, more capable states will perform better, which is not the case here. This finding challenges simplistic capacity models of accountability and corroborates Samuel and Rufus's (2024) argument that political will serves as a binding constraint, offering comparative insights previously absent. Despite being the wealthiest state, leading in revenue generation and possessing significant administrative capacity, it ranks lowest in audit efficacy and refrains from publishing reports it is fully capable of releasing. In contrast, a less affluent state discloses such information. The implication for reform is evident yet disconcerting: enhancing the capacity of audit offices, while beneficial, addresses a limitation that is evidently non-binding in the wealthiest state.

The third implication draws the pattern back to the framework and extends the Nigerian audit scholarship. In principal-agent terms, an executive that keeps control of the audit office's budget, appointments, and the fate of its reports will honour that office's independence only as far as it chooses, and de facto independence will trail its de jure

guarantee. While Lateef et al. (2021) and Akhidime and Izedonmi (2012) identified this shortfall at the federal level, the current study elucidates its mechanism at the subnational level, demonstrating its occurrence in resource-rich areas. The findings, a partly realised independence, reports withheld, queries unaddressed, are what the delegation relationship predicts when the monitored retains levers over the monitor.

These implications carry policy weight beyond the two states. In Nigeria's federation, as well as in numerous emerging democracies, audit institutions are endowed with constitutional protections. However, comparative studies have consistently demonstrated that these protections, while necessary, are insufficient to ensure true independence (Lateef et al., 2021; Wehner, 2003). The subnational evidence assembled here names the mechanism by which sufficiency fails, not the open removal of protections, which would be visible and could be fought, but their quiet qualification in the practice of budgets, appointments, and disclosure. For policy, the implication is that oversight reform should be redirected from the drafting of ever-stronger audit laws, which Nigeria already possesses, towards the neutralisation of the executive's practical levers and the institutionalisation of independent, published measurement, so that the gap is visible and contestable year after year.

The study's limitations should be acknowledged frankly. Institutional survey evidence is limited, particularly concerning insider perspectives, as the Kogi audit office did not participate. Consequently, the analysis relies on triangulation across various strands rather than the representativeness of any single source. Notably, the insider self-assessment is based on a small number of respondents. These limits are partly constitutive of the findings, since the non-participation is itself analysed as evidence, and the documentary and index sources give the argument an independent footing that does not depend on survey volume. Even so, the magnitudes reported here should be read as indicative rather than definitive, and would be strengthened by wider survey coverage and by direct analysis of audit budgets and appointment histories.

7. Conclusion

This study set out to establish how independent the Auditor-General is, in practice, in Lagos and Kogi between 2015 and 2023. Its answer is that audit independence, guaranteed comprehensively in law, is only partly realised in fact. Officials rate their independence near the maximum, civil society observers near the minimum, and an independent index puts the reality at partial compliance. Alongside that gap runs a transparency paradox, in which the fiscally strongest state is among the least transparent, and a pattern of institutional non-response that is itself evidence of differing openness. The threads converge on a single conclusion: the constraint on audit independence in Nigeria's states is political rather than legal, a matter of will rather than of statute.

This study makes three contributions to the existing literature. This study theoretically extends the principal-agent theory to the context of subnational audit independence in Nigeria. It delineates the mechanism through which formal independence is practically qualified. Empirically, it provides the first comparative, triangulated account of audit independence in Lagos and Kogi, including the transparency paradox and the patterns of institutional non-response. The methodology illustrates the importance of triangulating insider assessments, outsider assessments, and an independent index to identify and quantify the de jure/de facto gap. The fundamental issue is that the independence of an audit

institution is not determined solely by its constitutional framework; rather, it is actualised or restricted through routine management of budgets, appointments, and disclosures.

Further research is required in this area. The comparative design could be extended across the federation to establish how far the transparency paradox generalises, and paired with direct analysis of audit budgets, appointment timelines, and query-resolution rates to measure the executive's levers more precisely. Longitudinal work could test whether the recent turn to independent indices shifts state behaviour over time, and comparative work beyond Nigeria could ask whether the primacy of political will over fiscal capacity holds in other federal and emerging-democratic settings.

8. Recommendations

Six recommendations follow from the findings, each aimed at practical levers through which formal independence is qualified.

1. Guarantee financial autonomy, in practice. Following the finding that the executive control of resources constrains independence, the budget of each audit office should be a first-line charge on the state's Consolidated Revenue Fund, removing the executive's discretion over the resources of the office that audits it.

2. Secure appointments and tenure. Because appointment and dependence emerged as sources of constraint, the Auditor-General should be appointed through a transparent, merit-based process, with civil society participation in nomination, and hold a fixed, non-renewable term.

3. Mandate proactive transparency: Given that the transparency paradox indicates that disclosure is a matter of intent rather than capability, it is recommended that audit reports and audited financial statements be published online immediately upon submission to the legislature. This approach follows the precedent established by fiscally weaker states.

4. Institutionalise independent measurements of the same phenomenon. As the de jure/de facto gap is not discernible through formal analysis, it is imperative for audit offices to publicly disclose any obstacles to independence. Furthermore, independent indices assessing audit efficacy should be maintained and expanded to ensure that this gap is continuously measured and documented in public records.

5. Resources and strengthen the Public Accounts Committees. Because the value of an audit report depends on the body that acts on it, Public Accounts Committees should be strengthened through adequate funding, professional secretariat support, and technical training so that audit findings translate into corrective action rather than accumulating unaddressed (Okpala, 2013).

6. Civil society and the media should be enlisted. Given that external scrutiny was instrumental in identifying the gap documented in this study, it is imperative to support civil society organisations and the media. This support should include access to reports and the audit process, enabling them to monitor the independence and disclosure of audits. Such measures would ensure sustained external pressure, which the findings indicate is crucial.

Directed at practice rather than at the statute, which is not where the constraint lies, these measures would begin to close the gap between what the law promises and what the audit office delivers.

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