FINANCIAL AND PERFORMANCE AUDIT OF BUDGET AND RESOURES UTILIZATION IN BABURA LOCAL GOVT EDUCATION AUTHORITY(LEA)FOR THE YEAR 2024

INTRODUCTION

Financial and Performance Audit of budget and resources utilization in Babura Local Education Authority (LEA) For the year 2024 assesses how economically, efficiently and effectively the LEA spend its allocated funds to achieve educational goals

EVALUATION

The Performance Audit evaluate the budget and resources utilization of Babura Local Education Authority (LEA) for the year 2024

OBJECTIVE

The objective of this examination is to determine the variance between Budget and Actual expenditure of Babura Local Education Authority (LEA)for the year 2024

AUDIT PLAN

This Audit was planned on the Actual expenditure incurred which include,

-Personal Cost

-Overhead Cost

-Capital expenditure

Which was compared with the budgeted Amount for the period of January-Decembwer,2024

DATA COLLECTION

we used the secondary source of Data the Audited Financial statement of Babura Local Government Council for the year 2024.

DOCUMENT FINDINGS

From the Audited Financial Statement, the Efficiency, Effectiveness, Economy(3es) were analysed as follows

(i) EFFECTIVENESS -Actual expenditure Effectively carry out and measure against budgeted
(ii) EFFICENCY – Budgeted resources have been used wisely.
(iii) ECONOMY-Costs are reasonable for personnel, overhead and Capital expenditures.

OBSEVATION

During the Performance Audit Exercise, the Following were observed as an issue related to financial activities of Babura Local Education Authority (LEA);

1 Personnel Cost- The Sum of Seven Hundred and Twenty-Four Million Two Hundred and One Thousand Four Hundred and Sixteen Naira only ₦724,201,416.74was Expended as Personnel Cost against the budgeted amount seven Hundred and Three Million Three Hundred and Eighty-Two Thousand Three Hundred and Forty-Three naira only ₦703,382,343.00 Variance was (₦20,819,073.74). this represents 102.96%

This shows that there was over expenditure of 2.96% budget amount

2 OVERHEAD COST

The Sum of Eleven Million One Hundred One and Ninety Thousand ₦11,190,000.00 was Expended as overhead cost against the budgeted amount Twenty-Six Million Six Hundred and Eight Thousand Two Hundred and Ten Naira Only Ninety-Three Kobo ₦26,068,210.93 the Variance was ₦14,878,210.93 this represents 42.62%

This indicates underspending lead to poor service delivery for the year.

3 CAPITAL EXPENDITURE

The Sum of Thirty-Five Million Eight Hundred and Seventy-Six Thousand Forty-Three Naira ₦35,876,043.30 amount was expended as Capital expenditure against the budgeted amount one Hundred and Ninety-Eight Million ₦198,000,000.00. The Variance was ₦162,123,956.70. this represents 18.12%

This indicates underspending lead to poor service delivery for the year.

RECOMMENDATION

I Personnel cost Budget and resources were fully utilized

2 Investigate reason for significant variance and develop strategies to improve budget management

3. Avoid underspending lead to poor service delivery for the year.

See attached supplementary notes for details of findings.

Supplementary Note: budgeted and actual expenditure

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SUPPLEMENTARY NOTE						
BABURA LOCAL GOVERNMENT **ACTUAL AND DUBGETTED EXPENDITURE OF LOCAL EDUCATION AUTHORITY FOR THE YEAR 2024**						
SECTION	**ACTUAL EXPENDITURE (A)**		**DUBGETTED EXPENDITURE**		**VARIANCE**	**PERCENTAGE (%)**
PERSONNEL COST		**INITIAL BUDGET (B)**	**SUPPLEMENTARY BUDGET**	**FINAL BUFGET D= (B+C)**	**E=(D-A)**	**F= D/A *100**
NON-TEACHIN	62,094,234.69	140,151,191.00	-	140,151,191.00	78,056,956.31	44.31
TEACHING	662,107,182.05	563,231,152.00	-	563,231,152.00	(98,876,030.05)	117.56
ADULT EDUCATION	-	-	-	-	-	
SUB TOTAL EXPENDITURE	**724,201,416.74**	**703,382,343.00**	**-**	**703,382,343.00**	**(20,819,073.74)**	102.96
					-	
OVERHEAD COST					-	
NON-TEACHIN	11,190,000.00	10,000,000.00	16,068,210.93	26,068,210.93	14,878,210.93	42.93
TEACHING	-	-	-	-	-	
ADULT EDUCATION	-	-	-	-	-	
SUB TOTAL EXPENDITURE	**11,190,000.00**	**10,000,000.00**	**16,068,210.93**	**26,068,210.93**	**14,878,210.93**	42.93
					-	
CAPITAL EXPENDITURE					-	
NON-TEACHIN	35,876,043.30	133,000,000.00	45,000,000.00	178,000,000.00	142,123,956.70	20.16
TEACHING	-	20,000,000.00	-	20,000,000.00	20,000,000.00	-
ADULT EDUCATION	-	-	-	-	-	
SUB TOTAL EXPENDITURE	**35,876,043.30**	**153,000,000.00**	**45,000,000.00**	**198,000,000.00**	**162,123,956.70**	18.12
GRAND TOTAL	**771,267,460.04**	**866,382,343.00**	**61,068,210.93**	**927,450,553.93**	**156,183,093.89**	83.16