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

INTRODUCTION

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

EVALUATION

The Performance Audit evaluate the budget and resources utilization of Auyo 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 Auyo 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-December,2024

DATA COLLECTION

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

DOCUMENT FINDINGS

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

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

<u>OBSEVATION</u>

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

1 Personnel Cost- The Sum of Seven Hundred and Thirty-eight Million Three Hundred Thousand Nine Hundred and Fifty-One naira only forty-five kobo ₦738,300,951.45 was Expended as Personnel Cost against the budgeted amount of Six Hundred and Fifty-Two Million Eight Hundred and Eighty-Four Thousand One Hundred naira ₦652,884,100.00, with the negative Variance was (₦85,416,851.45. this represents 113.08%

This shows that there is over expenditure of 13% budget implemented

<u>2 OVERHEAD COST</u>

The Sum of Seven Million Six Hundred and Sixty-Six Thousand Eight Hundred Naira ₦7,666,800.00 only was Expended as overhead cost against the budgeted amount of four Hundred and Seven Million One Hundred and Fifty-Seven Thousand Eight Hundred and Eighty naira ₦47,157,880.00 and the Variance was ₦39,491,080.00

This shows that the actual expenditure exceeded the budgeted amount with 16.26% budget implemented

<u>3 CAPITAL EXPENDITURE</u>

The Sum of Twenty-Nine Million Nine Hundred and Eighty-Eight Thousand Two Hundred and Ninety-Nine Naira Forty kobo only ₦29,988,299.40 amount was expended as Capital expenditure against the budgeted amount Eighty Million Naira only ₦80,000,000.00. The Variance was ₦50,011,700.60

This indicate that only 37.48% budget implementation on Capital expenditure for the year.

RECOMMENDATION

1. Conduct a though review of expenditure to identify areas of over spending
2. Overhead cost should reach a minimum budget to avoid underspending
3. There should be a strength budgetary control and monitoring.

See attached supplementary notes for details of guidance

Supplementary Note: budgeted and actual expenditure

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AUYO SUPPLEMENTARY NOTE

ACTUAL AND BUDGETTED EXPENDITURE OF LOCAL EDUCATION AUTHORITY FOR THE YEAR 2024				
SECTIONS	**ACTUAL EXPENDITURE**	**BUDGETTED EXPENDITURE**	**VARIANCE**	**PERCENTAGE**

	(A)					(%)
PERSONNEL COST		**INITIAL BUDGET (B)**	**SUPPLEMENTARY BUDGET (C)**	**FINAL BUDGET D=(B+C)**	**E=(D-A)**	**F = A/D*100**
NON-TEACHING	88,290,661.45	109,542,068.00	-	109,542,068.00	21,251,406.55	80.60
TEACHING	650,010,290.00	543,342,032.00	-	543,342,032.00	(106,668,258.00)	119.63
ADULT EDUCATION	-	-	-	-	-	
SUB TOTAL EXPENDITURE	738,300,951.45	652,884,100.00		652,884,100.00	(85,416,851.45)	113.08
				-	-	
OVERHEAD COST				-	-	
NON-TEACHING	7,666,800.00	10,000,000.00	-	10,000,000.00	2,333,200.00	76.67
TEACHING	-	30,000,000.00	-	30,000,000.00	30,000,000.00	-
ADULT EDUCATION	-	7,157,880.00	-	7,157,880.00	7,157,880.00	-
SUB TOTAL EXPENDITURE	**7,666,800.00**	47,157,880.00		47,157,880.00	39,491,080.00	16.26
				-	-	
CAPITAL EXPENDITURE				-	-	
NON-TEACHING		35,000,000.00		35,000,000.00	35,000,000.00	-
TEACHING	29,988,299.40	45,000,000.00	-	45,000,000.00	15,011,700.60	66.64
ADULT EDUCATION	-	-	-	-	-	
SUB TOTAL EXPENDITURE	29,988,299.40	80,000,000.00	-	80,000,000.00	50,011,700.60	37.49
GRAND TOTAL	775,956,050.85	780,041,980.00	-	780,041,980.00	4,085,929.15	99.48