

Budget Allocation Audit and Compliance Report

Organization:

Acme Corporation

Period:

January 1, 2023 – December 31, 2023

Date of Report:

March 15, 2024

Prepared by:

Finance & Audit Department

Summary

This report presents the findings of the budget allocation audit for the financial year 2023, focusing on compliance with organizational policies, regulatory requirements, and effective allocation of resources.

Budget Allocation Overview

Department/Project	Allocated Budget (USD)	Utilized Budget (USD)	Variance (USD)	Compliance Status
Human Resources	500,000	478,000	+22,000	Compliant
IT Infrastructure	800,000	840,000	-40,000	Non-Compliant
Research & Development	1,200,000	1,180,000	+20,000	Compliant
Marketing	600,000	597,500	+2,500	Compliant
Facilities	400,000	430,000	-30,000	Non-Compliant

Audit Findings

Compliant Areas

- Human Resources, R&D, and Marketing adhered to approved budgetary allocations and financial policies.
- Accurate record-keeping and documentation observed in compliant departments.

Non-Compliant Areas

- IT Infrastructure exceeded the approved budget by 5%, primarily due to unexpected software expenses.
- Facilities experienced an overrun due to unplanned maintenance and repair costs.
- Insufficient prior approval and documentation for certain expenditures in non-compliant sectors.

Recommendations

- Strengthen budget monitoring for IT Infrastructure and Facilities throughout the fiscal year.
- Implement stricter procedures for expenditure approvals and periodic budget reviews.

- Provide additional training on compliance standards for department managers.

Conclusion

The audit confirms overall effective budget utilization, with key departments maintaining compliance. Addressing noted discrepancies will enhance financial governance for future cycles.

Important Notes

- This document should be reviewed by relevant stakeholders and executive management.
- Audit findings must inform future budget planning and risk mitigation strategies.
- All supporting documents and data should be securely archived.
- Regular audits are recommended to ensure ongoing compliance and transparency.