

# Budget Variance Analysis Report

**Report Period** January 2024 - March 2024

**Prepared by** Finance Department

**Date** April 5, 2024

## 1. Executive Summary

This report analyzes the differences between budgeted and actual figures for the first quarter of 2024. Key variances are highlighted to support management's decision-making.

## 2. Variance Analysis

Account	Budgeted Amount	Actual Amount	Variance	% Variance	Remarks
Sales Revenue	\$120,000	\$110,000	-\$10,000	-8.3%	Lower sales volume
Cost of Goods Sold	\$60,000	\$58,500	-\$1,500	-2.5%	Cost savings on materials
Operating Expenses	\$30,000	\$33,000	+\$3,000	+10.0%	Unexpected maintenance
Net Profit	\$30,000	\$18,500	-\$11,500	-38.3%	Combined effect of above

## 3. Observations & Recommendations

- Monitor sales pipeline to address the decline in revenues.
- Review operating expenses for cost control opportunities.
- Continue cost-saving initiatives in procurement.

### Important Notes:

- Budget variance analysis helps in identifying deviations and their causes.
- It supports informed decision-making for corrective actions.
- Regular reporting ensures timely response to potential financial issues.
- Consistency in report format improves clarity and comparability across periods.