GOLDSMITHS
University of London

VFM METHODOLOGY

This methodology was approved by Audit Committee in June 2010 (incorporating many elements present in the original 2007 VfM Policy), and sets out the College proposes to consider and implement VfM. The VfM Policy (approved on the same date) sets out the overall framework and it is within that context that this methodology should be read.

VFM ACTIVITIES

1   Value for Money Programme

The VfM Steering Group will oversee the progress against the College rolling VfM Programme, which will cover the broad areas listed below. Each department will be encouraged to maintain its own VfM rolling programme. This is because it will assist departments to make the efficiency savings that will be necessary to ensure the sustainability of the College.

It is suggested that as part of this process, Heads of Departments should undertake to :

(i)   Implement policies on VfM as agreed by SMT and approved by Audit Committee on behalf Council.

(ii)   Ensure there is a continual review of the most significant aspects of the department's operation to ensure VfM is being achieved

(iii)   Provide adequate information in a timely manner on the status of VfM arrangements, as and when required.

2   Budgeting and Planning

Achieving VfM must be a major consideration in the planning and budgeting processes at all levels in the College and should be considered and documented as part of the justification for new schemes, investments and projects. Similarly, proposals put forward in the planning round must identify how any new initiatives will provide VfM for the Goldsmiths.

As part of the integration of VfM into routine decision-making, departments are expected, as part of the annual planning round, to submit a VfM report. Reports should draw attention both to existing activities that demonstrate continuing VfM and to new opportunities for improving VfM.

Achieving VfM must be a major consideration in the planning and budgeting processes at all levels in the College and should be considered and documented as part of the justification for new schemes, investments and projects. Departments are required to be able to demonstrate how existing activities represent VfM and to identify new opportunities for improving VfM,

The Director of Quality Planning and Academic Governance is currently considering how VfM, and also risk management, can be incorporated into institutional planning processes.

3   VfM Studies

The VfM plan will contain references to specially commissioned VfM studies. A permanent budget is set aside for this purpose which may be supplemented if necessary. Priority will be given to areas of significant expenditure which cut across the responsibilities of academic departments and support services. The specially commissioned studies will supplement those carried out as part of the annual internal audit programme.

4   Procurement

A major element of the College's commitment to achieving VfM is the drive to obtain goods and services that provide the appropriate quality at the best price on suitable terms. This is primarily the responsibility of the Finance department which is responsible for the preparation of a Purchasing Strategy to guide the College on how best to achieve VfM from purchasing.

5   Value for Money Checklist

Included in Appendix A is the VfM checklist, which was included as part of the VfM policy and was aimed at assisting manager and other staff to carry out their responsibilities in a cost effective manner.

6   Reporting of VfM activities

The VfM steering group will report after each meeting to SMT. This report will set out in detail progress against the rolling programme and give an overview of the College's achievement of best practise in regards to VfM. This will assist SMT to discharge it's responsibilities for ensuring that practical steps are taken to achieve VfM across the range of College activities and will provide the basis for the reports to Audit Committee.

The Audit Committee will receive an annual report on VfM from SMT comprising:

(i)   An update on the implementation of the 3 year rolling VfM plan, highlighting:
    (a)   new tasks;
    (b)   completed tasks;
    (c)   any reasons for deviation from the plan;

(ii)   a summary of VfM inititatives completed but not included within the plan.

In addition Audit Committee will receive an annual report from Internal Audit summarising the outcome of their review of the systems in place for meeting the College's VfM objectives. This review by Internal Audit forms the basis their written opinion on the College's VfM arrangements which will, under the requirements of the HEFCE Audit Code of Practice, be reported to Audit Committee, Council and ultimately HEFCE.

The Audit Committee should also receive and approve a forward looking annual work plan. Reports will also be provided during the year by exception on the basis of the approved work plan.

The reports received will enable Audit Committee to discharge its duty (under the HEFCE Audit Code of Practice) to report formally to Council on whether or not it is satisfied with the arrangements in place to promote VfM.

7   VfM Steering Group

The membership of the VfM Steering Group is designed to include both representation of both Academic and Administrative Heads of Department or senior staff. The group's terms of reference are available on the website *[hyperlink]* and are reviewed on an annual basis.

Appendix A – to the VfM methodology

VALUE FOR MONEY REVIEW CHECKLIST

1 Overall aims and objectives

1.1 Are the overall aims and objectives of the service or department clearly specified and documented?
1.2 Has a service or departmental strategy been determined, including short-term and longer-term objectives (budgetary and financial expectations, operational delivery)?
1.3 Is responsibility for management of the service or department clearly identified and documented?
1.4 How is this overseen?

2 Policies and procedures

2.1 Are policies and procedures in place?
2.2 Are the policies and procedures updated on a timely basis?
2.3 Are the policies and procedures formally approved by any relevant College Committee?
2.4 Are College staff aware of the policies, procedures and responsibilities relating to this area?
2.5 Have the risks associated with the service or department been identified and appropriate mechanisms put in place to address them?

3 Performance monitoring and reporting

3.1 Does the service or department have key financial and operational targets, and if so, what are they?
3.2 What are the key performance indicators (KPIs) by which the performance of the service or department is assessed? Are comparisons made with other institutions or sector norms? Are the KPIs focussed on service delivery? Has use of KPIs been owned by relevant staff?
3.4 Is the necessary information available and is performance monitored by managers?
3.5 Is action taken to address issues highlighted?
3.6 Is there a mechanism for obtaining feedback from users and is action taken in response to user requests?

4 Service review and inspection

4.1 Is the service or department subject to independent inspection by internal audit?
4.2 Where actions are identified following a review or inspection, are they taken in a timely way?