

**GOLDSMITHS**  
**University of London**

**VALUE FOR MONEY POLICY**

**Approved by Audit Committee, 22 June 2010**

**Introduction**

Goldsmiths recognises its responsibility to achieve value for money from all its activities. Goldsmiths is committed to the pursuit of economy, efficiency and effectiveness as part of its overall aims and objectives. Goldsmiths will seek to adopt good practice and incorporate VfM principles in all its activities.

Value for Money (VfM) not only measures cost, it also takes account of quality and fitness for purpose to determine whether goods and services represent good value. The College needs to have systems in place to determine if it is operating economically (using the minimum level of resources for a given service level), efficiently, (maximising its delivery of services within a given level of resource) and effectively (taking the most appropriate actions to meet its objectives).

When considering VfM it is useful to consider the following factors:

- (i) *Inputs* – in terms of price, quantity and quality
- (ii) *Outputs* – in terms of price, quantity and quality
- (iii) *Processes* – activities that convert inputs into outputs
- (iv) *Strategy* - How our aims and objectives are translated into reality
- (v) *Allocative efficiency* – the *deployment* of limited resources to deliver the maximum overall benefit to the organisation in terms of its agreed Strategy.
- (vi) *Structure*- The way the College is organised to implement our Strategy
- (vii) *Culture* -The way or style in which the College carries out its affairs

The list is wide ranging and many of the above items are interrelated. The list acts as a reminder that the most effective approach to VfM will be achieved by viewing it as a broad concept and a mode of operating that should permeate all aspects of the organisation.

**Objectives**

To achieve good VfM, Goldsmiths has set itself these objectives:

- to integrate VfM principles within existing management, planning and review processes;
- to adopt recognised good practice where this is appropriate;
- to undertake VfM studies on areas identified as requiring attention and where the review is expected to yield significant benefits;
- to benchmark Goldsmiths' activities against other similar activities and organisations where this is considered useful;
- to respond to opportunities to enhance the economy, efficiency and effectiveness of activities;
- to promote a culture of continuous improvement;
- to demonstrate actively to both internal and external observers that the achievement of VfM is sought in all activities undertaken;
- to ensure that all staff recognise their continuing obligation to seek VfM for Goldsmiths as part of their routine activities.

## **Responsibilities**

### ***Council***

Goldsmiths' Council has overall responsibility for VfM. In particular Council has an explicit duty imposed by the Financial Memorandum with the HEFCE, which states that the governing body of the institution is responsible for delivering value for money from public funds. In addition, it requires that Council should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the Council and other organisations such as the National Audit Office or the Public Accounts Committee.'

Council, however, delegates regular oversight of VfM matters to Audit Committee.

### ***Audit Committee***

The Audit Committee is required, under the HEFCE Audit Code of Practice and by its own terms of reference, to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Committee is required to relay its view on the arrangements to Council in its annual report.

The Audit Committee will receive reports from the Senior Management Team and Internal Audit (at least annually) on VfM activities to;

- (i) Satisfy itself that VfM extends to all areas of College's activities;
- (ii) Review annually the College's approach to VfM and approve changes or improvements to key elements of its processes and procedures.

Audit Committee should, on behalf of Council, ensure that reasonable processes and procedures are in place to ensure that VfM is being achieved. The Committee must scrutinise, approve and if appropriate amend Goldsmiths' VfM Strategy and Policy on behalf of Council.

### ***Internal Audit***

The Internal Auditors are expected to conduct all audits in a manner that meets the objectives of the VfM policy. VfM considerations should influence the scope of the annual Audit programme and the scope of individual audits. Where necessary the College will also commission specific VfM studies from the Internal Auditors.

### ***External Audit***

External Audit is expected to comment on VfM arrangements as part of the external audit programme.

### ***Senior Management Team***

The Senior Management Team has the executive responsibility to put in place arrangements that will ensure VfM is being sought. The Senior Management Team also has responsibility to keep Council and Audit Committee advised of VfM issues. It delegates to the VfM Sub-Committee the detailed work associated with the College's rolling VfM Programme and reviews at least twice yearly the progress

against the annual plan. SMT will review the composition and remit of the VfM Sub-Committee from time to time to ensure it is best constituted to achieve the aims of the VfM Policy and Strategy.

Members of the Senior Management Team (SMT) have individual and collective responsibility for VfM. The Senior Management Team as a whole has overall responsibility for ensuring practical steps are taken to achieve VfM across the range of College activities. SMT will:

- (i) Agree the 3 year rolling VfM plan;
- (ii) ensure the mechanisms are in place for achieving the goals of the VfM plan;
- (iii) ensure VfM considerations are incorporated into relevant College Policy and guidance;
- (iv) ensure VfM considerations are taken into account as part of the business planning process;
- (v) provide leadership on all aspects of VfM;
- (vi) ensure arrangements are in place to embed VfM into the College's day-to-day activities;
- (vii) promote a culture of continuous improvement.

### ***Director of Finance and Registrar and Secretary***

The Director of Finance and Registrar and Secretary have responsibility for keeping the Audit Committee and Council advised on VfM matters. The Director of Finance should ensure that VfM arrangements satisfy the requirements of the Financial Strategy and should seek to ensure that adequate systems are developed to maximise the achievement of the aims of the VfM Policy. Additionally, the Director of Finance must oversee the work of the VfM Sub-Committee.

### ***Pro-Wardens, Registrar and Secretary and Director of Finance***

Pro-Wardens are responsible for ensuring adequate consideration is given to VfM arrangements in the departments for which they are responsible and, where appropriate, disseminate information and actively encourage the spread of best practice. Pro-Wardens are also expected to ensure that VfM considerations are given sufficient priority at an early stage in the planning process. That is, when strategies are being developed.

### ***VfM Sub-Committee***

The VfM Sub-Committee is responsible for developing the VfM rolling programme for promulgating good practice in VfM across the College and for monitoring progress against the VfM rolling programme. The Sub-Committee may request VfM reviews of specific projects. It reports to SMT after each meeting (held once a term).

### ***Heads of Department***

Managers have the executive responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately.

### ***All Staff***

All staff should endeavour to seek and achieve VfM in all activities and to bring to management's attention any opportunities for improvement.