



Value for Money

The Value for Money Policy explains the PAJCCI's underlying approach to value for money. It gives key aspects of the value for money process, and identifies the main reporting procedures. The policy will be reviewed and amended, if appropriate, on an annual basis by the Finance and Audit Committee.

Value for Money Policy

Value for Money (VfM) is the expression used to measure whether or not an organisation has obtained the maximum benefit within the resources available to it, whether it is providing a service or obtaining goods and services. It not only measures cost, but also takes account of quality and fitness for purpose to determine whether goods and services represent good value.

Objectives

- Integration of VfM into decision making, planning and reporting;
- Ensuring that the principles of VfM are understood and that it is the responsibility of all staff to pursue VfM in the PAJCCI's activities;
- Ability to demonstrate that VfM is being achieved.

Purpose

PAJCCI recognizes that it has a responsibility to deliver VfM from all its activities not only those funded by donor but from all other sources of funding. This VfM policy sets out the PAJCCI's arrangements to achieve this. The policy explains the PAJCCI's underlying approach to VfM. It gives key aspects of the VfM arrangements and identifies the main reporting procedures.

Approach to VfM

The following key principles outline the PAJCCI'S approach to VfM:

- The Finance and Audit Committee of the PAJCCI, is responsible for VfM.
- There should be an open and receptive approach to VfM.
- The Finance and Audit Committee passes the VfM to the Chairman, who then advise the committee on VfM (if needed).

Embedding into the PAJCCI'S day to day activities

The PAJCCI's VfM arrangements will encompass a number of elements that together will enable the PAJCCI to respond to its VfM obligations, placed on it. These elements include:



a. Policies: VfM considerations will be incorporated into policies and guidance will be developed to support the policies where appropriate.

b. Business planning and budgeting: The business planning and budgeting process is used to set objectives, agree action plans, and allocates resources. Progress towards meeting business plan objectives is monitored regularly. VfM considerations will be taken into account as part of this process.

e. External audit: External audit will include VfM considerations as part of the annual audit.

f. VfM Studies: From time to time VfM studies should be undertaken either internally or as part of a study, where appropriate.

g. Third party reports: From time to time, the use of external consultants may be appropriate in VfM.

h. Purchasing: A major element in achieving VfM is obtaining the best quality goods and services at the most economic price. This is primarily achieved through the PAJCCI's Purchase Procedures and Procurement Services, whose aim is "is to help maximize value for money at a time when budgets and resources are becoming increasingly stretched".

Finance and Audit Committee's annual review of effectiveness

The Committee will undertake an annual review to consider:

- whether VfM policies are effective in achieving the PAJCCI'S objectives with regard to VfM;
- whether VfM considerations are embedded into ongoing operations;
- the effectiveness of the PAJCCI'S VfM reporting processes;
- the effectiveness of the overall approach and policy to VfM and whether changes or improvements to processes and procedures are necessary.