A Brief Guide to......

VALUE FOR MONEY
Auditing

Saint Helena Audit Service
February 2006 FINAL v 2.0
What is a Value For Money (VFM) Audit Review

A VFM Audit Review is an independent scrutiny exercise looking at any area of an organisation’s activities.

It focuses on the organisation’s objectives and determines whether the organisation is managing and utilising its resources in an:

**Economical, Efficient and Effective** manner.

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<th>Economical</th>
<th>Efficient</th>
<th>Effective</th>
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<td>Minimising the cost of resources acquired or used, having regards to appropriate quality</td>
<td>How far is maximum output achieved for a given input, or minimum input used for a given output</td>
<td>How successfully do outputs of goods, services or other results achieve policy objectives, operational goals and other intended effects</td>
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This is done by assessing/examining the *inputs, processes* and *outputs* of the activity under review. Take this example of a **Furniture Factory**:

![Diagram of a Furniture Factory](image-url)
Benefits of a VFM Audit Review

The VFM Audit Review is NOT just about fact gathering the auditor will seek to highlight any weaknesses in procedures, identify potential improvements and suggest possible ways forward.

This is done in the form of the VFM Audit Report:

**Ensures that findings are presented in a format which users will be able to understand and use.**

**Is not set in stone, but is practical in nature and offers solutions to the relevant management involved.**

**Provide assurance to Stakeholders.**

**Emphasises improvements rather than criticising the past.**

Overall the VFM Audit Review should provide a number of benefits:

- **Reduce Costs**
- Realise financial savings
- Achieve aims & objectives more cost effectively
- Provide a better quality service
- **Strengthen & enhance:** Management, Administrative & Organisational processes

**IMPACT**
Ensuring **VFM within SHG**

Our main client is SHG and its Stakeholders, for whom we provide an ongoing programme, through annual public consultation of VFM Audit Reviews.

We also maintain **flexibility** to respond quickly and undertake high priority assignments by special request.

Our final reports are made publicly available and as a result, the **VALUE FOR MONEY AUDIT SERVICES** playing a major role in ensuring public accountability for SHG.

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**VFM**: Protecting the **Public Purse** in the interest of Stakeholders:

- Councillors
- Management Staff
- The Public
- Donor Aid Agencies
- Investors

'Spending well'

*Efficiently*

'Spending wisely'

*Effectively*

'Spending less'

*Economically*

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**Value For Money** is about....

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