

Arden University – Value for Money Strategy

Introduction

Arden University has introduced an explicit Value for Money (VfM) strategy that meets the OFS published guidance.

The University is limited company that receives a proportion of its funds from public sources. It seeks to achieve VfM from all its activities, however they may be funded. The University's strategy is to embed VfM as part of its ongoing business planning, processes and decisions.

The purpose of this document is to outline the overall approach taken to the consideration, management and implementation of a VfM strategy in the pursuit of the mission and strategic aims of Arden University.

Definition

Value for Money has three components, economy, efficiency and effectiveness. It is wrong to focus solely on achieving the lowest price or cost and important to achieve an outcome that also recognises the efficiency of any process or function and its effectiveness.

Value for Money Strategy

To achieve its VfM strategy the University seeks to:

- Integrate VfM principles within existing planning and review processes and embed the pursuit of economy, efficiency and effectiveness within operational management;
- Respond to opportunities to enhance the economy, efficiency and effectiveness of activities and adopt recognised good practice where this makes sense;
- Undertake VfM studies on areas of activity identified as worthy of review and apply the lessons learned to other areas of the University;
- Promote a culture of continuous improvement;
- Ensure that all staff recognise their continuing obligation to seek VfM for the institution as part of their routine activities;
- Benchmark our activities against other similar activities and organisations where appropriate.

A VfM strategy is approved and communicated, establishing responsibilities for how VfM concepts and practices are allocated within Arden University.

VfM will be embedded into the strategy, culture and operations of Arden University, within an overall framework linking strategic priorities, risk, internal control, audit and performance management.

VfM principles will be integrated within existing planning and review processes and the pursuit of economy, efficiency and effectiveness will be embedded within operational management.

We will identify and respond to opportunities to enhance the economy, efficiency and effectiveness of activities and adopt recognised good practice where this makes sense.

We will embed the pursuit of increased efficiency and effectiveness while maintaining costs to affordable levels throughout all layers of management in Arden University.

We will promote a culture of continuous improvement, to challenge current practices and approaches to improve performance and position Arden University to meet future challenges.

We will ensure that all staff recognise their continuing obligation to seek VfM for the institution as part of their routine activities.

We will benchmark our activities against other similar activities and organisations where appropriate.

The Internal Audit function will provide opinion and guidance on VfM issues routinely, within reports prepared as part of their annual schedule.

The VfM Strategy forms part of the internal control and governance of the University.

Governance, Management and Value for Money

In its formative period, the University adopted the IOD's Corporate Governance Guidance and Principles for Unlisted Companies in the UK. The University has since enhanced its practice to accommodate the requirements of the Office for Students and the generic principles of the Committee of University Chairs (CUC) Code of Governance. Responsibility for pursuing value for money lies with all members of staff; in a formal sense, the following roles have been agreed:

- Board of Directors ensures that there are sound arrangements for risk management, control and governance, and for economy, efficiency and effectiveness. It keeps under review the arrangements for managing the resources under its control;
- The Vice-Chancellor is the officer designated by Board of Directors as responsible for satisfying the governing body that the OFS requirements for VfM are being satisfied;
- Audit Committee receives assurance during the year that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It maintains an overview and independent judgment on the effectiveness of the University's value for money arrangements. Its annual report includes its opinion of the arrangements for promoting economy, efficiency and effectiveness.
- VfM is specifically part of the Senior Management Teams terms of reference;
- Managers have the responsibility for reviewing and maintaining good practice in their own area of operation;
- All staff should endeavour to seek and achieve VfM in all activities and to bring to management's attention any opportunities for improvement;
- The Internal Audit Function considers VfM as an integral part of its work and carries out specific VfM reviews as required. The annual report from internal audit includes an opinion on the University's arrangements for securing value for money.