

# VALUE FOR MONEY (VFM) AND PERFORMANCE AUDIT SERVICES

INTERNATIONAL INSTITUTIONS AND DONORS CONSULTANCY TEAM



Demonstrating that public money has been 'well spent' is never easy. Donors increasingly want to know not just whether their funds have been spent as intended, but what concrete benefits have been achieved as a result.

This often translates into questions like:

- ▶ Have projects and programmes achieved their objectives (i.e. have they been 'effective')?
- ▶ Has their performance been proportionate to their cost (i.e. have they been efficient)?
- ▶ Have the best possible prices been paid for staff, goods, and services (i.e. have they been 'economical')?
- ▶ Overall, has value for money (VFM) been achieved?
- ▶ What lessons can be learned to ensure VFM in future?

We offer a range of services to answer these questions, delivered by our worldwide network of expert staff.

As shown overleaf, we can help you achieve VFM at every stage of the programming cycle – from project selection and planning, through implementation and technical assistance, to retrospective analysis of outputs, outcomes and lessons learned.

FOR MORE INFORMATION:

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“Your report was much appreciated by our management for the fact that most of its recommendations could apply both to the scheme that was under scrutiny and beyond. It also comes at a very timely moment as we reflect on the future of the programme as a whole. I would like to thank you for this excellent work.”

CLIENT FEEDBACK ON A BDO EX-POST PERFORMANCE AUDIT

### Ex ante (prospective) VFM appraisal

- ▶ Examines likely value for money of the project ahead of implementation - based on budgeted costs, and planned objectives, outputs and outcomes.
- ▶ Uses bespoke evaluative frameworks and indicators to anticipate outcomes and recommend improvements.
- ▶ Can also help choose between several potential beneficiaries or projects, by identifying those with the greatest likely impact / VFM.

#### Outputs:

- ▶ Evaluative framework tailored to the client or project, which can also be used for ex post assessment once the project is complete.
- ▶ Evidence-based assessment of likely outcomes, including identification of key drivers and risks to VFM.
- ▶ Recommendations to maximise chances of success

### 'Real-time' VFM consultancy

- ▶ Carried out while the project is still in progress.
- ▶ Assesses performance / VFM to date, whilst also looking forward to remainder of the project.
- ▶ Provides maximum opportunity for optimising VFM whilst the project is still 'live'.
- ▶ Can complement traditional 'monitoring and evaluation' (M&E) approaches, by assessing performance to date and forecasting future outcomes.

#### Outputs:

- ▶ Conclusion on economy, efficiency and effectiveness of activities to date.
- ▶ Assessment of progress against objectives and likelihood of success.
- ▶ Analysis of risks and barriers to implementation.
- ▶ Evidence-based recommendations for remedial action to improve performance and eventual outcomes.

### Ex post (retrospective) VFM / performance audit

- ▶ Assesses whether a completed project has achieved VFM.
- ▶ Develops bespoke evaluative frameworks and indicators, tailored to the organisation, project and context.
- ▶ Uses specialised VFM techniques including:
  - cost-effectiveness and cost-quality analysis;
  - benchmarking against good practice / comparable projects;
  - comparisons with theoretical 'counter-factual' scenarios where projects were carried out differently, or the same resources used in other ways.

#### Outputs:

- ▶ Conclusion on the economy, efficiency and effectiveness with which resources have been used.
- ▶ Assessment of whether objectives have been met, and the quality and impact of the resultant outputs.
- ▶ Value-adding and evidence-based recommendations for improvements to future projects and programmes.

## PROJECT SELECTION AND PLANNING

## PROJECT IMPLEMENTATION

## PROJECT RESULTS AND IMPACT

### VFM CAPACITY-BUILDING AND TECHNICAL ASSISTANCE

- ▶ Provision of specialist VFM staff to join a client team carrying out an audit or evaluation.
- ▶ Assistance with all aspects of designing and delivering the work
- ▶ Support to produce any output required – from conceptual frameworks and methodologies to audit plans and final reports - including advice on applying VFM methods to specific sectors and settings.
- ▶ Specialist knowledge-transfer to client or project staff, through informal coaching or formal training.
- ▶ Potential to provide longer-term support to help embed relevant systems and techniques.

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