

What is a value for money study?

A value for money study focuses on a specific area of government expenditure, and seeks to reach a judgement on whether value for money has been achieved. We define good value for money as the optimal use of resources to achieve the intended outcomes. Our role is not to question government policy objectives, but to provide independent and rigorous analysis to Parliament on the way in which public money has been spent to achieve those policy objectives.

As well as reaching an overall conclusion on value for money, we make recommendations on how to achieve better value for money and to improve the services under examination. Our reports form the basis of hearings of the PAC and audited bodies respond to the recommendations made by the PAC on the basis of our reports. In some circumstances, we conduct a follow-up study to measure progress against the recommendations we have made.

We aim to be at the leading edge in assessing public service performance, and to adopt innovative approaches and techniques. Typically, a study will use a mix of quantitative and qualitative methods. The methods we commonly use include:

- financial analysis;
- analysis of management information;
- documentary review;
- interviews or focus groups with departmental and other staff;
- literature review;
- surveys of practitioners or service users; and
- benchmarking with other organisations or other countries.

We work to standards that draw on best practice in audit, research and financial management. We use staff with a wide range of professional expertise and bring in specialists from outside the organisation when required. Our studies generally take between three and 12 months from inception to publication.

Our value for money reports are presented to Parliament. Most are considered by the PAC in hearings at which members take evidence from the senior officials of organisations under scrutiny. The PAC then publishes its own report and recommendations, to which the Government must respond.