

VFM audits of Higher Education sector

14/06/2013

Further to my email of 11 June 2013, I am now in a position to respond to your request of 30 May 2013, which was:

Have you conducted any VFM audits of the Higher Education sector?

Have you a set methodology that you adopt to conduct VFM audits?

In 2005, the Auditor General for Wales published a report entitled "Energy and Water Management in the Higher Education Sector in Wales"

In 2009, the Auditor General published a report entitled "[Collaboration between Higher Education Institutions](#)"

The Auditor General currently has a value for money study in progress addressing "Financial planning and management in higher education".

I should explain the various statutory authorities that enable the Auditor General for Wales to conduct value for money audits in the Higher Education sector. Except by agreement, the Auditor General does not undertake studies of individual Higher Education institutions per se. Instead, the Auditor General examines the use of public money provided by the Welsh Government and the Higher Education Funding Council for Wales (HEFCW), including the arrangements made by the Welsh Government and HEFCW to secure value for money from such expenditure. Under section 145 of the Government of Wales Act 1998, the Auditor General may carry out value for money studies of HEFCW, and under section 135 of the Government of Wales Act 2006 the Auditor General can carry out value for money studies of the Welsh Government. Under section 145A of the 1998 Act the Auditor General may carry out value for money studies resulting in improvement recommendations for HEFCW and the Welsh Government. In addition, under section 145B of the 1998 Act, the Auditor General may carry out value for money studies of the governing body of a higher education institution in Wales at the request of the governing body or HEFCW.

We do not have a single set methodology for our value for money studies. Studies are done in accordance with our Performance Audit Delivery Manual and other internal guidance. A common feature is that we use an approach known as Issue Analysis / Drawing Conclusions (IADC) to first develop a hierarchy of questions that we are seeking to answer through our audit work (the Issue Analysis) and then to draw together the high level conclusions emerging from our work (Drawing Conclusions). These conclusions provide the framework structure for our published reports.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

Ian Phillips