

VALUE FOR MONEY POLICY

ORGANISATION:	Kokoda Track Foundation
ACN:	103 660 948
POLICY TITLE:	Value for Money Policy
VERSION:	3.0
STATUS:	FINAL
ALLIED POLICIES:	Donations, Fundraising & Refund Policy Finance, Audit & Risk Committee Charter Financial Reserves Policy Financial Risk Management Policy Foreign Exchange Policy Fraud and Corruption Prevention Policy Procurement Policy
OWNER:	Senior Management
APPROVED BY:	CEO
LAST UPDATE:	01.09.2021
NEXT REVIEW DATE:	01.09.2024



INTRODUCTION:

Achieving value for money is paramount for the Kokoda Track Foundation (KTF) and ensuring that every dollar and kina raised is spent appropriately, ethically and has value for money is critical to the ongoing operations of KTF.

To meet its commitment to value for money, KTF has adopted best practice policy guidelines from the Department of Foreign Affairs and Trade's 'Value for Money Principles.' These principles are stretched across an overarching framework of four focus areas – economy, efficiency, effectiveness and ethics.

POLICY:

KTF makes every reasonable effort to ensure that funds or resources disbursed, including to partners, third parties or service providers offer value for money and decisions are guided by the following principles:

- a) Cost consciousness – reducing costs at every level of expenditure throughout KTF.
- b) Encouraging competition – comparing competing methods, partners and service providers.
- c) Evidence based decision making – documenting decision making, comparisons, conversations and consultation that occurs when deciding best practice approach coupled with value for money, ultimately leading to continuous improvement and minimizing the risk of revisiting past mistakes.
- d) Proportionality – measuring the amount of resource investment (time and money) in proportion to benefit received as a result of the investment.
- e) Performance and risk management – reviewing of investment to ensure the continual delivery of maximum performance. This is to be reviewed in conjunction with KTF's risk management policy and anti fraud and corruption policy to monitor and minimize risk.
- f) Results focused – clearly articulating performance targets, intended outputs and measuring results against such targets is critical to measuring value for money expenditure within the organisation.
- g) Experimentation and innovation – openness and willingness to trial new ways of doing things, understanding that at times, there may be a need to recalibrate levels of risk tolerance in order to facilitate innovation.
- h) Accountability and transparency – honest and open dialogue with partners, donors and service providers at all levels of the project lifecycle and value for money chain, ensuring KTF remains accountable to donors.

PROCEDURES:

Value for money is everyone's responsibility and lies at the core of all KTF development activities. Efficient project planning is core to achieving value for money. Each of the eight value for money principles must be considered when planning and implementing projects at KTF.

Once proportionality has been compared in relation to the project activity outputs and consideration has been given to experimentation and innovation, KTF must identify project partners and service providers to effectively implement project activities. In circumstances where goods or services are above PGK1,000 Kina or \$500 AUD a minimum of two quotations should be requested and received from service providers and/or implementing partners with comparison being made against value and outcomes. It's important to note that value for money does not always mean choosing the lowest price. This is important to note for the project team when decisions need to be made to select the successful service providers and/or partners. This process must be documented. Once value for money has been established with a service provider, additional value for money quotation comparisons will not be required unless there is a substantial increase of 20% or above in the cost of the product of service.

Value for money must also be considered holistically. As an example, if there is a flight at 6am that is half the price of a later flight, staff must consider the logistics and implications of an early flight – i.e. private transport may be required due to no public transport available at that time and/or accommodation the night before the flight may be required – with both scenarios increasing the total cost of travel.

During project implementation, the project team is responsible for performance monitoring and risk management, ensuring that value for money is still being achieved.

KTF's Effectiveness Framework ensures that KTF continually measures the impact projects have on value for money and assist in reporting back to donors and/or partners.

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