


HFG Toolkit Presentation

Annie Baldrige
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MOH & MOF

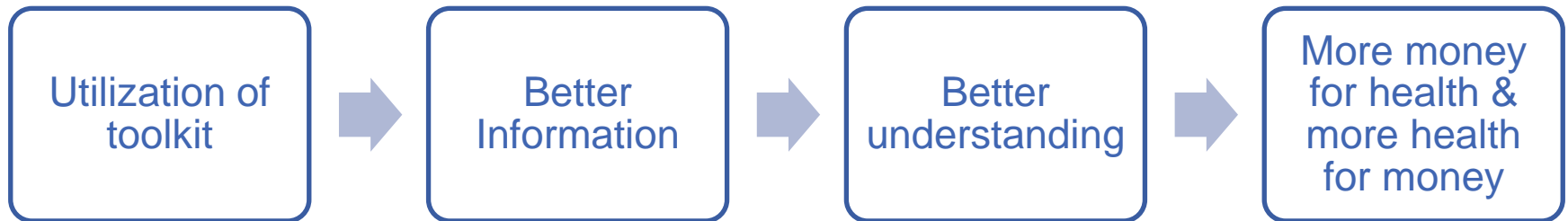
The toolkit addresses gaps in MOH MOF relationship

- HFG toolkit presents a set of strategies, self assessment methodologies and performance management processes to help MOH better manage their own resources and to help foster more effective coordination between MOH and MOF
- Better understanding and coordination will lead to improved DRM for health



How does the toolkit relate to DRM?

- We hope through use of these tools MOH and MOF can foster better understanding of their systems and improve the quality of information presented and gathered at all levels
- Better information and better communication will lead to stronger alliances and more understanding between MOH and MOF
- The deeper understanding, if acted on, will translate to improved DRM for health



MOH Roles	MOF Roles
Develops sector wide strategies	Provide instruction for annual budget request process and budget ceilings
Set health priorities	Evaluate economic return on government investment in all sectors
Assess annual and multi-year budget requirements	Assess and finalize annual and multi-year budget plans for all ministries
Prepare annual budget requests and advocate for funding levels	Release funds according to approved budget
Oversee or directly manage the delivery of health services	Oversee compliance to government expenditure regulations
Track and document health outcomes and impact	Ensure accounting reporting, final outturns are consistent between central system and ministries
Set sector standards for control agencies	Ensure internal financial control throughout government
Ensure proper control over all sector revenues	Assess cost-effectiveness

Framework for more effective DRM

- **Performance:** The ability to plan for, deliver and communicate timely, high quality health outcomes
- **Accountability and Control:** The ability to strongly manage how funds are allocated and spent, including procurement and distribution of medications and health supplies. Ensuring that controls are in place as inflows and outflows take place is vital and internal controls can help to ensure targeted spending is spent as planned
- **Efficiency:** The Ability to demonstrate value for money for the services delivered
- **Responsiveness:** The ability to clearly align health planning and spending to national and sector strategies and document contributions toward achieving targets

Toolkit

Summary of Tools

- **Data for efficiency:** This tool is designed to help the health sector analyze the efficiency across operations - including utilization of equipment, physicians pharmaceuticals and facilities in general. This information can help to justify budget requests and target services and spending to achieve the most results for money
- **Self- Assessment for Internal Control:** Improving Internal control and financial management are of paramount importance for the health sector to attract investment and also to ensure effective well documented expenditure
- **Developing Key Performance Indicators:** Because of their importance to both the MOH and MOF KPI's are a key area of convergence for the two sectors. This tool is designed to provide guidance on developing and using KPIs
- **Guided Self Assessment of Public Financial Management Performance:** This tool is meant to guide organizations through a PEFA like assessment without the cost involved in hiring experts to do a complete assessment. This tool allows for the health Sector to prepare for a PFM assessment or simply to highlight gaps to better focus capacity building

Data for Efficiency

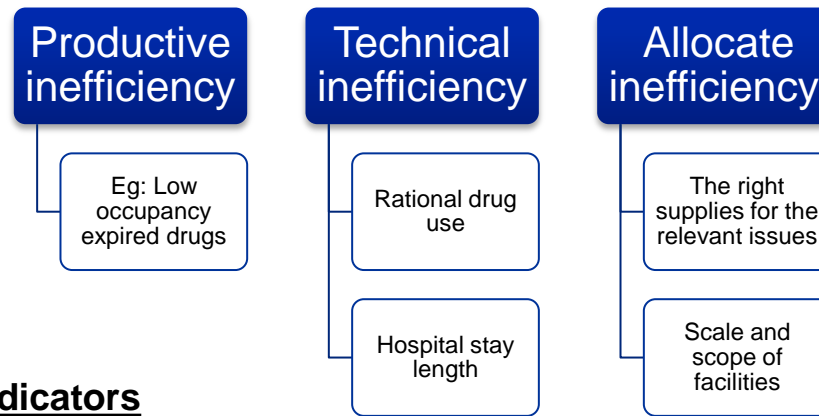
Tool Outline: Data for Efficiency

- **What is this tool?** This tool is intended to help health program managers and administrators to better understand and assess efficiency in the delivery of health services
- **When to use the tool?** When more data is needed to gather essential information about the health sector or to prepare for budget defense. First garner high level support through a steering committee then appoint a working group to carry out the assessment. The working group should learn about the system, key definitions and indicators and understand the health production model
- **Why use the tool?** Understanding efficiencies within the system will allow for better use of existing funds and more confidence in the system to obtain additional investment



Implementation and Outcomes

Types of inefficiencies:



Survey categories/indicators

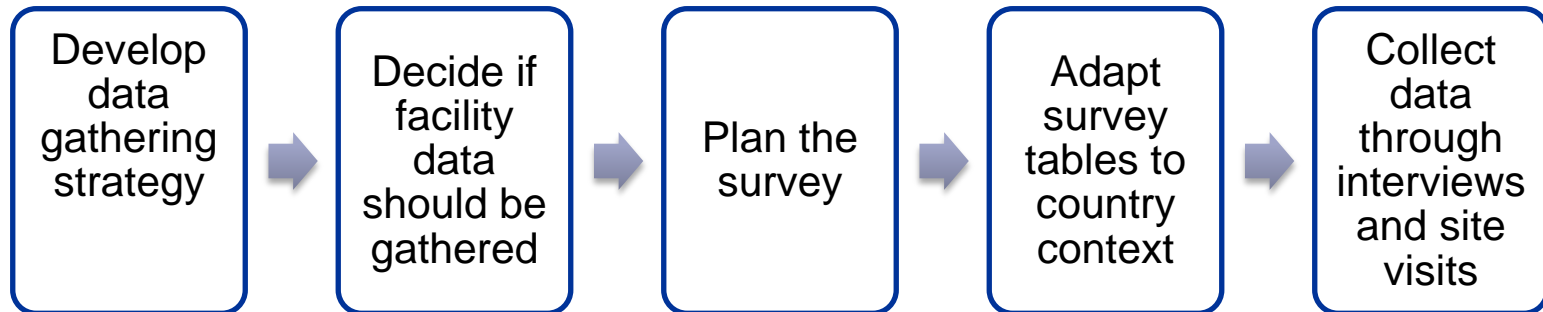
Current Staff Utilization: Understanding the mix of staff to see if more could be achieved with the same resources over time

Health Technologies and Pharmaceuticals: It is important to understand stocks, storage, availability and distribution of medicines and consumables at the facility level

Health Facilities and Care: Understanding facility inputs at various levels and how efficiently those inputs are being used including; physical capital; human capital and supplies

Some data will likely be available at the central level while other data should be gathered via survey at the facility level

Implementation and Outcomes



Data analysis and calculations: After data is entered and verified efficiency indicators should be derived for each facility. These may also be grouped by type of facility, region and aggregated for the entire health system. This exercise will then provide information on efficiency by facility type, region and the aggregate.

_____ **Self- Assessment for Internal Control** _____

Tool Outline: Self Assessment for Internal Control

- **What is this tool?** The purpose of this tool is to facilitate the self assessment of internal control systems and practices in the health sector.
 - Assessing internal controls will allow health sector decision makers to demonstrate strong financial stewardship when justifying budget requests and when attracting investment.
 - Internal control is one of the most important functions in management and one of the key points of intersection with the finance sector.
- **When to use the tool?** An assessment should be done every 6 months or whenever there is a major change in the operations of the health sector. It may be useful to carry out the assessment before the budget process each year.
- **How to Implement?** The organizations own staff should conduct this assessment a working group with officials from throughout the organization should be mobilized to carry out the assessment. Once indicators are identified sub groups should be formed to carry out site visits.

Implementation and Outcomes

Implementation process



Assessment Components

Control Environment: This section looks at the organizational culture, integrity of staff and management. It also covers organizational structure, philosophy and human resources and policy.

Risk assessment: This sections looks at identifying and analyzing risks. The questions drive at measuring the organizational tolerance and response to risk. Risk can be operational, compliance related, financial environmental, clinical or reputational

Control Activities: This section analyzes control activities including; authorization and approval processes, segregation of duties, verifications, reviews and supervision. The goal here is to balance prevention and detection.

Information and Communication: This section looks to managements ability to make the right decisions based on information available. Typically this will go to how information flows from the central level through the organization or facility.

Implementation and Outcomes

Assessment Components

Control Activities: This section analyzes control activities including; authorization and approval processes, segregation of duties verifications, reviews and supervision. The goal here is to balance prevention and detection.

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Monitoring: The monitoring section of the questionnaire sets out to ensure the defining components of internal control are being achieved this is accomplished through a combination of ongoing monitoring and external assessments. Both will be looked at in this tool.

SLICE assessment (optional add on): This looks specifically at the management of pharmaceuticals since that is an essential point of control and an area of high spending levels. This assessment measures control dimensions in the following areas; arrival and customs clearing, transportation, receiving, storage, distribution, people.

Scoring: These assessments use a simple numeric scoring system.

- Inadequate: (-1 point)
- Needs Improvement (0 Points)
- Adequate (+1)

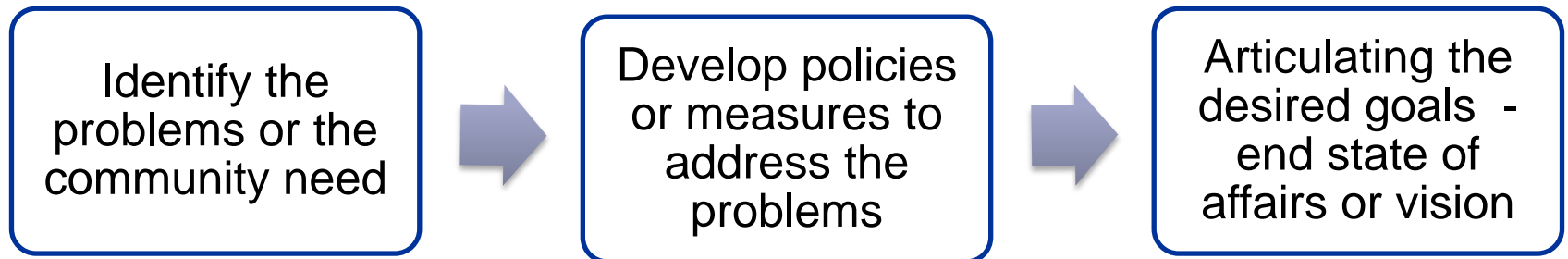
Developing Key Performance Indicators (KPI)

Tool Outline: Developing Key Performance Indicators

- **What is this tool?** This tool provides useful guidance on developing and using KPIs and building these indicators into the budget process. This tool gives managers at the central or ministry level guidance for thinking strategically about planning and defining indicators, setting targets and harnessing performance information
- **When to use the tool?** This tool should be used as a tool for M&E managers and analysts to develop and use KPIs as a management tool and a tool during budget planning
- **Why use this tool?** This tool will help ministries of health to define and track the success of their programs and to communicate to the MOF, key political decision makers and the public how resources are being used for social good

Implementation and Outcomes

KPI development starts with good strategic planning integrating policy, planning. Budgeting, management and review at different levels. This tool lays out a logical process model for defining KPIs



- **Development:** This toll lays out different types of KPIs and how to develop them from the strategic to programmatic level
- **Targets:** It also explains how to set and negotiate appropriate target levels and how to adjust them during a budget shortfall
- **Health management information systems (HMIS):** The tool also contains information on how to use health information systems to manage KPI data
- **Interpretation Reporting:** There is information on how to interpret and report KPI performance

**Guided Self Assessment of Public
Financial Management Performance**

Tool Outline: Self Guided Assessment of Public Financial Management

- **What is this tool?** This tool is an adaptation of the Public Expenditure and Financial Accountability Framework (PEFA). This tool is intended to provide a more simplified version of the tool for simple self assessment
- **When to use the tool?** PEFA reviews government wide assessments based on a standard set of indicators. This tool does the same with less technical language and adapted for the particulars of the health sector
- **Why use this tool?** Good Public Financial management (PFM) governance in the health sector is essential to instill confidence and understanding during the budget and allocations process. Often health is treated as the same as any other sector when there may be some specific factors affecting PFM management in health that can be brought to light and strengthened through self assessment

Implementation

The PEFA framework evaluates a set of indicators to evaluate overall PFM outlook

Credibility of the budget: The budget is realistic and is implemented as intended

Comprehensiveness and transparency: The budget and fiscal risk oversight are comprehensive and fiscal and budget information are accessible to the public

Policy based budgeting: The budget is prepared with due regard to government policy

Predictability and control in budget execution: The budget is implemented in an orderly and predictable manner and there are arrangements for the exercise of control and stewardship in the use of public funds

Accounting recording and reporting: Adequate records and information are produced, maintained and disseminated to meet decision making control management and reporting purposes.

External scrutiny and audit: Arrangements for security of public finances and follow up by executive are operating.

Timeline: *the assessment typically takes a total of 2 and a half months to complete*

Key Take Away's

1. Thorough analysis of PFM gaps and internal controls are necessary to encourage increased investment in health
2. Key Performance indicators are an integral part of making the case for health
3. More data and better understanding of how health affects other indicators is essential to encourage investment in health
4. Better internal controls and efficiency will yield more health for the money
5. Better preparation and justifications of budget requests will yield more money for health

Discussion/Questions

Thank you for your time
