



**MATERIALS DEVELOPMENT  
FOR THE HEALTH SECTOR  
FINANCIAL CAPACITY  
STRENGTHENING PROGRAM  
(FCSP) AND NGO FINANCE  
MANAGEMENT TRAINING  
PALESTINIAN HEALTH SECTOR REFORM AND  
DEVELOPMENT PROJECT (THE FLAGSHIP PROJECT)**

**SHORT-TERM TECHNICAL ASSISTANCE REPORT**

**Prepared by:**

**Robert Puglisi and Iskandar Majlaton  
Health Strategies International LLC (HSI)**

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## ACRONYMS

FO	Field Office
FCSP	Financial Capacity Strengthening Program
FIS	Financial Information System
FMS	Financial Management System
GHI	Government Health Insurance
HSI	Health Strategies International, LLC
IDP	Institutional Development Plan
MoH	Ministry of Health
MoF	Ministry of Finance
NGO	Non-Governmental Organization
NHA	National Health Accounts
NHI	National Health Insurance
PRDP	Palestine Reform and Development Plan
SOW	Scope of Work
STTA	Short Term Technical Assistance
TA	Technical Assistance
USAID	United States Agency for International Development

## SECTION I: OVERVIEW

### **A. Background**

The Flagship Project is a five-year initiative funded by the U.S. Agency for International Development (USAID), designed, and implemented in close collaboration with the Palestine Ministry of Health (MoH). The Project's main objective is to support the MoH, selected non-governmental organizations, and selected educational and professional institutions in strengthening their institutional capacities and performance to support a functional and democratic Palestinian health sector able to meet its priority public health needs. The Project works to achieve this goal through three components: (1) supporting health sector reform and management, (2) strengthening clinical and community-based health, and (3) supporting procurement of health and humanitarian assistance commodities.

The PRDP presented by Prime Minister Fayyad December 2007 in Paris, set the strategic objectives and priorities for the health sector in the Palestinian territories. The PRDP focuses on building strategic management capacity and reforming health financing in order to increase the quality and affordability of public health care. Subsequently, health finance capacity strengthening was a key area identified by the MoH during its 2008 health sector needs assessment and 2009 five year Institutional Development Plan (IDP). To respond to this need, the Flagship Project and MoH are working together to develop and implement a MoH Finance Capacity Strengthening Program (FCSP) and an NGO Finance Management Training program for selected non-governmental health organizations. The culmination of the FCSP and NGO programs will be sector-wide understanding of MoH finance reform strategies and stronger finance management and administrative skills to support the attainment of overall and finance-specific reform goals. To achieve these objectives, the Project is collaborating with its finance technical partner, HSI, to support the MoH to support the development and implementation of the FCSP and NGO finance management training programs. These programs are aimed at providing knowledge, tools, and technical support in partnership with key MoH finance champions to develop strong capabilities throughout the health finance sector that will promote efficient and effective management that is responsive, transparent and accountable at all levels.

The Flagship Project launched the MoH Finance Capacity Strengthening Program (FCSP) in December 2009 with a two-day training program in two West Bank locations (Ramallah and Nablus). The training introduced a three-pronged FCSP approach and familiarized MoH participants at the central and facility levels with health system reform and finance management systems, both in general terms and in the Palestinian context. The December training program introduced the three FCSP modules (e.g. Health Systems Financing, Finance Management Systems, and Finance Administrative Skills), and provided an introduction and overview of health systems financing and reform (Module 1) and finance management system tools and functions (Module 2). A March training program was intended to focus on Modules 2 and 3 with the aim to provide in more detail financial management tools such as finance planning and budgeting (Module 2) and building finance administrative skills, including the use of Excel for accounting functions (Module 3). The March training was scheduled to be conducted over four days (two for each module) in each of two training sites and was to include lectures, slide presentations, written exercises, case studies and participant discussion. Due to delays by USAID in vetting FCSP trainees, the FCSP training was postponed. As a result, the consultancy objectives for this mission were revised. The FCSP training

for Modules 2 and 3 will be undertaken in a subsequent mission in June or July 2010 pending vetting results.

Working in parallel to MoH facilities, the NGO community has played a significant and sustained role in the delivery of health care services to the Palestinian people. The Flagship Project is committed to tailoring technical assistant interventions according to the needs and capacities of the NGO sector. Specific financial management training and materials for NGO health facility finance personnel and leadership were developed during this consultancy, after reviewing the NGO self-assessments undertaken in conjunction with other planned trainings for NGO health services providers by the Flagship sub-contractor IDaRA. For the NGO finance management training, a four-day training is scheduled for May to build facility-level finance management capacity and accounting skills. This training will address specific NGO finance requirements related to program budgeting, fund accounting, resource mobilization and fundraising, and financial reporting to donors, all with the goal of improving NGO sustainability, transparency and accountability in keeping with the goals of Palestinian health reform.

## **B.Current Situation**

### Ministry of Health

*Finance management:* The MoH budgetary process is a bottom-up system in which the MoH staff prepares facility-level program budgets, since 2009, based on facility budget line item requests each year in August culminating in a national MoH budget submitted to the MoF for approval. The MoH is mandated to disseminate approved facility budgets; however, the evidence suggests that there is not an effective MoH budgetary dissemination system in place reportedly because the MoH does not wish to create unrealistic facility level expectation that budgets will be honored by the MoF. As a consequence, MoH facilities lack budget information, empowerment or responsibility to participate in managing financial resources. It is unclear if there is any monitoring of budgets within the central MoH departments.

The MoF had not approved the 2010 budget as of 1 April 2010 (it has since been approved). While delayed MoF budget approvals did not appear to affect the health sector payroll system, MoH approved invoices remained unpaid resulting in late payment to suppliers, increased prices, and declined or delayed delivery.

*Revenue Collection:* Revenues are collected at hospital and primary health facility level including user fees and co-payments for GHI beneficiaries. Revenues are deposited directly into a MoF bank account on a daily basis, and reports of cash collected sent to the MoH and MoF for control purposes. Premiums for government and military workers are deducted from payrolls.

*Costing:* The MoH Office of Health Economics carried out facility based costing analysis in 2008 that estimated unit costs at department level, and provides detailed cost per inpatient days, outpatient visits, and ancillary services (X-Ray, Laboratory, Radiology, and Pharmacy). The analysis provides preliminary evidence for building reliable pricing schedules that will meet actual costs. Currently, there is no mechanism to provide this information routinely to facilities, no specific plan for rolling out further costing analysis (a study is being carried out in one facility currently), and no evaluation of the reliability of the analysis that was conducted.

## MoH Hospitals

*Finance management:* MoH hospitals do not prepare budgets, and receive only minimal information with which to plan or guide financial operations or expenditures. While the MoH prepares facility-level budgets based on facility requests, facility program budgets prepared by the MoH are not shared with individual facilities.

Financial information is reportedly routinely provided to the MoH from the MoF but with little or no dissemination of that information from the MoH to facilities. The exception is periodic (weekly or monthly) reports sent from the MoH to facilities of co-payments and cash deposits as well as cash advance expenditures reports.

MoH hospital accounting staff are qualified although their capabilities are not fully utilized as most staff time is spent completing required MoH reports, carrying out basic finance functions such as revenue collection (user fees and co-payments), and managing petty cash resources. Many of the accounting staff have worked for the MoH for many years and their skills have deteriorated or become outdated due to non-use. Most MoH facility accounting staff do not have access to computers for accounting or analysis on Excel, and no departments utilize accounting software. It is unclear if the current staffing level or skill level is sufficient for preparation of more sophisticated financial information if it were available.

*Revenue collection:* Patient co-payments and other out-of-pocket payments are collected at the facility level, are generally receipted by hand, entered manually into a ledger, deposited daily or weekly, and reported to the MoH weekly with monthly summary reports.

*Costing:* No costing is routinely carried out at the facility level, and billing is based on a standard fixed price per hospitalization or procedure. There is no evidence that the MoH 2008 cost report has been employed in setting these prices, or that it has been widely disseminated or utilized at the facility level.

## NGO hospitals

*Finance management:* NGO hospital financial management capabilities are highly variable with larger facilities utilizing specialized hospital health information systems and financial information systems (HIS/FIS) while others have more limited capacity. In general, facilities with stronger finance management capabilities routinely provide finance information to senior management where controls are maintained at upper management levels with little participation from department heads.

Facilities that possess less sophisticated finance management capacity tend to have automated accounting systems adapted to a health care setting. These systems varied from one facility to another, but their capabilities are generally far more limited.

Accounting staffs of NGO hospitals appear highly qualified and capable of producing and providing more sophisticated financial management information, although in many instances they lack the systems and some of the training required for the preparation and presentation of this information.

In some cases the accounting staff has initiated processes to generate finance data to allow more detailed financial analyses (i.e. department expense reports.)

*Revenue collection:* Patient revenues are collected at the point of service. Revenue collection processes vary depending on the level of HIS sophistication. In some cases, revenues are tracked by the HIS either by procedure, department/ward, or by total receipts from patients. Other revenues are collected and tracked through the insurers billing system or from payers.

*Costing:* NGO facility finance staff are limited in their ability to analyze costs for developing reliable pricing schedules or to provide monthly detailed financial information to management. The limitation is not the staff capabilities but rather the systems and training to which they have access – a limitation readily recognized by management. For example, senior management of the Princess Basma Rehabilitation Center reported that their facility continues to apply prices determined based on a costing study conducted by a Swedish consultant ten years ago.

### **C. Purpose of this Consultancy**

The purpose of this consultancy from March 10 to April 09, 2010 was to gather information to inform the development of trainings materials for upcoming FCSP and NGO finance management trainings and to produce their materials. To that end, specific objectives of this consultancy included the following:

- The development of FCSP training materials for Modules 2 and 3 based on best practices from other countries and Palestine, in order to deliver a four-day training program (during a subsequent mission) in two West Bank locations to build trainee finance management and administrative knowledge and skills (e.g. planning, budgeting, costing, and reporting) with the aim of strengthening Palestinian health sector finance management in support of sector-wide health finance reform goals.
- The development of NGO training program materials in order to deliver a four-day training program (during a subsequent mission) to build NGO finance management capacity, accountability and transparency and administrative skills in support of sector-wide health finance reform goals.

This consultancy and report contributes to Flagship Project's implementation plan as follows:

*Component 1, Objective 1.1:* Improve Good Governance and Management Practices in the Palestinian Health Sector

*Task 1.1.1:* Strengthen the capacity of the Ministry of Health to implement reforms needed for improved quality, sustainability, and equity in the Palestinian Health Sector.

*Deliverable 1.1.1.3:* Health Administration and Management Program for the Public Sector  
*Activity e2:* Support the MoH develop and implement a Financial Management Capacity Strengthening Program

*Deliverable 1.1.1.8:* Other deliverables as specified in the MoH institutional development work plan

*Activity a1:* Provide technical and logistical assistance to MoH to train hospital and PHC clinic accountants and finance and administration staff to collect cost data

This consultancy also contributed to the MOH IDP module number 3, Support the Implementation of the New Health Insurance program:

*Deliverable 1.1.2:* Strengthen the capacity of non-governmental organizations to manage quality health care services

## SECTION II: ACTIVITIES CONDUCTED

This consultancy, March 18 to April 10, 2010, was the consultants' first mission to the Project. In order to meet the objectives of this mission, the consultants conducted numerous site visits and interviews to assess MoH and NGO trainee capabilities as well as the finance systems environment in which they operate. Interviews were carried out, to ensure that the trainings continued to target priority needs, with the central MoH, Rafidia Hospital, IDaRA, Flagship Grants Management for NGOs, and Princess Basma Rehabilitation Hospital and School. A series of FMS components were examined throughout the interviews (See Annex B for a list of interview indicators) including financial information flow at all MoH levels, and between MoH and NGO health organizations.

Specifically the consultants completed the following:

### A. Activities to support the development of FCSP training materials:

- Met with MoH Health Economist, Samer Jaber, to discuss MoH priorities for FCSP trainings.
- Met with Rafidia Hospital finance and management staff to review current financial management systems and identify their priority needs for future FCSP training.
- Met with MoH Director of Finance to identify future training needs for central MoH and at MoH hospitals. Presented the draft Arabic-language FCSP training manual to the Director of Finance for review and comment.
- Developed training curriculum and materials including lectures, PowerPoint slide presentations and case studies in English and in Arabic for MoH participants for FCSP Module 2 (Strengthening Financial Management Systems) and Module 3 (Strengthening Financial Administrative Skills) in preparation for a four-day FCSP training to be provided in two locations in a subsequent mission.

### B. Activities to support the development of NGO training materials:

- Made site visits to meet with and interview NGO health facility management and finance personnel in order to assess in detail current finance management and skills capacity, and to determine immediate and medium term needs of NGO financial management systems strengthening. The two consultants made site visits to Princess Basma Rehabilitation Hospital and School.
- Findings from previous visits made by the local consultant at three NGO Hospitals in Jerusalem (St. John Eye Hospital, St. Joseph Hospital and Augusta Victoria Hospital) were included.
- Met with Flagship Project Grants Management officer to gain insights into NGO training needs and status of NGO finance management and reporting systems
- Met with IDaRA (Flagship sub-contractor) and Flagship Grants Manager to gain insights into current NGO finance management and skills capacity and to determine priority training needs.
- Reviewed IDaRA's training approach, agenda, and participant audience to eliminate duplication of NGO training efforts.
- Developed training curriculum and materials including lectures, PowerPoint slide

presentations and case studies in English and in Arabic specifically designed for NGO participants and their unique finance skills needs in preparation for a four-day NGO finance management training.

C.Activities to support the development of an FMS action plan:

- All of the activities conducted contributed to the background and input of the consultants for the development of an FMS action plan.

D.Materials obtained and reviewed by the consultants are listed in Annex G.

## SECTION III: FINDINGS, RECOMMENDATIONS, AND NEXT STEPS

### A. Findings

#### Financial Information Flow

##### MoH Central Administration

The MoH has access to health sector financial information from the MoF accounting system. It receives a hard copy and CDs monthly from the MoF for all MoH expenditures at all facilities, including the following:

- Staff payroll for the all MoH by facilities paid directly by the MoF.
- Supplies bought directly by the MoH at the beginning of the year, which are provided to the hospitals upon their request from Central MoH Stores.
- Utilities (e.g. water, electricity) paid directly by the MoH.
- Telephone charges paid directly by the MoH.
- Petty Cash replenishments from MoH that reflect expenditures at the facility level
- The MoF sends expenses data paid on behalf of the MoH to the MoH Director of Finance.

The information is facility based but available only at MoH central level – it is not disseminated to hospitals. It is not clear how the information is used to track facility-level revenues or expenditures or manage central operations.

##### MoH Hospitals

Since MoH facilities do not receive data from MoH or MoF, there is no opportunity to track total expenditure for planning or budgeting purposes. In the facilities visited, accountants and managers did not have access to budgets or expenditure data with the exception of petty cash (now 20,000 NIS per month), supply and cash reserve fund requests to the MoH (See below). This is further complicated by the lag in purchase time required to complete transactions due to lack of funds at the MoF.

The following findings are based upon a site visit to Rafidia Hospital and meetings with management and finance staff. The consultants obtained a copy of a facility generated MoH report for February 2010 that consisted of the following:

- Revenue report including user fees and co-payments developed weekly with monthly summary reports. Cash is deposited to the MoF bank account daily or weekly.
- Cash advance expenditures report: the cash advance fund (petty cash fund) is run as an impress system, in which NIS 20,000 is allocated to the hospital. Allowable purchases less than NIS 500 can be made without MoH approval. Routine “petty cash” reports are sent to MoH detailing the nature of and reason for the expenditures from the cash advance fund.
- Utilization reports prepared by patient care departments and circulated monthly to the Director of Administration and Finance, Hospital Director, and Matron of the hospital. The reports consist of the following:

- Inpatient days, by department
- Admissions
- Discharges
- Average length of stay
- Number of operations (minor/major)
- Number of deliveries (normal, cesarean)
- Number of outpatient clinics visits (children/insured/uninsured patients)
- Number of treatments without admission

At Rafidia Hospital, the Director of Administration and Finance reviews financial reports prior to sending them to the MoH. There is no evidence that financial reports other than those required by the MoH are requested by management on a regular basis.

### NGO Hospitals

The flow of financial information in NGO facilities varies in level of sophistication. The most sophisticated facilities have specialized hospital health information systems and financial information systems (HIS/FIS) that enable the aggregation and dissemination of operational and financial information, while less sophisticated institutions have more limited capacity. The following outlines key findings from the NGO facility visits:

- Augusta Victoria Hospital has an integrated HIS and FIS. Reports are circulated monthly to the Medical Director, Administrative Director and Director of Finance, as well as to the Director of the Lutheran World Federation. Department heads are not included in the monthly distribution of reports and they are not responsible for managing their own budgets.
- St. John's Eye Hospital and St. Joseph Hospital have health information systems that is not integrated with the accounting system. The HIS system applies customized software developed by BDO Consulting (Auditing) and the accounting system is a standard package from Hashavshevet Software. It is not a specific hospital accounting package, but rather a generic business package. The General Director of the two hospitals and the Matron, the Medical Director and Administrative Director at St. John's Hospital receive monthly reports that include income statements comparing actual to budget and a balance sheet. Department heads are not included in the monthly distribution of reports and they are not responsible for preparing or managing their own budgets. Financial information is available on a network system to those who choose to view it.

In other NGO facilities, as was the case at Princess Basma Rehabilitation Center, there are automated accounting systems that have been adapted to the health care setting. The systems vary but in general have more limited capabilities than the hospitals discussed above. Difficulties were noted in producing financial information for health care management decision-making, and for improving hospital financial sustainability. The finance staff of these hospitals are limited in their ability to analyze costs for pricing or to provide detailed monthly financial information to management. This limitation is related more to lack of availability of systems and training than to staff capabilities or motivation to produce and provide finance information to management.

Princess Basma Rehabilitation Center is an example of this limitation, as they are using a cost study prepared by a Swedish consultant ten years ago.

The finance management capacity at the NGO hospitals is strong and managers are eager to generate financial information that would enable them to determine costs, monitor budgets, and set prices. St. John's Eye Hospital and Princess Basma have five-year strategic plans that are updated annually but their finance systems are not capable of monitoring operating status of the plans.

## **FMS: Budgets and Accounting**

### MoH Central Administration

The MoH has access to computers and accounting software. MoH staff prepares budgets for in-house MoH departments as well as program budgets for each MoH health care facility. It is not clear how this information is aggregated or used at central MoH level. Rather, the MoH appears to rely on the MoF reports that aggregates detailed data. MoH finance staff monitors the central level MoH budget but there is no routine tracking of program budgets developed for MoH facilities. There was evidence that egregious variances from budget may be caught and addressed during the budget year.

### MoH Hospitals

The financial management capability of MoH hospitals is minimal. Generally, the accounting staffs do not fully utilize their accounting capabilities, reportedly because there is no requirement for reports other than those mentioned above. Many of the accounting staff have worked for the MoH for many years and their skills have deteriorated or become outdated due to non-use. They do not have access to computers for accounting or analysis on Excel. It is unclear if the current staffing level or skill level is sufficient for preparation of more sophisticated financial information if it were available. At Rafidia Hospital, for example, the accounting staff activity tends to be limited to processing supply requisitions and purchase orders for supplies, reconciling revenue collections, and managing the cash advance (petty cash) fund.

### NGO Hospitals

Generally, the accounting staffs of NGO hospitals are qualified and capable of producing and providing financial management information. Where HIS/FIS exist, they prepare and monitor budgets, enter and track revenues and expenses, and produce financial reports to management on a regular basis. In other instances where the flow of finance information is less adequate, the accounting and finance management functions suffer. In these less sophisticated NGOs, there is often a lack of the systems and skills required for the preparation and presentation of financial reports. In some cases (i.e. Princess Basma) the accounting staff has initiated work on processes to obtain information necessary to conduct financial analyses (i.e. department expense reports.)

Because there is a significant amount of donor funding in most NGO hospitals, there is a history in NGO hospitals of stronger accounting and budgeting practices, as well as availability of computers for finance management. Donors require routine grant reports and support finance management structures that, while not always comprehensive, are more fully developed than in MoH hospitals.

With the impending introduction of HIS/FIS at the national level, and with the concept of NHI being implemented as part of the overall health reform package, NGO finance managers have expressed the desire to be active in further developing finance management systems to include comprehensive costing functions, budget analysis including cost management, and donor contract management functions.

## **Training Needs**

### **MoH Central Administration**

MoH officials made the following suggestions for FCSP training priorities confirming past findings:

- Support for the development of stronger budgeting processes in MoH Central departments
- Support for dealing with the increased finance flow and financial oversight needs that will follow from facility-level budget submissions
- Training related to the following
  - reimbursement methods, patient fees, insurance mechanisms
  - estimation of actual costs, per service, and actual revenue as well
  - estimation of unit costs as a regular part of budgeting and on an ongoing basis for comparative analysis and pricing of services to patients and insurance providers
  - integration of patient billing into the accounting system
- Technical support for the linkage of the accounting system with the ancillary service departments, e.g. laboratory, radiology, and pharmacy to account for services provided to patients and to account for utilization by other departments in the hospital for costing of services to be billed to patients and insurance providers.
- Capital assets management for budgeting, costing of services, and accounting.
- Financial analysis.

### **MoH Hospitals**

The work performed during this mission finds the following priority needs for MoH hospital

- Finance management training for senior management to enable finance management leadership and promote understanding of important finance management tools and infrastructures at the facility level.
- Finance management and accounting skills training for hospital accountants and other finance management personnel to enable them to engage in essential finance management functions such as budgeting, accounting, generation of financial statements and reports.
- The Director of Finance and Administration at Rafidia Hospital recognizes the need for cost-of-service information to develop pricing schedules that reflect actual costs. Currently all patient days are billed at NIS 500 per day regardless of the type and volume of services provided to a patient. It is unclear why the 2008 MoH cost study has not been applied to update pricing schedules for user fees and co-payment charges.

## NGO Hospitals

- On-site technical support and coaching has been requested to provide cost information, pricing, and more frequent financial statement availability for management as an interim step until an integrated HIS/FIS.
- Coaching and shadowing on site with NGO hospital financial staff could have an immediate gain in the quality and frequency of the financial information they can provide to management, since they already have computerized accounting systems, and software for analysis (i.e. Excel).
- Cost analysis could be taught on-site so that the training will be immediately useful and implemented. Management at these facilities is eager to pursue this type of training because of the less-significant time investment than is required for off-site trainings, and because the immediate use of knowledge and accrual of the benefits to the facilities.
- Cooperative efforts, which would pair more advanced and sophisticated NGO or private hospitals with less sophisticated institutions, would provide practical training for finance professionals, developing finance skills for the one, and leadership skills in the other. This would allow the more advanced sites to demonstrate what is involved in the operation of a facility-level HIS/FIS. Possibly one day of four could be spent at a site to observe how another hospital operates its financial information systems.

## **B.RECOMMENDATIONS**

### **Recommendations for Improved Financial Information Flow and Use**

- 1) On-site coaching of central MoH finance professionals to assist them in gaining the skills necessary to assemble facility-level data both before and after implementation of HIS/FIS. This will ease the HIS/FIS implementation burden of the MoH staff and support facilities in applying the FIS into their 2011 planning and budgeting cycle. .
- 2) Improved disclosure and dissemination by MoH of financial information, to include:
  - Disclosure of MoH-prepared facility-level program budgets and expenditures for each hospital
  - Dissemination of both facility-level and comparative information on costs
- 3) Definition and development of a set of HIS/FIS required monthly reports to be generated by MoH hospitals and submitted to the MoH to prepare for the implementation of HIS/FIS, so that accountants and other finance professionals become familiarized with the information and systems that they will need to be tracking as HIS/FIS is implemented.

### **Recommendations for More Robust FMSs, Stronger Budgeting and Accounting Skills**

- 4) The above recommendation for the disclosure of facility level program budgets has implications for improving FMS and budgeting capacity at MoH hospitals. By disclosing hospital allocated funding, they could begin to use this top-down budgeting approach as a

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guide to preparing reliable budgets and for implementing a system of budgetary oversight and management. It would also provide benchmarking for those limited budget included in the MoH-prepared program budgets so that facilities can begin to track actual to budgeted requisitions, expenditures and cash advances. Although program budgets may not be fully reflective of actual facility operations, they will allow hospitals to track spending data and provide budgeting experience in preparation for the devolution of budgetary responsibility

- 5) Both on-site and off-site training programs for facility-level finance managers, and accounting and administrative professionals, will provide a critical step in insuring that facilities can effectively utilize the information disseminated by the MoH. Specific training priorities for MoH hospital finance personnel should include:
  - Senior management training to develop finance management leadership skills, including courses designed to:
    - Teach managers what information they need to effectively manage the facility (e.g., functions of different financial statements, advanced budgeting functions, participatory planning, etc.);
    - Teach managers how to analyze and interpret financial information (e.g., variance analysis, ratio analysis, management accounting, costing and cost management);
    - Develop leadership, advocacy and negation skills in senior finance managers;
  - Accountant and administrative professional training to develop skills in:
    - Generally Accepted Accounting Principles (GAAP);
    - Using Excel and other automated finance software;
    - Budgeting principles (including evidence-based budgeting)
    - Principles of cost-finding and allocation.
  - Additional roll-out training to become well-acquainted with HIS/FIS prior to implementation.
  
- 6) Both on-site and off-site training programs for NGO hospital finance managers and accounting and administrative professionals will promote the effective integration of NGOs into the health reform process and insure that this important component of health service provision will be fully supportive of health reform goals. Specific training priorities for NGO hospital finance personnel should include:
  - Senior management training to develop finance management leadership skills, including courses designed to:
    - Teach managers what information they need to effectively manage the facility (e.g., functions of different financial statements, advanced budgeting functions, participatory planning, etc.);
    - Teach managers how to analyze and interpret financial information (e.g., variance analysis, ratio analysis, management accounting, internal control, evidence-based decision making);
    - Develop leadership, advocacy and negation skills in senior finance managers;
    - Develop skills in resource mobilization and managing donor relationships.
  - Accountant and administrative professional training to develop skills in:
    - Generally Accepted Accounting Principles (GAAP);
    - Using Excel and other automated finance software;

- Budgeting principles (including evidence-based budgeting)
- Principles of cost-finding and allocation.
- Principles of fund accounting and grant management.
- Additional roll-out training to become well-acquainted with HIS/FIS prior to implementation.

These recommendations will provide logical first steps to attain full finance management competency prior to the roll-out of complex HIS/FIS systems and full health sector decentralization. These measures will provide MoH hospitals with critically important finance management experience prior to the relinquishment of finance control by the MoH, and without the actual transfer of cash to separate hospital bank accounts from the MoF. Facilities will have the financial information to make decisions based on actual activity on a monthly basis, and to plan for future operations. A Summary of Recommendations is provided in Annex .C

### **C.Next Steps**

Return in June/July to conduct FCSP training for Module 2 and Module 3 for four days (2 days for each module) at two training sites for MoH participants. Obtain feedback from the trainees and the MoH on the training provided to date and their expectations for future trainings. Assess the possibility that some of the training participants could be future trainers.

Return in May to conduct NGO finance management training for four days. Obtain feedback on the training from the trainees and the MoH and solicit their input for future trainings

Additional follow-up FCSP trainings should include more detailed information on cost finding, financial analysis, capital budgeting, and cost management. The training should be geared toward the implementation needs of the HIS/FIS that will require their participation. Trainings should also be planned for central MoH and MoH hospitals to analyze efficiencies of hospital operations, and compare data among facilities to reveal performance differences.

## **ANNEX A: METHODOLOGY AND APPROACH TO SUCCESSFUL COMPLETION OF THE ASSIGNMENT**

### **Goals and Objectives**

The FCSP and NGO Financial Management Training are examples of finance capacity building trainings throughout the health sector which are aimed at promoting a common vision and voice for health reform and building a highly competent and well-managed financial management and administrative system at every level (central, regional district, facility, and community) and across all sectors (MoH, UNRWA, NGOs, and private) of the Palestinian health system. By strengthening finance knowledge and skills across the health finance sector, health finance professionals will be better able to:

- Carry out reliable, evidence-based finance planning and budgeting;
- More effectively mobilize, allocate and manage resources;
- Track resources applying well-functioning finance information systems (FISs)
- Monitor and improve organizational efficiency and productivity.
- To be able to implement efficient donor fund tracking and reporting.
- To be able to develop winning grant proposals and effective contracts.
- To have effective fundraising and other resource mobilization strategies.

These critical competencies will contribute to the effective implementation of finance reforms to build a health system that provides quality care to every Palestinian in a way that is efficient, effective, transparent, accountable, equitable and sustainable.

The four-day NGO Financial Management Training will be conducted in May 2010 in Ramallah and the MoH FCSP Training will be conducted in June or July of 2010. Specific learning objectives for these training are:

- To be able to articulate and act upon a common vision and commitment to improving finance systems and implementing reforms;
- To obtain knowledge, tools and skills needed to improve finance systems and implement reforms among finance managers and administrators at all levels;
- To examine and be able to apply the tools required to build finance management and skills for effective Finance Management Systems (FMSs); and
- To support organizational efforts to maintain economic and financial sustainability through the enhancement of social capital.

### **Methods**

This course is highly participant-centered and application-oriented. Sessions are designed to provide structured opportunities to learn, practice new techniques and integrate them for application within the reform-conscious environment. This approach is consistent with the mature learner's motivations and perspectives, and also leads to longer retention and greater use of newly learned ideas. The trainings utilize a lecture format, and will further reinforce learning through trainee participation and practical applications of the course material. More specifically, the trainings will employ the following methods:

- I. Lectures:

- a. Presentation of concepts, methods and information, in an orderly, systematic manner that allows for interaction with participants, in a limited timeframe.
  - b. Diverse, supportive materials (e.g. charts, graphs) will be used to supplement and elaborate key concepts and content areas.
2. Exercises:
- a. There will be some exercises for the trainees to apply the accounting concepts e.g. accrual/cash accounting, budgeting, etc., into Excel
3. Case study/Small group discussion:
- a. A case study will be provided to the trainees as homework, for consideration of specific questions and application of concepts learned in the training, and will then be discussed in a half-day session to work through the case study solution.
  - b. The outcomes of the case study will allow for the following:
    - i. Exploration of the range of methods and approaches that could be used to solve the problem;
    - ii. Increased awareness and understanding of understanding the underlying causes and factors that have hampered a particular process;
    - iii. Development of planning, problem-solving and analytical skills;
    - iv. Contribution to new understanding of concepts or conceptual frameworks;
    - v. Drawing strengths from the experience of others.
4. Learning through observation:
- a. Actual hospital examples will be used to demonstrate to the trainees the differences between current reporting practices and future reporting requirements that will come with the implementation of the new HIS. This will allow the trainees to anticipate the future improvements and be ready for the coming developments.
5. Role playing:
- a. Some trainees will be asked to participate in role-playing exercises. For example, some will act as finance managers, and other will act as the hospital directors. The finance managers will be asked to provide (communicate) the case study results to their organizational directors.
  - b. The aim of the role playing is to improve the communication and flow of information to the directors in an organized, accurate, complete, transparent and simple manner. It will also work towards having the directors/managers to question the information and its reliability, and relevance for decision-making.
6. Peer learning and experience exchange:
- a. Trainees will be encouraged to share their experience with some of course concepts (e.g., their role in the strategic planning processes, decision-making, capital budgeting, etc...)

## **ANNEX B: CONSULTANTS' REQUESTS FOR FINANCIAL INFORMATION**

MoH and hospital management and finance personnel were interviewed by the consultants and were asked if information such as the following existed or is available at their facility. Specific requests were made for some of the information listed below, and all documents received and reviewed pursuant to those requests are listed in Annex F.

### **MoH Central Administration**

- MoH Financial Information Available from MoF
- Financial Information Sent to MoH Facilities
- Manual Accounting Ledgers
- Accounting Software Used
- Academic and Experience Level of Primary Financial Staff
- Annual Budget for the Facility
- Annual budget for Departments or Projects
- Monthly Income Statements Cash Flow Statements
- Monthly Comparison of Actual Expenditures to Budget
- Annual Income Statement
- Annual Comparison of Actual Expenditures to Budget
- Cost Determination of Departments/Services/Procedures – How Often
- Training Needs
  - Group Workshop Setting
  - Coaching/Shadowing on the Job

### **MoH Hospitals (Rafidia)**

- Manual Accounting Ledgers
- Accounting Software Used
- Academic and Experience Level of Primary Financial Staff
- Annual Budget for the Facility
- Annual budget for Departments or Projects
- Monthly Income Statements Cash Flow Statements
- Monthly Comparison of Actual Expenditures to Budget
- Annual Income Statement
- Annual Comparison of Actual Expenditures to Budget
- Cost Determination of Departments/Services/Procedures – How Often
- Current Cost basis used for Insurance Reimbursement
- Annual Review of Prices Paid by Insurance
- List or copy of Financial and Statistical Reports prepared if not one of the above.
  - How often
  - Prepared by
  - Reviewed by
  - Sent to
- Training Needs

- Group Workshop Setting
- Coaching/Shadowing on the Job

## **NGOs**

- Annual Independent Audit
- Board of Directors Oversight of Financial Results
  - How often
  - Specific oversight committees for Audit, Finance
- Portion of Revenue for Donors and Insurance
- Identify Donor Specific Reporting Requirements
- Fundraising Activity
- Manual Accounting Ledgers
- Accounting Software Used
- Academic and Experience Level of Primary Financial Staff
- Annual Budget for the Facility
- Annual budget for Departments or Projects
- Monthly Income Statements Cash Flow Statements
- Monthly Comparison of Actual Expenditures to Budget
- Annual Income Statement
- Annual Comparison of Actual Expenditures to Budget
- Cost Determination of Departments/Services/Procedures – How Often
- Current Cost basis used for Insurance Reimbursement
- Annual Review of Prices Paid by Insurance
- List or copy of Financial and Statistical Reports Prepared
  - How often
  - Prepared by
  - Reviewed by
  - Sent to
- Training Needs
  - Group Workshop Setting
  - Coaching/Shadowing on the Job

## ANNEX C: SUMMARY OF RECOMMENDATIONS

During a June/July consultancy:

- Carry out Phase Two of the FCSP training to the MoH staff and NGO financial management training.

Within the next six-twelve months:

- Assess and develop action plan for establishing improved infrastructures between MoF and MoH including:
  - Financial information flow and knowledge management
  - Increased MoH capacity, empowerment and accountability for annual MoH budget processes
- Assess and develop action plan for establishing improved infrastructures within MoH including:
  - An effective, timely financial information dissemination system to all levels of the MoH including hospitals and primary health care clinics.
  - Improved leadership and advocacy to promote decentralized ownership and accountability of budgets
  - Building lower level capacity to develop and manage health facility budgets including effective planning mechanism that are applied to improving efficiency and mobilizing revenue
  - Promote through ongoing training and on-site coaching, effective implementation and institutionalization of the planned HIS/FIS and a culture of knowledge management in health facilities at all levels.
- Develop follow-up FCSP trainings to include more detailed information on cost finding, financial analysis, capital budgeting, and cost management, as well as trainings geared toward the implementation needs of the HIS/FIS that will require their participation.
- Develop trainings for central MoH and MoH hospitals to analyze efficiencies of hospital operations, and compare data among facilities to reveal performance differences.
- Develop a 12-month program to provide finance management knowledge transfer through coaching and on-the-job training to the individual hospitals' staffs.
- Develop and implement follow-on "leadership" FCSP training targeted toward health facility senior administrative and finance management to include:
  - Applying forecasting techniques, performance management, cost management, internal control.
  - Financial decision making
  - Hospital cost accounting and unit cost identification in detail.
  - International external financial reporting standards, Elasticity of Demand and other related economic concepts and their applicability, risk assessments, values and ethics (code of conduct).

- Creating an organizational culture of communication and performance measurement towards efficient financial management.

## **ANNEX D: SCOPES OF WORK**

### **Short-Term Consultancy Agreement Scope of Work**

SOW Title: Trainer in Financial Management

Work Plan No:

SOW Date: March 1<sup>st</sup> – May 1st

SOW Status: Final

Consultant Name: Robert J. Puglisi

Job Classification: Short-Term (Expatriate Professional) Consultant

Reporting to: Deputy Chief of Party for Technical Programs -Dr. Damianos Odeh

#### **I. Flagship Project Objective**

The Flagship Project is a five-year initiative funded by the U.S. Agency of International Development (USAID), and designed in close collaboration with the Palestinian Ministry of Health (MoH). The Project's main objective is to support the MoH, select non-governmental organizations, and select educational and professional institutions in strengthening their institutional capacities and performance to support a functional, democratic Palestinian health sector able to meet its priority public health needs. The project works to achieve this goal through three components: (1) supporting health sector reform and management, (2) strengthening clinical and community-based health, and (3) supporting procurement of health and humanitarian assistance commodities.

The Flagship Project will support the MoH implement health sector reforms needed for quality, sustainability, and equity in the health sector. By addressing key issues in governance, health finance, human resources, health service delivery, pharmaceutical management, and health information systems, the Ministry will strengthen its dual role as a regulator and main health service provider. The Flagship Project will also focus on improving the health status of Palestinians in priority areas to the Ministry and public, including mother and child health, chronic diseases, injury prevention, safe hygiene and water use, and breast cancer screening for women.

#### **II. Background and Objective of this Consultancy**

- The Flagship Project launched the Finance Capacity Strengthening Program (FCSP) in December 2009 with a two-day training program in two West Bank locations (Ramallah and Nablus). The training introduced the three pronged FCSP approach and familiarized participants with health system reform and finance management systems, both in general terms and in the Palestinian context. The goal of the FCSP trainings, which will take place at least quarterly over the next two years, is to promote and enhance preparation for health finance reforms across the health sector (i.e. public, private and civil society) and at every level of the sector (central, district, facility) through more robust health finance policy, effective finance management systems and stronger finance administrative knowledge and skills.

The December training program introduced the three FCSP modules (e.g. Health Systems Financing, Finance Management Systems, and Finance Administrative Skills), and provided an introduction and overview of health systems financing and reform (Module 1) and finance management system tools and functions (Module 2). A March training program was intended to focus on Modules 2 and 3 with the aim to provide in more detail financial management tools such as finance planning and budgeting (Module 2) and building finance administrative skills, including the use of Excel for accounting functions (Module 3). All FCSP trainings also focus on the development of leadership and advocacy skills for finance management professionals. The March training was scheduled to be conducted over four days (two for each module) in each of two training sites and was to include lectures, slide presentations, written exercises, case studies and discussion. Due to delays in carrying out the FCSP training, the focus of the March mission has changed, and no FCSP training will be conducted during the mission. In light of these delays, several training objectives have been added to this training (in lieu of carrying out the FCSP training), including:

- The consultant, in conjunction with the local consultant, will develop FCSP training materials for Modules 2 and 3 based on best practices from other countries and Palestine, with the aim of delivering a four-day training program in two West Bank locations (during a subsequent mission) to build trainee finance management and administrative knowledge and skills (e.g. planning, budgeting, costing, and reporting) with the aim of strengthening Palestinian health sector finance management. The consultant will support the FO team and its partner HSI to ensure that training materials focus on teaching the knowledge and skills necessary to promote effective finance infrastructures to meet health sector goals.
- The consultant will support the planning and development of the NGO training program.

### **III. Specific Tasks of the Consultant**

Under this Scope of Work, the consultant shall perform, but not be limited to, the specific tasks specified under the following categories:

#### **A. Background Reading Related to Understanding the Work and Its Context.**

The Consultant shall read, and integrate as appropriate into training materials, the following materials related to fully understanding the work specified under this consultancy:

- National Strategic Plan 2008-2009
- World Bank Health Policy Report: Health Financing Reform and the Rationalization of Public Sector Health Expenditures. West Bank and Gaza
- Institutional Development Plan (IDP)
- Palestinian Reform and Development Plan (PRDP)
- FCSP Launching Training Packet

#### **B. Background Interviews Related to Understanding the Work and Its Context.**

The consultant shall interview, but is not limited to, the following individuals or groups of individuals in order to fully understand the work specified under this consultancy:

- Anne Staple, Ph.D., President and Chief Economist, Health Strategies International
- Mohammad Khalaf, Program Coordinator-Healthcare Finance, The Flagship Project
- Samer Jaber, Health Economist, Department of Policy and Planning, Ministry of Health
- Nadira Sansour, Program Officer – Training and Continuing Education, The Flagship Project

### **C. Tasks Related to Accomplishing the Consultancy’s Objectives.**

The consultant will collaborate closely with the FO staff, HSI, the FO, local consultant, and MoH to carry out the following tasks:

- Develop FCSP Modules 2 and 3 training curriculum and materials including lectures, PowerPoint slide presentations and case studies. If in English, the materials should be developed within ample time for translation and editing before printing, the training should include at a minimum:
  - Supporting the building of leadership skills and capacity of participants, through participatory exercises, in finance management and administrative skills
  - Introducing current and best practice finance management and administrative skills
  - Information and exercises to promote an improved culture of knowledge management, and commitment and skills to apply finance information and analysis for informed planning and budgeting.
- Provide direction and technical support to the local consultant to ensure excellence in Module 3 training curriculum and materials.
- Identify new training needs and skill development opportunities for future trainings.
- In addition to the above-listed tasks, the Flagship Project welcomes additional contributions and creative ideas in support of the Flagship objectives.
- Carry out needs assessment and identify NGO training priorities
- Collaboration with IDaRa sub-contractor to identify training priorities
- Meet with NGO hospital and clinic leadership and staff (i.e. administrators, finance staff and accountants) to identify finance management gaps and capacity building priorities
- Meet with public hospitals to discuss finance management gaps and capacity building priorities and to collect materials/information to support the mission
- Meet with MoH decision-makers to discuss finance management capacity building priorities

### **D. Expected Products.**

The consultant will collaborate closely with the FO staff, HSI, the FO, local consultant, and MoH to carry out the following tasks:

- The successful delivery of training materials as described above.
- A training manual that compiles materials for FCSP training, support for the scale-up and sustainability of the FCSP.

- A final report prior to completion of the consultancy including:
  - Proposed curriculum items for FCSP follow-on trainings and other recommendations related to the process and content of the FCSP program. This report will be written applying the FO report template for submission to
  - Final NGO training assessment report and agenda
  - Draft NGO training materials

#### **IV. Timeframe for the Consultancy.**

The timeframe for this consultancy is on or about March 1<sup>st</sup> and will conclude on or about May 1<sup>st</sup>.

#### **V. LOE for the Consultancy.**

The days of level of effort are estimated to be 29 days. Up to 6 days may be allocated for pre-mission preparation time, 3 days for travel, and up to 18 days for work in West Bank, for preparation of the FCSP training materials and NGO training agenda and materials and 2 days for follow up work.

#### **VI. Consultant Qualifications.**

The consultant shall have the following minimum qualifications to be considered for this consultancy:

##### Educational Qualifications

- University degree in Health Finance, Health Management, Accounting, Public Administration, Public Policy or a related field.

##### Work Experience Qualifications

- A minimum of 10 years experience working in the field of health finance management
- Knowledge and experience in health services in developing countries.
- Excellent oral and written communication skills and training experience.
- Ability to work with and communicate with a wide variety of people.
- Excellent writing and communication skills in English require (Arabic desirable).

## **Short-Term Consultancy Agreement Scope of Work**

SOW Title: Trainer in Financial Management

Work Plan No:

SOW Date: March 1<sup>st</sup> – May 1<sup>st</sup>

SOW Status: Final

Consultant Name: Iskandar Majlaton

Job Classification: Short-Term (Local Professional) Consultant

Reporting to: Deputy Chief of Party for Technical Programs - Dr. Damianos Odeh

### **IV. Flagship Project Objective**

The Flagship Project is a five-year initiative funded by the U.S. Agency of International Development (USAID), and designed in close collaboration with the Palestinian Ministry of Health (MoH). The Project's main objective is to support the MoH, select non-governmental organizations, and select educational and professional institutions in strengthening their institutional capacities and performance to support a functional, democratic Palestinian health sector able to meet its priority public health needs. The project works to achieve this goal through three components: (1) supporting health sector reform and management, (2) strengthening clinical and community-based health, and (3) supporting procurement of health and humanitarian assistance commodities.

The Flagship Project will support the MoH implement health sector reforms needed for quality, sustainability, and equity in the health sector. By addressing key issues in governance, health finance, human resources, health service delivery, pharmaceutical management, and health information systems, the Ministry will strengthen its dual role as a regulator and main health service provider. The Flagship Project will also focus on improving the health status of Palestinians in priority areas to the Ministry and public, including mother and child health, chronic diseases, injury prevention, safe hygiene and water use, and breast cancer screening for women.

### **V. Background and Objective of this Consultancy**

- The Flagship Project launched the Finance Capacity Strengthening Program (FCSP) in December 2009 with a two-day training program in two West Bank locations (Ramallah and Nablus). The training introduced the three pronged FCSP approach and familiarized participants with health system reform and finance management systems, both in general terms and in the Palestinian context. The goal of the FCSP trainings, which will take place at least quarterly over the next two years, is to promote and enhance preparation for health finance reforms across the health sector (i.e. public, private and civil society) and at every level of the sector (central, district, facility) through more robust health finance policy, effective finance management systems and stronger finance administrative knowledge and skills.

The December training program introduced the three FCSP modules (e.g. Health Systems Financing, Finance Management Systems, and Finance Administrative Skills), and provided an introduction and overview of health systems financing and reform (Module 1) and finance management system tools and functions (Module 2). The March training program will focus on Modules 2 and 3 with the aim

to providing in more detail financial management tools such as finance planning and budgeting (Module 2) and building finance administrative skills, including the use of Excel for accounting functions (Module 3). All FCSP trainings will also focus the development of leadership and advocacy skills for finance management professionals. The March training was scheduled to be conducted over four days (two for each module) in each of two training sites and was to include lectures, slide presentations, written exercises, case studies and discussion. Due to delays in carrying out the FCSP training, the focus of the March mission has changed, and no FCSP training will be conducted during the mission. In light of these delays, several training objectives have been added to this training (in lieu of carrying out the FCSP training), including

- The consultant will have primary responsibility for development and training implementation for Module 3 with technical support and direction from the expatriate consultant, with the aim of delivering a four-day training program in two West Bank locations (during a subsequent mission) to build trainee finance management and administrative knowledge and skills (e.g. planning, budgeting, costing, and reporting) with the aim of strengthening Palestinian health sector finance management. He will support the FO team and HSI to ensure that trainees have the knowledge and skills to promote strong administrative skills including application of Excel for budget planning, analysis and tracking purposes.
- The consultant will support the planning and development of the NGO training program, which will be delivered in the subsequent mission to increase NGO management capacity to achieve financial sustainability.

## **VI. Specific Tasks of the Consultant**

Under this Scope of Work, the Consultant shall perform, but not be limited to, the specific tasks specified under the following categories:

**A. Background Reading Related to Understanding the Work and Its Context.** The Consultant shall review and apply best finance administrative skill practices from other countries and Palestine. The Consultant shall read, and integrate as appropriate into training materials, the following materials related to fully understanding the work specified under this consultancy:

- National Health Strategic Plan 2008-2009
- World Bank Health Policy Report: Health Financing Reform and the Rationalization of Public Sector Health Expenditures. West Bank and Gaza
- Institutional Development Plan (IDP)
- Palestinian Reform and Development Plan (PRDP)
- FCSP Launching Training Packet
- Organizational Capacity Assessment Reports for grantee NGO's
- IDaRa training materials on Management

**B. Background Interviews Related to Understanding the Work and Its Context.** The Consultant shall interview, but is not limited to, the following individuals or groups of individuals in order to fully understand the work specified under this consultancy:

- Anne Staple, Ph.D., President and Chief Economist, Health Strategies International
- Mohammad Khalaf, Program Coordinator-Healthcare Finance - The Flagship Project
- Samer Jab, Health Economist, Department of Policy and Planning, Ministry of Health
- Nadira Sansour, Program Officer - The Flagship Project
- Fadi Hidmi, Grants Manager - The Flagship Project
- IDaRA Trainer on Financial Management
- MoH Finance Module Team

### **C. Tasks Related to Accomplishing the Consultancy's Objectives.**

The Consultant will collaborate closely with HSI, the FO and MoH to carry out the following tasks:

- Under direction of HSI, and with support and direction from the expatriate consultant and FO staff, develop FSMT Module 3 training curriculum and materials including lectures, PowerPoint slide presentations, Excel exercises and case studies.
- Support interpreting and/or editing translated written materials into Arabic if needed.
- Identify new training needs and skill development opportunities for future trainings.
- Meet with MoH decision makers, public hospitals, IDaRa subcontractor and NGO hospital and clinic leadership and staff to identify finance management gaps and capacity building priorities and needs.
- Prepare training lectures, exercises and materials for agendas, presentations, handouts, case studies, etc that address grantee NGO's priority areas to increase their financial management capacity.
- Provide financial sustainability tools for generating local funding resources and fundraising, developing income-generating projects and establishing systems for preparing professional budgets.
- In addition to the above-listed tasks, the Flagship Project welcomes additional contributions and creative ideas in support of the Flagship objectives.

### **VII. Expected Products.**

- The successful delivery of FCSP and NGO Financial Management training materials as described above
- A training manual that compiles Module 3 training materials in Arabic and support of the rollout and sustainability of the FCSP.
  - A draft report prior to completion of the consultancy including:
    - Proposed curriculum items for FCSP follow-on trainings and other recommendations related to the process and content of the FCSP program. This report will be written applying the FO report template for submission to USAID.
    - Final NGO training assessment report and agenda
    - Draft NGO training materials

### **VIII. Timeframe for the Consultancy.**

The timeframe for this consultancy is on or about March 1<sup>st</sup> and will conclude on or about May 1<sup>st</sup>

### **IX. LOE for the Consultancy.**

The days of level of effort are estimated to be 27 days for work in West Bank. Up to 23 for preparation of training materials and 4 days for follow up work.

### **X. Consultant Qualifications.**

The Consultant shall have the following minimum qualifications to be considered for this consultancy:

#### Educational Qualifications

- Graduate degree in Accounting, Health Finance, Health Management, Public Administration, Public Policy or a related field.

#### Work Experience Qualifications

- A minimum of 10 years experience working in the field of health finance administration or accounting
- Knowledge and experience in health services in developing countries
- Excellent oral and written communication skills and training experience.
- Ability to work with and communicate with a wide variety of people.
- Excellent writing and communication skills in English and Arabic.

## **ANNEX E: ASSIGNMENT SCHEDULE**

### **Ministry of Health**

Financial Director - Mohammad Atyani

Health Economist - Samer Jab

Module Team Coordinator - Basima Judeh

Reviewed training needs and financial management and reporting at the MoH and their relationship with the MoH facilities and the MoF

### **Rafidia Hospital**

Director of Administration and Finance - Samer Awartani

Accountant - Rana Saffarini

Assistant Accountant - Yacoub Cohen

Reviewed training needs and financial management and reporting at Rafidia Hospital and their relationship with the MoH.

### **Dimensions Consulting**

CEO and Finance Consultant - Firas Zaghal

### **Flagship**

Deputy Chief of Party for Technical Programs - Dr. Damianos Odeh

Component 1 (Health Reform) Director - Ziad Abdallah

HIS Team - Abdulhamid Qusrawi, Yasir Harb and Hanna Rabah

Reviewed the HIS project and its impact on FCSP training within the MoH

Program Officer - Nadira Sansour

Reviewed training objectives of the Flagship project to coordinate financial management training with Flagship objectives

Grants Manager - Fadi Hidmi

Reviewed the financial requirements of the Flagship grants management program for NGO's to obtain information about the financial management capabilities of the Flagship grantees donor accounting and reporting.

### **Flagship Subcontractor IDaRA**

Associate Director - Saro Nakashian

Finance Management Trainer - Mirabo Shammas

Reviewed the training program of IDaRa to coordinate the financial management training of NGOs.

### **Princess Basma Rehabilitation Center**

Finance Manager - Amineh Ali

Accountant - Hisham

Administrative Director - Maha Yasmineh

## ANNEX F: CONSULTANT CVs

**ROBERT J. PUGLISI**  
**6 Putnam Road**  
**Ipswich, MA 01938**

### **Summary of International Experience:**

Financial management projects in the developing countries of Vietnam, The Republic of the Marshall Islands, The Gambia, Sierra Leone, Lesotho, Egypt, Jamaica, and Barbados, sponsored by USAID, World Bank, African Development Bank, Inter-American Development Bank, Asian Development Bank, Luxembourg Development, and Ireland AID.

### **Primary assignments included:**

- Financial modeling for strategic and operational plans for a Ministry of Health.
- Analysis of hospital cost recovery systems and user fee collection policies and procedures.
- Assessment of the adequacies of financial management and reporting systems of hospitals for Ministries of Health, to provide timely and accurate information for management.
- Created hospital step-down cost analysis computer models that relate actual health care expenditures to outputs such as inpatient-days and ambulatory visits.
- Analysis of the trends in national budgetary allocations and actual expenditures in current dollars for health care services from all sources.
- Financing policies for health care services including insurance pilots and staff remuneration.
- Assessed the financial management capabilities of hospitals to operate a managed care system as a primary method for financing operations.
- Reorganize Grants Management and Grants Accounting of a Ministry of Finance.
- Preparation of administrative and financial operations manuals for a Ministry of Health.
- 

**Dec. 2009**      **BOSTON MEDICAL CENTER Lesotho Boston Health Alliance**, Maseru  
Lesotho, and Boston, Massachusetts

- Mar. 2009**      **CONSULTANT**
- Consultancy Services and Training to Provide a Baseline Study on the Lesotho Hospital Public Private Partnership and its effects on the Public and National Health System.
  - Trained MOHSW central and district staff in the techniques of cost and service analysis.
  - Provided detailed expenditure (cost) and utilization data for all Lesotho hospitals (MOHSW, CHAL and Military) and their associated health centers. Provided estimates for services delivered by physicians and nurses in private practice.
  - Provided a comprehensive picture of utilization and expenditures in the health sector and their relationship to all government expenditures and gross national income.
  - Identified Data that will be the input into a policy-oriented, interactive Excel model for illuminating the implications of alternative health sector investment strategies as the PPP hospital becomes fully operational.
  - Identified Issues regarding weaknesses in current data collection that need to be considered by the MOHSW and the MOFDP to maintain accurate future analysis.
  - Created a new indicator - Patient-Day Equivalents - that combines ambulatory visits and inpatient use in a manner that allows one indicator to be used to compare utilization

**Sept. 2007**      **BOSTON UNIVERSITY Center for International Health, Boston, MA**

- Oct. 2007**      **CONSULTANT**
- Provided detailed baseline study for the Public Health Component of the Lesotho Hospital Public Private partnership Support Program.
  - Provided hospital unit cost analysis for Queen Elizabeth II Hospital, Maseru Lesotho, the national referral hospital, to be used to assess potential bidders who will privatize the operations of the QEII.
  - Assessed demand, and financial accounting, budgeting, and reporting systems. Project funded by World Bank Group-International Finance Corporation.

**Sept. 2006**      **BOSTON MEDICAL CENTER, (W.K. Kellogg Foundation), Boston, MA**

**Dec. 2006**      **CONSULTANT, Strengthening District Hospitals and Health Centers, Strengthening District Hospitals and Health Centers.**

Provided detailed hospital unit cost analysis for eight hospitals: Ntsekhe Hospital, Mafeteng Hospital, Scott Hospital, St. James' Hospital, Paray Hospital, Teyateyaneng Hospital, Maluti Hospital, and Leribe Hospital to determine the scope of services, the volume of services and precise burden of illness, the cost of the services, the exact staffing, the drugs and equipment on hand, drug usage, the functional status of equipment and maintenance, total revenue and its sources, expenditures, unit costs and patient origin. Quantified the actual content and cost of the basic or essential package of services as it is currently being delivered and offer an assessment of the strengths and weaknesses of the existing financial systems.

- Jan. 2002** **BOSTON UNIVERSITY Department of International Health**, Boston, Massachusetts
- Mar. 2002** **CONSULTANT**  
 Economic Study of Referral Health Services In Lesotho: The Future of Queen Elizabeth II Hospital  
 Provided detailed hospital unit cost analysis for Queen Elizabeth II Hospital, Maseru Lesotho, the national referral hospital, and two proposed upgraded district hospitals to determine the future national costs for health care services for five, ten, and fifteen years, based on demand and required replacement of the QEII Hospital. Assessed financial accounting, budgeting, and reporting systems. Project funded by Ireland AID.
- Oct. 1997-  
Feb. 1999** **CONSULTANT**  
 Participated in the Health and Population Projection the Republic of the Marshall Islands sponsored by the Asian Development Bank through Queensland University of Technology. Established models for monthly financial review of RMI government funded operations and U. S. Federal grants for the Ministry of Health and Environment. Setup software for staff attendance control and accounts receivable for patient fee collections. Trained MOHE staff to operate all newly developed systems and wrote operating manual for the Finance Department of the MOHE.
- Feb. 1996 -  
Oct. 1996** **CONSULTANT**  
 Participated in the Health Sector Assessment for Barbados sponsored by the Inter-American Development Bank. Identified the unit costs of health sector programs for cost recovery options and assessed the adequacies of financial management and reporting systems of the Ministry of Health to provide timely, and accurate information for management decisions.
- Sept. 1993-  
Jan. 1994** **CONSULTANT**  
 Participated in the Health Sector Assessment for Jamaica sponsored by the Inter-American Development Bank. Developed step-down models for unit costs, utilization, and revenues, for three different levels of government hospitals, government specialty hospitals and private sector hospitals.
- 1986 & 1988** **CONSULTANT**  
 Participated in the Suez Canal Area Medical Education and Health Services Development Project for the Faculty of Medicine, Suez Canal University, Ismailia Egypt. Project sponsored by USAID. Design of a computerized functional cost analysis/long-range financial planning model for use by health programs in developing countries, patented by Boston University.

- 1987-1993**      **LECTURER**  
 Taught financial planning section of two courses: "Financing Health Care in Developing Countries" and "Management Methods for International Health." These are both 12-week courses offered by the Center for International Health to an international group of physicians and administrators.
- 1988-1989**      **HARVARD UNIVERSITY SCHOOL OF PUBLIC HEALTH**  
 Takemi Program in International Health
- LECTURER**, Guest lecturer for "Management in Public Health in Developing Countries."
- Oct. 2001-  
 Dec. 2001**      **LUXEMBOURG DEVELOPMENT S. A, Luxembourg City, Luxembourg**  
**CONSULTANT HEALTH ECONOMIST**  
 Provided financial management assessments of reimbursement mechanisms and financial reporting systems for newly created Provincial Health Department in Hung Yen Province, Vietnam. This included a proposed 5-year health insurance program, a review of the patient fee system, the budget process, and the presentation of workshop for budgeting and cost analysis
- Jan. 2000  
 Mar. 2000**      **QUEENSLAND UNIVERSITY OF TECHNOLOGY, Brisbane Australia**  
**CONSULTANT**  
 Provided the financial section, and developed the financial and economic model for a fifteen-year strategic and operational plan for the Ministry of Health and Environment, Republic of the Marshall Islands. Sponsored by the Asian Development Bank.
- Apr. 1999  
 May. 2000**      **CONSULTANT**  
 Prepared an Administrative Manual for policies and operations of the Ministry of Health and Environment, Republic of the Marshall Islands. Sponsored by the Asian Development Bank
- May 1999 -  
 Dec. 1999**      **REPUBLIC OF THE MARSHALL ISLANDS, Majuro, Republic of the Marshall Islands.**  
**CONSULTANT**  
 Reorganized the operations for the Ministry of Finance. Recruited and trained personnel to operate the Grants Administration and Accounting functions of the RMI and prepared documentation for grant operations for the MOF and all ministries. Negotiated indirect cost reimbursement with all agencies providing funds to the RMI
- Jan. 1998 -  
 Feb. 1998**      **ASIAN DEVELOPMENT BANK, OFFICE, PACIFIC OPERATIONS Manila, Philippines**  
**CONSULTANT**  
 Participated in the Evaluation of Ebeye Hospital and Municipal Utility Services, Ebeye, Republic of the Marshall Islands Created financial scenarios for the ADB to evaluate financing of the new hospital construction project, and restoration of essential municipal utility services, of electric power, water, sanitation and support services
- Jan. 1995  
 Apr. 1995**      **MEDICAL CARE DEVELOPMENT INTERNATIONAL Washington D. C**  
**CONSULTANT**

Participated in the Health Sector Requirements Study for the Republic of Gambia, sponsored by the African Development Bank. Analyzed the evolution of budgetary allocations and actual expenditures in real terms for health care services from all sources. Evaluate the fiscal performance of the public health sector against similar indicators in other social services.

**Jan. 1992**  
**Mar. 1992**

**CONSULTANT**

Participated in an African Development Bank project entitled "Feasibility, Design, and Engineering Studies in the Health Sector in Sierra Leone. Analyzed operating budgets vs. expenditures by level of facility including hospitals. Estimates for optimization of funding for the health care delivery system.

**Mar 1994**  
**Oct. 1994**

**CAMBRIDGE CONSULTING CORPORATION, McLean, VA**  
**CONSULTANT**

Participated in the Cost recovery for Health Project in Cairo, Egypt, sponsored by USAID. The CRHP provided five hospitals with model cost recovery systems, which were to be duplicated in all Ministry of Health Hospitals throughout Egypt and assessed the financial management capabilities of the Suez Canal University Hospital to operate a managed care system as a primary method for financing operations.

**1986-2010**

**CONSULTING PRACTICE - Ipswich, Massachusetts**

**DOMESTIC**

**Recent Positions With Robert Half Management Resources:**

- **Controller** – Hebrew College. (Jenzabar Accounting Software) (2008)  
Managed all financial operations and prepared financial statements.  
Prepared annual budget.  
Assessed positions of Controller, Senior Accountant for possible consolidation, and assessed all financial staff.
- **Director of Finance** – Boston Public Health Commission. (Lawson Accounting) (2007)  
Managed financial operations during transition of Finance Department, including grant services provided by Boston Medical Center.  
Managed annual budget process utilizing interim Budget Director.  
Assessed positions of Director of Finance, Budget Director for possible consolidation, and assessed all financial staff.  
Participated in selecting Budget Director and Director of Finance.
- **Controller** – American Academy of Arts and Sciences. (MIP Acctg. Software) (2006)  
Modeled budget isolating restricted, partially restricted, and unrestricted funds.  
Prepared monthly financial statements and variance analysis for board.  
Assisted HR and COO in hiring permanent Controller.
- **Controller** – Jason Foundation for Education. (Peachtree Accounting Software) (2005)

Transitioned organization to National Geographic Society.  
Trained NGS staff in Jason Foundation operations and ran all financial operations during audit and transition to Washington D. C.

- **CFO** – Grand Lodge of Masons in MA and Masonic Education and Charitable Trust. (Platinum Accounting Software) (2003-2004)  
Reorganized finance office for the fraternity reducing head count by half.  
Moved charitable trust to new custodian and outsourced investment accounting.  
Completed audit work papers and ran audit for both organizations.  
Reported to Board of Fraternity and Board of Charitable Trust.  
Reviewed performance of affiliated nursing home, visiting nurse association and feasibility of assisted living facility for fraternity.  
Upgraded Platinum accounting software
- **Controller** – American Academy of Arts and Sciences. (MIP Acctg. Software) (2002)  
Reviewed financial and reporting status of all grants.
- **Director of Finance**–North Shore Community Action Programs. (MIP Acctg) (2002)
- **Assistant Controller** – Ceridian Performance Partners Employee Assistance Provider
- **Special Projects for Controller** – Brookwood Financial Partners RE Investment Trust
- **Software Implementation and Training Consultant** – GI Plastics. Manufacturer (Visual Mfg. Accounting Software)
- **Controller** – First Image (Data). Fulfillment Provider
- **Assistant Controller** – Loomis Fargo. Armored car services
- **Controller** – G.E River Works Credit Union. (Credit union Accounting Software)
- **Special Projects Budgets and Contracts** – Metcalf and Eddy. Gov. Contracts

#### **PRIOR DOMESTIC POSITIONS:**

- |                                      |   |
|--------------------------------------|---|
| <b>Jun. 1991</b><br><b>Jul. 1993</b> | <b>DONNAY USA CORPORATION</b> , Gloucester, Massachusetts<br><b>CHIEF OPERATING OFFICER &amp; CHIEF FINANCIAL OFFICER</b><br>Responsible for all operations, except marketing, for a national sports products distributor. Managed international transactions for purchasing, banking, interactions with international master licensee and supplier, Donnay Industries, Couvin Belgium. |
| <b>Nov. 1987</b><br><b>Jul. 1989</b> | <b>ATLANTIC PAPERS CORPORATION</b> , Beverly, Massachusetts<br><b>CONTROLLER</b><br>Responsible for all financial and systems operations of fine paper distributor.   |

Materials Development for Finance Capacity Strengthening Program (FCSP) and  
NGO Finance Management Training  
Palestinian Health Sector Reform and Development Project (Flagship Project)

- Mar. 1987**      **VANTAGE MANAGEMENT SYSTEMS, INC,** Danvers, Massachusetts  
**Nov. 1987**      **VICE PRESIDENT FOR FINANCE**  
Management Company for four non-profit home health care agencies.
- 1980-1986**      **THE CENTER FOR BLOOD RESEARCH,** Boston, Massachusetts  
**CONTROLLER**  
Non-profit research institute, funded by grants and contracts from government and industry, and a for-profit subsidiary providing referral clinical testing services.
- 1973-1980**      **TUFTS-NEW ENGLAND MEDICAL CENTER, INC.** Boston, Massachusetts  
**SENIOR ACCOUNTANT FOR GRANTS AND CONTRACTS**
- 1970-1973**      **SHAWMUT COUNTY BANK N.A.** Cambridge, Massachusetts  
**ACCOUNTING AND BUDGET SUPERVISOR**
- Education**      **B.S.A., major in Accounting, minor in Management, June 1974. Bentley University,** Waltham, Massachusetts.

Christian Qr. 11  
P.o.Box 181  
Jerusalem 91101

Tel.:050-5540601    Fax:  
5839763  
Email:  
skandar@bezeqint.net

## ISKANDAR MAJLATON

### WORK OF EXPERIENCE

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- July 2009– Feb. 2010 HEKS-EPER Tel-Aviv/Qalandia  
[Audit of the joint action project for 2007 and 2008]
- 13 March 2009 – to Date Save the Children UK Jerusalem  
[Administration and Finance Manager]
- 05 Sept. 2001 – 28 Feb. 2009 Oxfam GB Jerusalem  
[Finance Manager & management Team member]
- Feb. 09 CISP Jerusalem  
[Admin. Finance consultancy]
- June – July 2008 Spanish Cooperation Jerusalem  
[Audit of the general fund for 5 five years mid 2003-mid 2008]
- June-Dec. 2004 Women Studies Center Jerusalem  
[Consultant, prepared a financial manual and trained the finance staff on how to use it]
- 09 Dec. 2000 - 21 Aug. 2001 St. John Eye Hospital Jerusalem  
[Financial controller - temporary to assist creating a finance manual & a computerized accounting system]
- 26 Feb. 1995– 08 Dec. 2000 Custody of the Holy Land Jerusalem  
[Office Manager – responsible for all the accounting, finance and admin tasks, including Human Resources]
- 08 Jan. 1989 - 25 Feb. 1995 Augusta Victoria Hospital Jerusalem  
[Assistant Finance Manager]
- 08 Dec. 1986 -30 April 1988 Casa Nova Guest House Jerusalem  
[Night Auditor]

### EDUCATION

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- Sept. 2006- **March 2008** Bethlehem & Pavia University Bethlehem, PA  
[Masters in International Cooperation and Development]

Materials Development for Finance Capacity Strengthening Program (FCSP) and  
NGO Finance Management Training  
Palestinian Health Sector Reform and Development Project (Flagship Project)

1983-1987 Bethlehem University Bethlehem, PA  
*[BA Business Administration]*

1971-1983 Terra Santa High school Jerusalem  
*[Tawjih]*

## EXTRA TRAINING & WORKSHOPS

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April/May 1993 Management Sciences for Health Boston, USA  
*[Managing for sustainability]*

May-July 1993 Arizona University Arizona, USA  
*[Health Institutions Finance & Management]*

Oct. 2002 Oxfam GB Cyprus  
*[Logistics, Procurement & supplies workshop]*

Jan. 2004 Mango UK Amman, Jordan  
*[Financial Management for NGO's]*

March 2005 Civil defense Ramallah  
*[Fire training]*

April 2005 PRCS Jerusalem  
*[First Aid training]*

April 2005 OGB Jerusalem  
*[Security training]*

October 2005 OGB Oxford, UK  
*[Being an Oxfam Manager]*

May-July 2006 Oxfam GB Oxford, UK  
*[Training of IT Trainers]*

April 2007 Quality Compasse Ramallah  
*[Linking Relief, Rehabilitation and Development]*

Feb. 2002 Oxfam GB Tbilisi, Georgia  
*[PeopleSoft Accounting & financial management software training]*

## OFFICIAL LICENSING AND MEMBERSHIPS

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Materials Development for Finance Capacity Strengthening Program (FCSP) and  
NGO Finance Management Training  
Palestinian Health Sector Reform and Development Project (Flagship Project)

June 2006      The Israeli CPA association      Tel-Aviv, Israel  
*[Senior Payroll Specialist]*

Sept. 2000      The Institute of certified management accountants. USA

## **LANGUAGES& COMPUTER LITERACY**

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Arabic (Mother Tongue), Fluent in English & Hebrew. Familiarity with Italian, French & Spanish.

Computer Software: Windows XP / Vista, Microsoft Office, Microsoft Projects. PeopleSoft accounting systems, Hashavshevet, SUN systems, Bisan, Lotus Notes, & other e-mail software.

## **JOB SPECIFIC COMPETENCES**

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- A- Trained in more than 5 hospitals in Boston and Tucson Arizona (USA) on hospital/health institutions management and Finances.
- B- Solid background with GAAP, International accounting and auditing standards, as well as financial management.
- C- Solid background in Economics, management and good governance, procurement, security, and the economics of performance management.
- D- Experience with fiscal reporting and with linking statistical information to the budgets and performance.
- E- Demonstrated ability to assess, train and build the capacity of employees, and coordinate the work among the different departments.
- F- Extensive knowledge in Programme cycle management, Logframe, Budgeting, and donor contract management.
- G- Awareness of best practices on gender, HIV aids, environmental issues, and human rights mainstreaming in all the work aspects.
- H- Ability to learn quickly, and to adapt relevant learning.
- I- Ability to produce accurate work under pressure.
- J- Proven ability in drafting TOR's for external audits, external evaluations, and consultancies.



## **ANNEX G: BIBLIOGRAPHY OF DOCUMENTS COLLECTED AND REVIEWED**

- Audit Report December 31, 2008 -The Jerusalem Princess Basma Center for Disabled Children
- Strategic Plan 2000-2005 - The Jerusalem Princess Basma Center for Disabled Children
- Rafidia Hospital Statistical and Information Department Monthly Report
- Report on Current Expenditures in West Bank and Gaza Strip by Function of Care, Provider and Source of Funding for 2000-2006
- NGO Organizational Development Assistance Training Plan West bank and Gaza – IDaRA
- IDaRA Training Plan West Bank and Gaza – Management Training Course
- IDaRA Organizational Capacity Assessment Reports and Summary
- Summary of the Organizational Capacity Assessment Reports
- The Determination of Hospital Costs, A Cost Volume Profit Analysis of Health Services in Rafidyia Hospital, Nablus – Samer F. Jab, Department of Health Economics, Health Policy and Planning General Directorate
- MoH Institutional Development Plan – March 2009.
- PNA National Strategic Health Plan – Medium Term Development Plan 2008-2010
- World Bank West Bank and Gaza Health Policy Report – Reforming Prudently Under Pressure, Health Financing Reform and the Rationalization of Public Sector Health Expenditures

## **ANNEX H: LIST OF MATERIALS DEVELOPED AND UTILIZED DURING ASSIGNMENT**

Financial Capacity Strengthening Program Agenda  
Financial Capacity Strengthening Training Manual  
Additional FCSP Training Materials – Pre/Post Tests and Exercises

NGO Financial Management Training Program Agenda  
NGO Financial Management Training Manual  
NGO Training Materials – PowerPoint Slides, Case Studies, Exercises