ASEANSAI Knowledge Sharing Committee Project On Audit Of Health Services
Bandar Seri Begawan, Brunei Darussalam
3-4 August 2016

Summary Report on the ASEANSAI Knowledge Sharing Committee Project On Audit Of Health Services

Bandar Seri Begawan, Brunei Darussalam

3-4 August 2016

Prepared by

Audit Board
of The Republic
of Indonesia

Table of Contents

Summary Report on the ASEANSAI Knowledge Sharing Committee Project On Audit Of Health Services
Bandar Seri Begawan, Brunei Darussalam
3-4 August 2016

1. Background

1.1 The main mandate of the ASEAN Knowledge Sharing Committee (KSC) is to encourage ASEANSAI cooperation, collaboration and continuous improvement through knowledge sharing. The KSC will facilitate knowledge sharing programs among the ASEANSAI member countries by programs implementation and results dissemination. This contribution could strengthen knowledge on public sector audits among ASEAN countries.

1.2 From ASEANSAI KSC work plan 2014-2017, the Supreme Audit Board of Indonesia has been honored to be project leader Audit of Health Services, SAI Indonesia shared knowledge about Audit of Health Services which focused on three topics as follows (a) research on topics of Health Services Auditing and National Health Security; (b) Technique/ Audit Procedures of National Social Security System (Health) in Indonesia; (c) Lesson learned from Performance Auditing on National Health Security Program (at Ministry of Health, Social Security Agency of Health, and Indonesia's General Public Hospitals (public health service providers). Likewise, we would like to share knowledge about Audit of Health Services from other SAIs which could be strengthen knowledge in this cluster. This workshop was held at Bandar Seri Begawan, Brunei Darussalam during 3-4 August 2016 which Jabatan Audit Brunei Darussalam was the host.

1.3 The objective of this workshop is to develop knowledge sharing about auditing management among ASEANSAI member countries through exchange of ideas, experiences, research, and best practices in the field of public sector audit.

1.4 This workshop was consisted of two activities. The first activity which SAI Indonesia shared knowledge about Audit of Health Services in three topics, i.e., (a) research on topics of Health Services Auditing and National Health Security; (b) Technique/ Audit Procedures of National Social Security System (Health) in Indonesia; (c) Lesson learned from Performance Auditing on National Health Security Program (at Ministry of Health, Social Security Agency of Health, and Indonesia's General Public

Hospitals (public health service providers). For the second activity, it was represented to share knowledge about Audit of Health Services from other SAIs.

1.5 As the project leader, we expected that this workshop could be main activity to promote SAIs cooperation, collaboration and continuous improvement through knowledge sharing. Further, we summarized the knowledge sharing report in Audit of Health Services as expected output of this workshop.

2. Contents

2.1 For the first day of workshop (3 Aug 2015), we initiated by the opening session which two distinguish keynote speakers gave their valuable speeches.

2.2 Opening Address by Mrs. Pengiran Siti Norbaya, Acting Auditor General Jabatan Audit Brunei Darussalam

2.3 Remarks by Mr. Chiew Koh Chon, Deputy Director **SAI Malaysia**, Representative Chair of Knowledge Sharing Committee

<u>Topic 1</u> Research on topics of Health Services Auditing and National Health Security

In this workshop, **SAI Indonesia** as the project leader commenced at the topic about Research on topics of Health Services Auditing and National Health Security which Mr. Sarjono, as presenter and moderator, discussed four issues as follows; (a) Legal basis of NHS; (b) Existing Situation of NHS; (c) Audit Type, Objectives, and Period; (d) Audit Purposes of NHS ; (e) Audit Conclusion and (f) Significant Audit Findings.

1. Existing Legal and Statutory Frameworks regarding the National Health Security.

1.1. Comprehensive Legislative and Statutory Frameworks

National Health Security (NHS or JKN[1]) is part of the National Social Security System (SJSN[2]) that administered through mechanisms of mandatory social health insurance. The legal basis for national health insurance, namely:

- Constitution of the Republic of Indonesia Year 1945;
- Law No. 40 of 2004 on National Social Security System;
- Law No. 24 of 2011 concerning Social Security Agency.

As the implementation rule of the law have been assigned to government regulation, the presidential decree, Ministerial Decree, regulation of directors, and others.

The aim is that all Indonesian people are protected in the insurance system, so that they can meet the basic needs of public health are worth it. Participants of the National Health Security

[1] JKN = Jaminan Kesehatan Nasional (National Health Security in Bahasa)
[2] SJSN = Sistem Jaminan Sosial Nasional (National Social Security System in Bahasa)

program consist of Health Security Premium Support Beneficiary (PBI) and non- Beneficiaries (Non PBI). Participants of PBI is poor and disadvantages communities, while participants Non PBI is any person who does not include in the poor and disadvantages communities, who pay dues (premiums) individually or collectively to BPJS-Kesehatan[1] (Social Security Agency of Health).

According to the Article 19 paragraph 1 of the Social Security Act, JKN was organized based on the principle of social insurance and equity.

a. The principle of social insurance, namely:
    1) The mutual cooperation between rich and poor, healthy and sick, young and old, and a high-risk and low;
    2) Mandatory participation and not selective;
    3) Contributions or dues are based on a percentage of wages or earnings;
    4) Characteristically nonprofit.
b. The definition of the principle of equity is the similarity in obtaining medical services in accordance with requirements that are not tied to the amounts of contributions or dues that have been paid.

1.2. Existing Situation

In accordance with the mandate of the 1945 Constitution, Law No. 40 of 2004 on the Social Security and Law No. 24 of 2011 on Social Security Agency (BPJS), Indonesia began to implement NHS (JKN) program to achieve universal health coverage in 2014.

Taking into account the previous experience of the provision of health insurance, especially for civil servants, the Roadmap towards NHS (JKN) 2012-2019 mentions that in the future Indonesia wants health insurance for all residents (dimension I), ensures that all diseases (dimension II) and a portion of the costs are borne by the residents (dimensions III) as small as possible. In 2019, it was planned all residents are registered for the health insurance with the same medical benefits.

National social security system in Indonesia has been started in 1947 with the issuance of Law No. 33 of 1947 on the Payment of Compensation to the Labor Got Accident Due to the Employment Relations, enacted starting in 1952. Subsequently, in 1956, the government began a program pension for civil servants, with the issuance of Law No. 11 of 1956 on Retirement Spending. In 1963 began a social security program for civil servants more comprehensive, with the establishment of the State Company for Savings Insurance of Civil Servants (TASPEN[2]), including for the Indonesian National Army soldiers and police members. In 1968, the government issued a policy

[1] BPJS-Kesehatan = Badan Penyelenggaran Jaminan Sosial – Kesehatan (Social Security Agency of Health in Bahasa)
[2] TASPEN = Savings Insurance of Civil Servants in Bahasa

that clearly regulate health care for civil servants and recipients of allowances pensions and their family. To that end, the government established the Agency for Health Care Fund Administration.

Then in 1984, the government issued Government Regulation on State Employee Health Care, Retirement Benefits Recipients and their families, as well as establish SOE named Husada Bhakti Public Company as the organizing body. The government introduced a new concept, namely the concept of managed care, in order to improve the quality of service and cost optimization. Furthermore, in 1992, the Government established the Health Insurance Corporation (Askes) instead of Bhakti Husada Public Company, in order to make management more independent and flexible.

In 1998, the government launched a social safety net programs in health as compensation for the reduction of fuel subsidies, with the aim of providing free health care for poor people. Furthermore, since the issuance of the Social Security Act, launched Community Health Insurance program for the poor and disadvantaged people. The program was expanded to the entire public in 2014 in the form of National Health Insurance. In the management, the government made the integration into one agency, namely Social Security Agency, which was originally social security fund managed by several agencies such as PT Askes for civil servants, PT TASPEN for pensioners, PT Asabri for soldiers and police members and PT Jamsostek for labors.

The Government (through the Social Assistance Spending in Central Government Budget) bear premiums or health insurance contributions for the poor and disadvantaged people. That number increased significantly, which in 2010 amounted to Rp4,84 trillion increase to Rp19,88 trillion in 2015. While the target number of people covered by government contributions increased from 72.049.380 people in 2010 to 88.231.816 people in 2015.

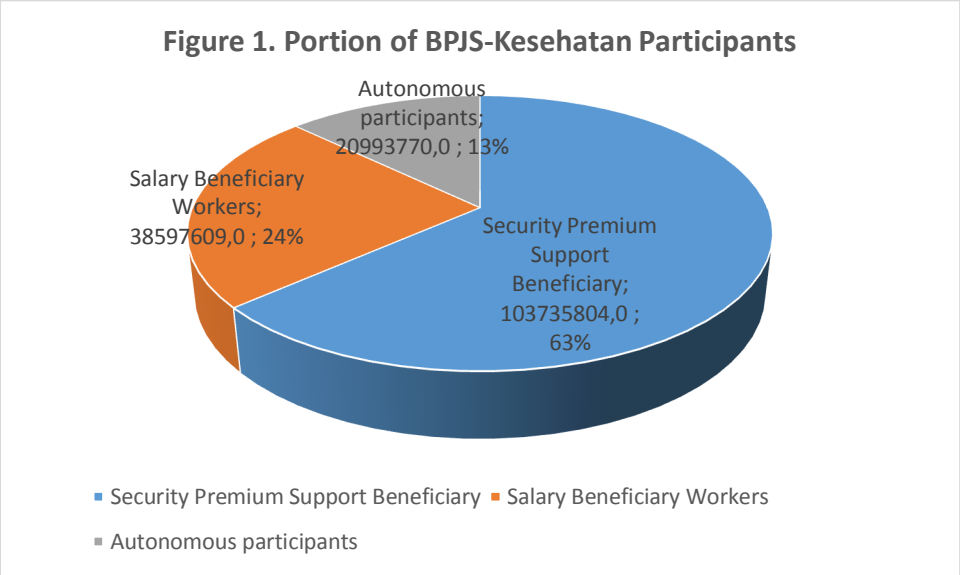
Table 1. The Governmental Grants and Participants of PBI

Year	Budget (Rp)	Realization (Rp)	Participants (People)
2010	4.843.860.611.000,00	4.843.860.611.000,00	72.049.380
2011	6.348.595.942.000,00	6.344.053.033.000,00	76.409.731
2012	7.189.600.000.000,00	7.121.800.402.000,00	76.409.731
2013	8.098.800.000.000,00	8.098.147.680.000,00	86.400.000
2014	19.932.480.000.000,00	19.932.480.000.000,00	86.400.000
2015	20.355.080.000.000,00	19.884.364.285.200,00	88.231.816

Sources: BPK's Performance Audit Report and Performance Accountability Report – Center of Health Funding and Insurance – Ministry of Health

Up to March 2016, total of BPJS-Kesehatan participants reached as 163.327.183 people or 64% of Indonesia's total population of 255.182.144 people. Participants BPJS consist of participant from

beneficiaries of dues as 103.735.804 people, Salary Beneficiary Workers as 38.597.609 people, and other participants (Non Salary Beneficiary Workers and non-workers) as 20.993.770 people.



Source: BPJS-Kesehatan

2. Prevalent Roles and Responsibilities of SAIs with respect to Audit of NHS

2.1. Extent of Statutory Mandate of SAIs to Carry Out Audit of NHS

BPK audit mandate contained or listed in the 1945 Constitution, Law No. 15 of 2004 on Audit of the State Financial Management and Responsibility, and Law No. 15 of 2006 concerning the BPK.

BPK has a mandate to conduct an audit of state finances in a broad sense, which consists of separated state finances (such as a company have the state), non separated state finances (as budgets are managed by agencies or ministries), and public funds are managed by agencies or ministry or local government (province government, municipal/city government, and regency government). Authority of ministry or agency poured into programs and activities financed from the budget derived from income tax and other revenues. NHS or JKN programs that are part of the National Social Security System is the responsibility of several agencies or ministries and financed from the state budget, and also collect premiums or dues from the public so that BPK has the authority to conduct audits. Although, premiums or dues were paid by people, but this funds was managed by government's agency.

3. Audit Experience of SAIs with respect to NHS

3.1. Types of Audits on NHS

BPK has conducted the performance audit of the National Health Insurance Program. We called "*Solution-based Recommendation in Performance Audit*".

3.2. Audit Objectives and Period of NHS

BPK has audited the implementation of the National Health Insurance Program at:

a. Social Security Agency of Health Fiscal Year (FY) 2014 first half of 2015
b. Ministry of Health FY 2010-the first half of 2015
c. National General Hospital Dr. Cipto Mangunkusumo (RSCM) FY 2014 to first half of 2015
d. National General Hospital Fatmawati for FY 2014 to first half of 2015
e. Cardiovascular Hospital (RSJPD) Harapan Kita FY 2014 to first half of 2015

BPK has set the audit purposes for each audit entity, as follows:

Social Security Agency of Health (BPJS-Kesehatan)

BPK's audit on Social Security Agency of Health aims to:

a. Identify constraints of implementation of National Health Insurance (NHI / JKN) program that may be implicated in not achieving the goal of universal coverage in 2019.
b. Identify and evaluate the implementation of National Health Insurance (NHI / JKN) program both in terms of planning, execution, and monitoring and evaluation in 2014 and the first half of 2015.

Ministry of Health

Audit of the Ministry of Health aims to:

a. Identify the obstacles encountered in the implementation of National Health Insurance (NHI / JKN) Program that may have implications for not achieving the target of poverty reduction in the RPJMN 2010-2014.
b. Identify constraints and evaluate the implementation of National Health Insurance (NHI / JKN) program both in terms of planning, implementation, and monitoring and evaluation FY 2010 to the first half of 2015.

National General Hospital Dr. Cipto Mangunkusumo (RSCM)

Audit on RSCM aims to assess the effectiveness of services at Integrated Inpatient Unit (URIT[1]) Building A and the Integrated Outpatient Unit (URJT[2]) at the RSCM as a health facility in support of the successful of JKN program.

National General Hospital Fatmawati (Fatmawati Hospital)

Audit on Fatmawati Hospital aims to assess the effectiveness of services at the Outpatient Unit (IRJ[3]) and Inpatient Unit (IRNA[4]) at Building C Fatmawati Hospital.

Cardiovascular Hospital (RSJPD[5]) Harapan Kita

Audit on RSJPD Harapan Kita aimed to assess the effectiveness of health care in RSJPD Harapan Kita as a provider of advanced healthcare facilities in supporting the successful implementation of the NHS or JKN program.

3.3. Audit Findings and Recommendations

BPK produced the audit report for each audit entity. The audit report consist of executive summary or conclusion, introduction, audit findings and recommendation, closing remarks, and appendices.

3.3.1 Audit Conclusion

Social Security Agency of Health (BPJS-Kesehatan)

Implementation of the National Health Insurance program by BPJS Health in 2014-2015 has had significant impact on health insurance in order to eradicate poverty. BPJS Health has increased the number of significant participation in the achievement of universal coverage at the beginning of 2019. To facilitate contributions or dues, the participant has been provided an online payment system that integrates with payment vendors.

The audit results showed the implementation of the National Health Insurance program by BPJS Health not been fully effective because there are many obstacles that may hamper the achievement of universal coverage in 2019.

Ministry of Health

The Ministry of Health has been carrying out the mandate of Law No. 40 of 2004 on National Social Security System and its supporting regulations. The success that has been achieved, among

[1] URIT = Unit Rawat Inap Terpadu (Integrated Inpatient Unit in Bahasa)
[2] URJT = Unit Rawat Jalan Terpadu (Integrated Outpatient Unit in Bahasa)
[3] IRJ = Instalasi Rawat Jalan (Outpatient Unit in Bahasa)
[4] IRNA = Instalasi Rawat Inap (Inpatient Unit in Bahasa)
[5] RSJPD = Rumah Sakit Jantung dan Penyakit Dalam (Cardiovascular Hospital in Bahasa)

others, the Ministry of Health has set rules in the form of standards or technical guidelines on implementation of National Health Insurance program for interested parties, and establish centers of referral in the Roadmap of Health Facility Supply Side 2015-2019.

The audit results showed the policy of the Ministry of Health in the implementation of National Health Insurance Program have not been entirely effective to provide optimal health care to the participants of the Health Insurance.

National General Hospital Dr. Cipto Mangunkusumo (RSCM)

The audit results showed RSCM has implemented JKN program in accordance with the legislation, both published by the Ministry of Health and BPJS – Health. The success that has been achieved, among others, the planning for the implementation of the health care program overall, though not yet using the basic calculation needs and are well documented.

RSCM also has a standard operating procedure from the patient register until obtain medical care, though not yet complete and detailed. In addition, the RSCM has also performed service procedures are consistent with clinical guidelines and patient needs at no charge on the class of service in accordance with the rights that must be accepted by the patient.

BPK concluded the implementation of JKN program at RSCM particularly in URIT and URIT Building A has not been fully effective in providing optimal health care to participants of JKN.

General Hospital Fatmawati (Fatmawati Hospital)

Fatmawati Hospital has been implemented JKN program in accordance with the legislation, both published Ministry of Health and BPJS- Health. The success that has been achieved Fatmawati Hospital among others, the planning of the implementation of the health care program, and its SOP started registering patients until the patient's medical care.

BPK concluded the implementation of JKN program at Fatmawati Hospital especially IRJ and IRNA GPS has not fully effective on providing the optimal health care to JKN's participants.

Cardiovascular Hospital (RSJPD) Harapan Kita

Management of RSJPD Harapan Kita also have worked to improve hospital services in support of the success of the JKN program. Steps taken among others by setting up a One-Stop Administration System (SAMSAT) for JKN billing claims.

BPK concluded health services provided by RSJPD Harapan Kita to support the implementation of the JKN program years 2014-2015 have not been entirely effective.

3.3.2 Significant Audit Findings

Social Security Agency of Health (BPJS-Kesehatan)

Based on performance audit related the implementation of NHS program in BPJS-Kesehatan, we have revealed the audit findings in audit report, as follows:

- The establishment of the performance indicator and evaluation process have not been measured adequately and clearly;
- Verification standards has not assigned adequately;
- BPJS-Kesehatan has no the technical guidance for data management of PBI's participants;
- The concept, strategies, and policies of marketing related to collecting the premiums from Salary Beneficiary Workers have not carried out optimally;
- There was no mechanism of Service Level Agreement related to settlement to claims in the purification level to feed back.

Several significant audit findings have been uncovered in this entity, as follows:

a. **Finding #1**. Establishing the goals or target of performance indicators and performance evaluation process of BPJS units have been not measurable clearly and sufficiently. BPJS Health have no guidelines for the preparation of each indicator targets or strategic initiatives, both contained in the Annual Management Contract (AMC) and the Annual Performance Contract (APC) as well as the preparation of targets in the Annual Work Plan Budget (RKAT). No basic calculation formula should be used. As a result, the goals or targets of performance indicators and performance evaluation process cannot be measured adequately.

Recommendations. For solve this problem, the BPK recommended to the Board of Directors BPJS Health in order to develop guidelines for calculation and establishment and evaluation of goals or targets of performance indicator targets to be achieved in the Annual Work Plan Budget (RKAT).

b. **Finding #2**. BPJS Health was not optimal in the socialization and coordination with the relevant authorities regarding the cases of occupational accidents or traffic accidents. As a result, participants of National Health Insurance were not getting adequate health services regarding payment guarantor clarity when getting work accidents or traffic accidents. In addition, health facilities hampered earn revenue from health services, thereby potentially disrupt health services.

Recommendations. For solve this problem, the BPK recommended to the Board of Directors BPJS Health in order to improving coordination regularly as outlined in the joint circular between BPJS Health, BPJS Employment and PT Jasa Raharja (Accident Insurance Provider) regarding the assurance procedures of workplace accidents and traffic accidents.

Ministry of Health

BPK audit carried out on the implementation of NHS program in the Ministry of Health revealed several findings as follows:

- Audit findings related to planning of NHS program, among others: (1) Ministry of Health has an action planning for NHS program, but not optimal; (2) Study related dues or premiums of PBI has not carried out adequately;
- Audit findings related to implementation of NHS program, among others: (1) payment of PBI's dues were not based on the real participant data; (2) mechanism of patient referral has not run effectively; (3) assessment of health technology related NHS program has not carried out adequately;
- Audit findings related to monitoring and evaluation of NHS program, among others: (1) mechanism of planning and monitoring related the drug availability through the e-catalog has not run sufficiently.

Several significant audit findings, namely:

a. Finding #1. The Ministry of Health has not been optimal to prepare the action plan in implementing the National Health Insurance Program 2012-2019 that predetermined between agencies or departments. Such as, the planning of development of health infrastructure and personnel at any First Level Health Facilities (FKTP) and Advanced Health Facilities (FKTL), especially government-owned. In addition, health facilities are not evenly distributed, so that the delivery of health services to participants of JKN not optimal.

Recommendations. BPK recommended to the Minister of Health, in order to enhance the role and tasks of the Ministry of Health as stated in the Roadmap of National Health Insurance Program and create mechanisms that enable MoH know the real condition of human resources, health facilities and infrastructure on first level health facility (FKTP) and advanced level health facility (FKTL) for optimizing the implementation of the National Health Insurance Program.

b. Finding #2. Study of the determination of the PBI dues amounts have not been implemented adequately. This is reflected in:

- Study of policy-setting of dues in JKN or Card Healthy Indonesia (KIS) by the consultant was not realized due to non-fulfillment of the requirements in the contract that allows the absence of analysis or assessment underlying the determination of PBI dues;
- PBI dues percentage at JKN program financed by Central Government Budget (APBN) or Local Government Budget (APBD) 2014 and 2015 (up to September) respectively by 52% and 42% of the JKN program dues total managed by BPJS-Health;

- The percentage of funds use for Outpatient and Inpatient health care on FKTL by PBI participants both funded from APBN or APBD 2014 to 2015 amounted to only 26% of the utilization total of the funds claims by non-PBI participants by 74%.

The conditions show a majority of JKN Program funds benefited by JKN participants from non-PBI so that the Ministry of Health should also consider such data in develop the policy regarding determination of the amounts composition of PBI dues. It resulted in the Ministry of Health has not received PBI dues on ideal value for JKN Program.

Recommendations. BPK recommended to the Minister of Health, in order to optimize the coordination with the relevant authorities in determining the reasonableness of the amount of the Health Security Premium Support Beneficiary (PBI) budget.

c. Finding #3. Planning and monitoring mechanism of drug availability through e-catalogs to support JKN program is not adequate, so there has been no guarantee of the availability of drugs in accordance with national formulary to health facilities for medical services to participants of JKN program. Health providers are still experiencing difficulties in the supply of drugs, so participants of JKN program should pay additional costs.

Recommendations. BPK recommended to the Minister of Health, in order to enhance the mechanisms for planning and monitoring the provision of drugs to ensure availability of medicines at health facilities through the e-catalog.

National General Hospital Dr. Cipto Mangunkusumo (RSCM)

Based on performance audit related the implementation of NHS program in Hospital Cipto Mangunkusumo, we have revealed the audit findings in audit report, as follows:

- Hospital Cipto Mangunkusumo has not develop the integrated, comprehensive, and detailed standard operating procedure for participants NHS program;
- The referral system of NHS program has not run optimally;
- The pharmaceutical inventory in order to support the NHS program has been managed inadequately;
- The patient care or services has not supported by the information technology adequately.

Several significant audit findings have been uncovered in the hospital, as follows:

a. Finding #1. Implementation referral program as a form of JKN implementation support, both from the tiered referral system and refer back programs in RSCM, is not optimal. For tiered referral system is still a referral patients with a diagnosis that would otherwise be handled by first or second level health facilities, but handled in RSCM. Ineffectiveness of Jakarta Health

Program in 2015 because of lack of budget grants from Province Jakarta (Capital City). As a result, the referral program set by the government have not been fully effective.

Recommendations. BPK recommended to the Director of RSCM in order to develop a referral management system is a complete, detailed and applicable as guidelines for the implementation of health care.

b. Finding #2. Management of pharmaceutical inventory needed to support JKN's patient care from BPJS participants inadequate. There are 229 items of pharmaceuticals empty in June 2015 and there are differences in perception of the recognition of pharmaceutical goods calculation. As a result, a vacancy of the drug occurred in some service units of RSCM that affect JKN's patient care from BPJS participants.

Recommendations. BPK recommended to the Director of RSCM in order to order head of service unit in preparing the planning proposals to meet the needs of pharmaceutical inventory based on the actual need.

c. Finding #3. Verification, administration and claim settlement process of JKN patients from participants BPJS have not timely and appropriate amount. As a result, need additional procedures in the control of revenue, due to differences in the value of income received with revenue receipt. In addition, the settlement process of fails or pending claims takes longer and potentially uncollectible due to the absence of such claims SOP.

Recommendations. BPK recommended to the Director of RSCM in order to establish SOP for filing a claim that regulate the flow and length of time needed for each stage of the process of filing a claim, and establish SOP for failed or pending claim.

General Hospital Fatmawati (Fatmawati Hospital)

Based in our audit in General Hospital Fatmawati, we presented several problems or audit findings, as follows:

- Hospital has designed the technical policy for implementing the NHS program, but not yet optimal.
- There were lack related human resources and integrated information system.
- The registration and services procedure has not implemented fully and consistently.

One of significant audit finding is:

a. Finding #1. Hospital Fatmawati has no Standard Operating Procedur for monitoring and evaluation of the implementation of the National Health Security (NHS) program. Hospital has developed the monitoring and evaluation procedure for general (or for all activities or programs). There was no specific monitoring and evaluation procedure for implementation of

National Health Security program. As a result, there is no basis for stakeholders to see or assess the extent to which the successful of the program.

Recommendations. BPK recommended to the Board of Directors Fatmawati Hospital in order to develop the policy regarding result reports of monitoring and evaluation of JKN program implementation in line with the establishment of JKN Program evaluation or antifraud team of Fatmawati Hospital.

b. Finding #2. Waiting time of service does not meet the technical policy. In IRJ, performance indicators is the waiting time of patients at each clinic, i.e. less than 60 minutes and timeliness of the presence of the doctor according to hours of service, namely at 09.30 am-finished. In GPS, the performance indicators are the timeliness schedule doctor visit, i.e., before 14:00 pm. The report and recapitulation until October 2015, at IRJ patient waiting time is 1 hour 5 minutes and the presence of a doctor in accordance with the service is still quite low. In GPS, the level of compliance of doctors to attend as visit hours of hospitalization should be corrected because it affects the length of hospitalization of patients. This resulted in delays in the implementation of services to patients, particularly in patients of JKN.

Recommendations. BPK recommended to the Board of Directors Fatmawati Hospital in order to using the results of evaluation of the presence of the doctor according visit service hours and schedule as a clinic physician performance assessment.

Cardiovascular Hospital (RSJPD) Harapan Kita

Based on performance audit related the implementation of NHS program in Hospital Harapan Kita, we have revealed the audit findings in audit report, as follows:

a. Finding #1. RSJPD had have no fully the infrastructure and sufficient resources to support patient care and support successful JKN program. Consequently, improvement of the quality of medical care to patients with the use of medical personnel and nurses were not quite optimal.

Recommendations. BPK recommended to the Director of RSJPD Harapan Kita in order to develop human resources needs of RSJPD Harapan Kita based valid workload analysis, and immediately recruit human resources to meet the needs of human resources for improving the health services, increase or optimize the existing space to reduce the patient line and add or repair the medical equipment or devices damaged for optimizing the health service.

b. Finding #2. RSJPD have not fully implemented the claims procedure in accordance with the provisions of, among others, has not filed a claim in a timely manner. Coordination between RSJPD with BPJS West Jakarta Branch has not worked adequately. This resulted in pending claims RSJPD disrupt cash flow and influence the delivery of services to patients. In addition,

problems of JKN on RSJPD also not been informed properly to the regulator (the Ministry of Health and Health BPJS).

Recommendations. BPK recommended to the Director of RSJPD Harapan Kita in order to design a standard procedure in order to follow up the claims that are returned by BPJS.

Topic 2 Technique/ Audit Procedures of National Social Security System (Health) in Indonesia

In this workshop, **SAI Indonesia** as the project leader commenced at the topic about Technique/ Audit Procedures of National Social Security System (Health) in Indonesia which Mr. Andi Wira Alamsyah, as presenter and moderator.

Planning of Perfromance Audit

Phases of performance audit planning in SAI Indonesia, as follows:

Figure 2: Audit Planning phases

Key Area Concept

Area, division, program, or activity which becomes the auditing focus on the audited entity.

Purposes of Key Area Determination

In order to make the auditing implementation to be focused more on the purpose of audit, so that the auditing resources can be utilized more efficiently and more effectively.

Steps in Determining Key Area

- Determining potential areas to be audited. Based on all information obtained from other activity from previous step (understanding of entity and problem identification), some potential areas can be identified.
- Creating the order of priority on some areas which have been determined based on determination factors (risk of management, significance, impact of audit, and auditability).
- Determining key area based on the order of priority and availability of auditing resources.

Risk of Management

- Risk assessment on the performance audit is risk born by management related to economical, efficiency, and effectiveness aspect.
- Factors to be used to assess possibility of the occurance of management risk, includes:
  - Significant budget under/over spending;
  - High employee turnover rate;
  - No response from management related to defficiency found during audit;
  - Sudden change in policy;
  - Overlapping, unclear, or confusing accountability relationship.
- The higher management risk on one area, the higher the priority given to that area.

Significancy

- Significancy depends on whether one activity in an area of audit has a comparatively big influence on other activity in audit object as a whole.
- Some aspects that can be considered in assessing significancy is financial materiality, critical limit, success, and visibility.

  Significancy: Financial Materiality. This factor is based on the assessment of entity's total wealth, annual spending, and/or annual income in the audited area. The more material of an area, the higher the priority given to such area.

  Significancy: Success Critical Limit. The importance of one area in determining the success of an entity.

  Significancy: Visibility. External impact of poten2al area: (1) Social, Economical, and Environmental Aspects; and (2) Importance of such activity to government or society's program.

Impact of Audit

The impact of audit is additional value expected from audit, which is a change and development that may improve '3E' from the audited area. The added-value created from audit is important in determining detail key area to be audited. "Will the audit create changes?" The determinant that considered in the assessing of audit impact are (1) improvement of services quality; (2) improvement of planning; and (3) improvement of control.

Auditability

Auditability is related to auditor ability in conducting audit. Various condi2on on en2ty and auditor can lead to auditor deciding not to conduct audit in certain area, despite its significance. Factors considered on auditability are:

- Auditor does not have sufficient competency to conduct audit;
- Activity which is not feasible to be audited, such as activity related to state secrecy;
- Such area is in the process of significant change;

- Location of field work is not reachable;
- Availability and accessibility of data which will be needed as audit evidence.

Determining Key Areas

Based on the order of potential area's priority, auditor determine key areas as the audit focus.
SAI Indonesia use some tools when conduct the analysis, such as program logic model, problem map or tree, fishbone diagram, audit questions pyramid, good management model or better management practice, and audit design matrix.

Topic 3 Lesson learned from Performance Auditing on National Health Security and Indonesia's General Public Hospitals (public health service providers)

In this workshop, **SAI Indonesia** as the project leader commenced at the topic about Lesson learned from Performance Auditing on National Health Security Program (at Ministry of Health, Social Security Agency of Health, and Indonesia's General Public Hospitals (public health service providers) in Indonesia which Mr. Muhammad Agus Arifin, as presenter and moderator.

What is Indonesia's National Health Security Program

According to Section 19 verse 2 UU/ regulation No. 40/2004 about National Health Security System, the purpose of health security to ensure participants get all benefit in maintaining healthy and health security to meet a demand of basic need especially in healthy sector

Health Services Secured by Health Security Program

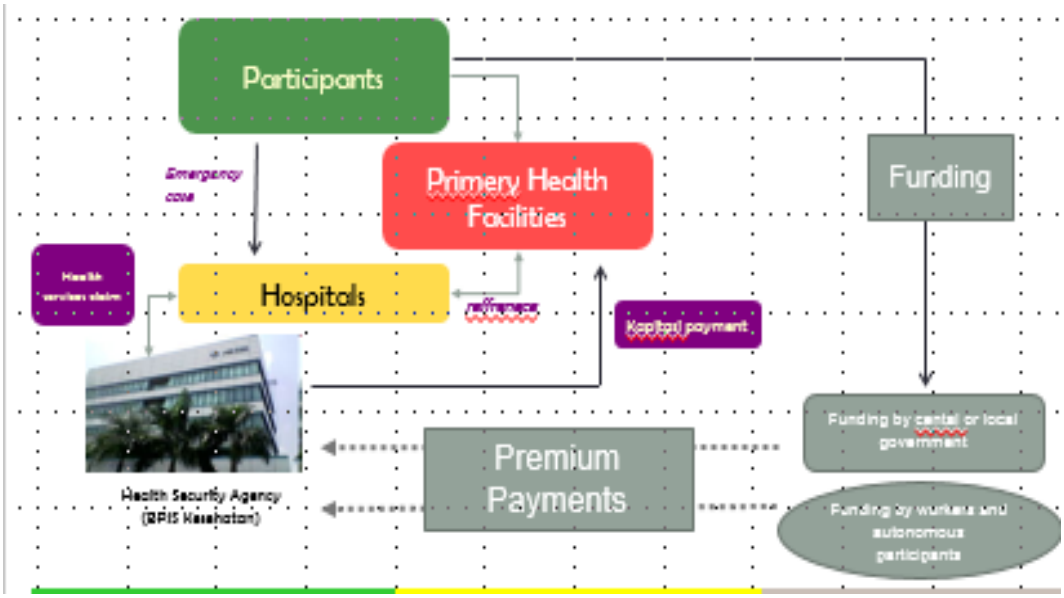
- Health services at primary health facilities (outpatient and hospitalization)
- Health services at hospital (outpatient and hospitalization)
- Other health service set by health minister

Participants of national health security program

- Worker and autonomous participants (Non PBI) Class health care I, II dan III
- Security beneficiary for poor people (PBI) Class health care III

Bussiness Process of National Health Security Program In Indonesia, as follows:

Figure 3. Bussiness Process of National Health Security Program In Indonesia



Positive Things from the implementation of National Health Security In Indonesia

- Indonesian population have extensive access to get health care.
- Illness can make us become poor. The program will help people to reduce or minimize the cost of health services.
- Social protection ensure that all people in order to meet the basic needs of a decent life

The Main Problem of National Health Security Program in Indonesia

- Reimbursement of health care that have been received by health facilities (such as hospital or other health center) to the participant of national health security less than real cost incurred by health facilities. Government of Indonsesia uses INA-CBG's (Indonesia Case Base Groups) to reimburse the cost of health services when health facilities conducting the health care to the participants of national health security program. It causes not all of health facilities participate into the program and amount of health facilities are not comparable with amount of national health participant who should get health care.
- Incompleteness of medical devices and drugs shortages which are owned by health facilities.

  It causes :

  1. Not all patients of national health security program get complete medical treatment and medicine.
  2. Some patients must get a referral to another health facilities that have more complete medical devices
  3. Some others didn't get any health service from any health facilities

- The limited capacity of health facilities to do health care to the participants of national health security program:
    1. Some patients must get a referral service to other health facilities to get health care;
    2. Some others didn't get any health service from any health facilities.
- Lack of health human resourcing and uneven of health human resources distribution. The participants of national health security program must queue up in a long period of time to get health care from health facilities.
- Low public awareness in maintaining public health
- Deficit of funding in implementation of the national health security program that organized by Social Security Agency of Health (called BPJS-Kesehatan). It is caused by:
    1. Limited fund that collected by BPJS-Kesehatan from the participants of national health security program to cover of health care that has been provided by health facilities
    2. The participants of the program didn't make a payment to the BPJS-Kesehatan according with the regulation. (1) The participants from the employee didn't report actual income that will be based of amount of payment. (2) The autonomous participants from the intrepreneur (not employee) didn't make a payment on time/ monthly if they didn't get health problem.
    3. Limited national government budget (appropriation) to cover the deficit of funding that organized by BPJS-Kesehatan.
    4. Reluctance of people to join the national health security program. Not all of Indonesian people become the participants of national health security program.

Alternative solution for National Health Security problem

- Increasing the number of health facilities and completing health devices that give service to the participants of national health security program;
- Increasing the percentage budget (appropriation) for health security program;
- Increasing the development of health facility in remote area on all region (all provinces of Indonesia);
- Give special treatment, policies and convenience investment for development of medicine/ pharmaceutical factory that can increasing excellent distribution and affordable price;
- Increasing the number of health human resources and equalization distribution of health human resources
- Integrated development of health infrastructure that involving inter-sectoral authority between national of central government, local government and private sector;

- Seeking fund for organizing the excellent health coverage by enacting or issuing regulation that participants can make on time payment and actual amount of payment that can cover for financing the health security program

3. Country Paper

3.1 This section represents country papers which 8 SAIs shared their experiences in Audit Of Health Services:

3.2 **SAI Malaysia** presetation about organization structure of ministry of health, financial Allocation, and program/Activities Carried Out. Since 2011 until 2015 they've already of 28 performance audits have been carried out involving 18 audits on programs/activities, 9 audits on construction projects and one audit on ICT. SAI Malaysia challengges on audit of health services in Malaysia, like Availability and Reliability of Data, SAI's Capacity and Capability , Qualified Personnel, Audit of SDGs Related Targets and KPIs.

3.3 **SAI Brunei** presentation about introduction on Brunei Darussalam, how many types audit they have do, like financial statement audit (certification audit), compliance audit, and performance audit/valuation for many audit, SAI Brunei challengges on audit of health services in brunei, like time it takes to understand the whole system is limited, inadequate audit teams, documentations are not given on time during the fieldwork

3.4 **SAI Cambodia** presentation about development plan of the royal government of cambodia, such as,

1. Health service delivery
2. Health care financing,
3. Human resource for health
4. Health information system
5. Health system governance

They also share that cambodia has not doing performance audit in healthcare system, and will learn from this KSC. They also said there is the challenges by NAA for doing performance audit, such as: Lack of performance auditors and lack of performance auditing guideline.

3.5 **SAI Myanmar** presentation about : Audit of health security for people as a part of thematic auditing on poverty eradiction and they also share knowledge about the health services auditing in the following three topics:

(a)Research on topic of national health security based on studies from previous audit Report.

(b)Performance audit experience on inpatient services at General Hospitals.

(c)Audit of health security for poor people as a part of thematic auditing on poverty eradication

3.7 **SAI Philippines** presetation about overview Deparment of Health, Key results areas, sector and organizational, outcome and key strategies. SAI Philippines challengges on audit of health services in Philippines, like lack of Auditors who are Structural Engineers to enable more effective audit of HFEP Infrastructure; the auditor being CPA/CPA lawyers has no technical knowledge to estimate the percentage of construction. Most of our engineers are in the fields of civil engineering, mechanical, chemical and electrical, Auditors having limited knowledge on the technical specifications of the HFEP Equipment purchased pose as inherent limitation and restricts the effectiveness of the audit, Auditors encountered difficulty in the audit of transactions due to: (a) late submission of Disbursement Vouchers together with the attached supporting documents, delays even ranges from one to three months; (b) delayed recording of transactions by the Accountants, and Multiple assignments of Auditors, particularly those assigned in the 17 Regional Offices, causing the MLs devoid of necessary audit observations, either common or specific audit findings.

3.8 **SAI Singapore** presentation about: Ageing Population and the Evolving Healthcare System (population, number of residents aged, healtcare expenditure, integration of care), Audit Approach and Use of CAATS (SAI Brunei checks on: Grants given to healthcare institutions and Development expenditure relating to the building of health infrastructural facilities such as nursing homes and hospitals.

3.9 **SAI Thailand** presetation about organization structure of ministry of Public Health, mandate, budget, and activity of the project. SAI Thailand also presetation about experience about audit of health services, with same with the other SAIs, they do preliminanry study, data collection, and sampling audit. In statistics, SAI Thailand use calculating method of taro Yamane formula to find sample size.

4. Conclusion

For the final part, we concluded this knowledge sharing which consisted of content, the best practice, lesson learns from our friends, and looking forward.

4.1 All of SAIs in ASOSAI have mandate to conduct the audit on health service in respective countries. SAI Indonesia has broader in the experiences of performance audit related to health services than others SAI in South East Asia region**.** SAI Indonesia has conducted the performance audit on health services with several audit entities, form the regulator, funding management, and health service providers. Some SAI in South East Asia have not conducted the performance audit on health service yet. They did the compliance audit procedure related the health services when conduct the financial audit or compliance audit. Other SAI use the audit report from government's internal audit unit when observe or review or analyze the health service case or problem.

4.2 Better Practices. Some SAIs have used the advanced tools to analyze and assess the health service case when conduct the audit, such CAATs, Integrated Results and Risk-Based Audit Software (IRRBAS), and problem analysis tools (i.e., fishbone diagram, problem map or tree, audit design matrix). When selecting the key areas, SAI Indonesia have the specific tools with the determination factors, such as significant matters, impact of audit, risk management, and auditability.

4.3. Lesson learns from our friends. To improving the audit methodology and gain the efficiency and effectiveness of audit, performance auditor on health service can use the alternative tools. IRRBAS from SAI Philippines is one of the alternative tools for improvement the audit methodology. Auditor can use the audit report that produced by Government's Internal Audit Agency when observe or analyze the irregularities of non-compliance matters related to health service. Performance audit on health service could be conducted as a part of thematic auditing on poverty eradication, rather than partial or single audit.

4.4 Looking forward. The health service is one of significant issues in respective countries. All of ASEANSAI members still face the problems related health service (such as infrastructures, human resources, funding, awareness from people, compliance with regulations, etc.). Each country has the specific or unique problem that recovered in audit assignment. For enrichment the knowledge and improvement the audit skill or competence, it's better to do as follow:

- Conduct the research project on performance audit related to health service;
- Produce the performance audit guidelines on health service and share the content of audit guidelines to ASEANSAI members; and

- Give the training or assistance to the SAI's auditors who have not conducted the performance audit yet, such as auditors of SAI Cambodia.

Delegates of SAI Indonesia

(Project Leader)

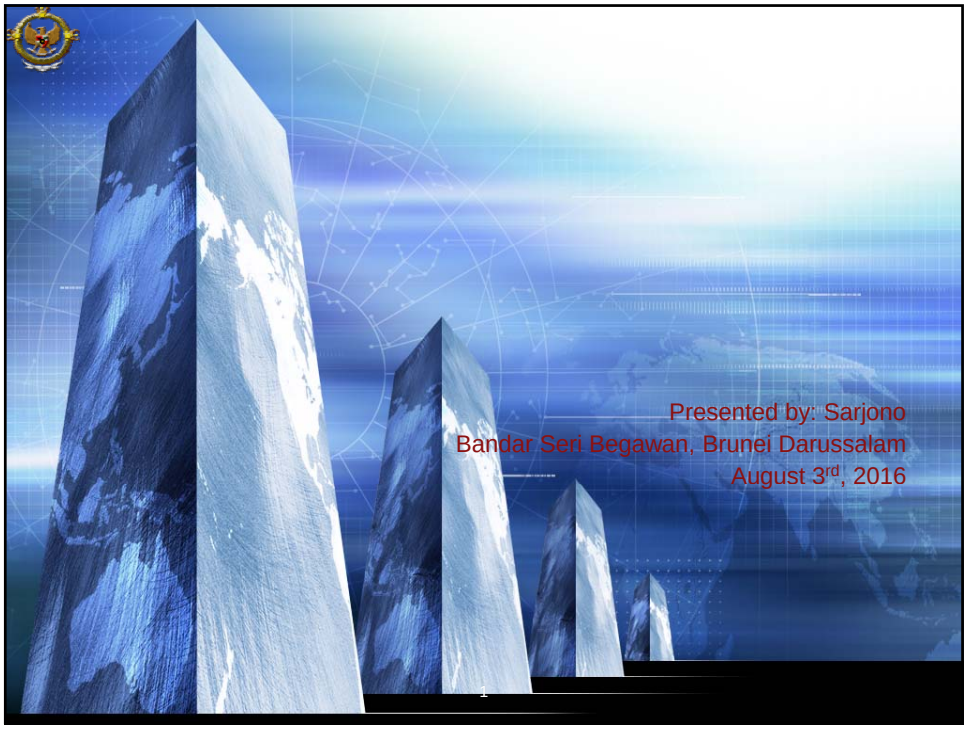
Mr. Sarjono	Senior Auditor
Mr. Muhammad Agus Arifin	Senior Auditor
Mr. Andi Wira Alamsyah	Auditor
Mr. Andriyanto Saputro	Secretariat ASEANSAI.

Appendix

AGENDA
KNOWLEDGE SHARING COMMITTEE PROJECT ON AUDIT OF HEALTH SERVICES
Bandar Seri Begawan, Brunei Darussalam,
3 - 4 August 2016

Tuesday, 2 August 2016	
TBD	Arrival of the Delegates at Brunei International Airport
Wednesday, 3 August 2016	
08.30	- Arrival of the Delegates - Arrival of Acting Auditor General Brunei Darussalam - Brunei Darussalam's National Anthem - ASEANSAI Song - Recital of Surah Al-Fatihah
09.00	Opening Address Acting Auditor General Brunei Darussalam
09.10	Remarks by Mr. Chiew Koh Chon, Deputy Director **SAI Malaysia**, Representative Chair of Knowledge Sharing Committee
09.20	Group Photo Session
09.25	Coffee/ Tea Break
09.50	Address by **SAI Indonesia** Project Leader on Audit of Health Services
10.05	Research on topics of Health Services Auditing and National Health Security by **SAI Indonesia**
12.00	Lunch break
13.00	Presentation on Technique/ Audit Procedures of National Social Security System (Health) in Indonesia by **SAI Indonesia**
14.30	Coffee/ Tea Break
15.15	Lesson learned from Performance Auditing on National Health Security and Indonesia's General Public Hospitals (public health service providers) by **SAI Indonesia**
16.15	Question and Answer
16.45	Summary from Moderator by **SAI Indonesia**
17.00	Free & Easy
Thursday, 4 August 2016	
08.30	Research / Sharing Experience Audit on Health Services by **SAI Malaysia** Mr. Chiew Koh Chon, Deputy Director &

	Ms. Mordiana binti Morni, Assistant Director
09.30	Coffee/ Tea Break
10.45	Presentation of Country paper of Audit on Health Services in ASEAN countries Speaker: **Jabatan Audit Brunei Darussalam**
11.30	Presentation of Country paper of Audit on Health Services in ASEAN countries **Speaker: NAA Cambodia**
11.30	Lunch break
13.00	Presentation of Country paper of Audit on Health Services in ASEAN countries **Speaker: OAG Myanmar**
13.45	Presentation of Country paper of Audit on Health Services in ASEAN countries **Speaker: COA Philippines**
14.30	Presentation of Country paper of Audit on Health Services in ASEAN countries **Speaker: AGO of Singapore**
15.15	Coffee / Tea Break
15.45	Presentation of Country paper of Audit on Health Services in ASEAN countries **Speaker: OAG Thailand**
16.30	Summary by Moderator, by **SAI Indonesia**
16.30 – 17.00	Evaluation Survey by **SAI Indonesia**
17.00	Closing
19.45	Official Dinner hosted by Jabatan Audit Brunei Darussalam Venue: Tarindak d'Seni
Friday, 5 August 2015	
TBD	Departure of delegates


Presented by: Sarjono
Bandar Seri Begawan, Brunei Darussalam
August 3rd, 2016

1.

2.

3.

4.

5.

6.

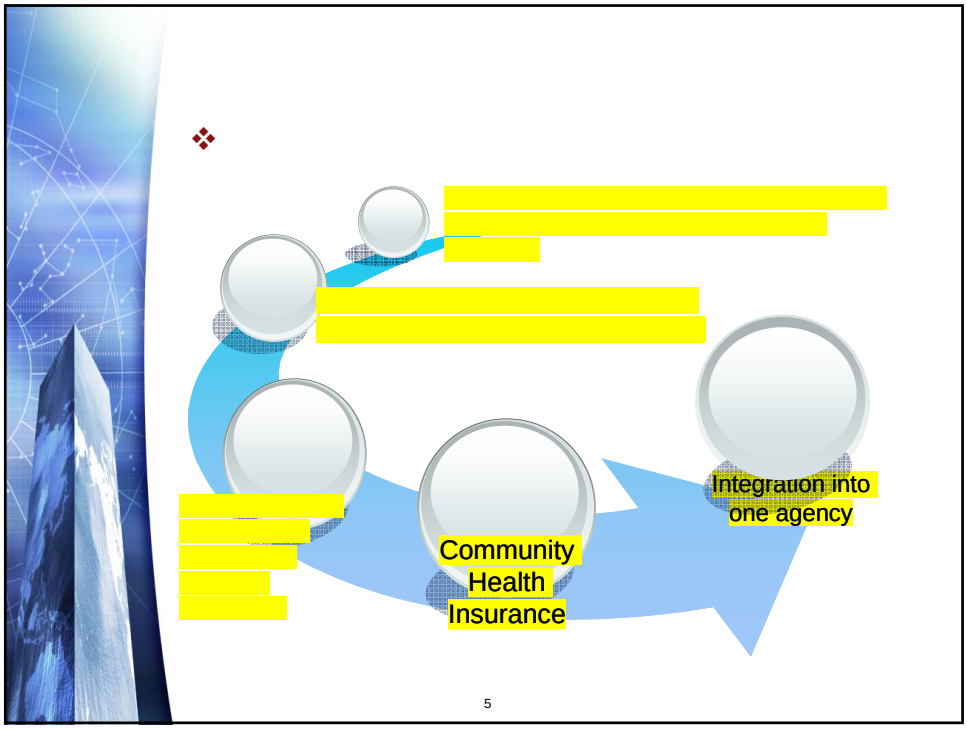
- The legal basis for national health insurance:
  - Constitution of the Republic of Indonesia Year 1945;
  - Law No. 40 of 2004 on National Social Security System;
  - Law No. 24 of 2011 concerning Social Security Agency
- Operational regulations:
  - Government regulation, the presidential decree, Ministerial Decree, regulation of directors, and others.

- Principles of NHI or JKN

Social Insurance

-
-
-
-

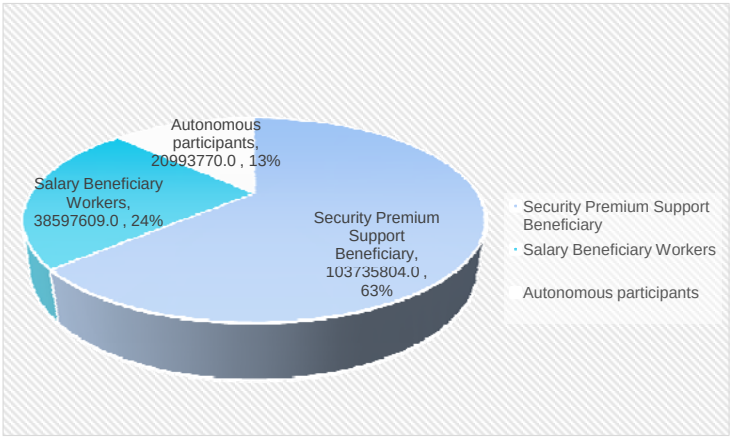
Equity



1947	N/A
1968	the Agency for Health Care Fund Administration
1984	Husada Bhakti Public Company
1992	the Health Insurance Corporation (PT Askes – for Civil Servants) - formed in lieu of Husada Bhakti
	PT ASABRI – for National Army and Police members
	PT TASPEN – for pensioners
	PT Jamsostek – for labors
2011	Establish the Social Security Agency (BPJS) BPJS-Kesehatan (for health insurance) BPJS-Ketenagakerjaan (For labor insurance)
2014	Integration to one agency

	4.843.860.611.000,00	4.843.860.611.000,00	72.049.380
	6.348.595.942.000,00	6.344.053.033.000,00	76.409.731
	7.189.600.000.000,00	7.121.800.402.000,00	76.409.731
	8.098.800.000.000,00	8.098.147.680.000,00	86.400.000
	19.932.480.000.000,00	19.932.480.000.000,00	86.400.000
	20.355.080.000.000,00	19.884.364.285.200,00	88.231.816

Sources: BPK's Performance Audit Report and Performance Accountability Report – Center of Health Funding and Insurance – Ministry of Health



- Audit type of NHS
  - Solution-based Recommendations in Performance Audit
- Audit objectives:
  - The implementation of the National Health Security Program at:
    - Social Security Agency of Health
    - Ministry of Health
    - National General Hospital Dr. Cipto Mangunkusumo (RSCM)
    - National General Hospital Fatmawati
    - Cardiovascular Hospital (RSJPD) Harapan Kita
- Audit Period:
  - Fiscal Year 2014 to first half of 2015

- Social Security Agency of Health (BPJS-Kesehatan)
  - Identify constraints of implementation of National Health Security (NHS / JKN) program that may be implicated in not achieving the goal of universal coverage in 2019.
  - Identify and evaluate the implementation of National Health Security (NHS / JKN) program both in terms of planning, execution, and monitoring and evaluation.

- Ministry of Health
  - Identify the obstacles encountered in the implementation of National Health Security (NHS / JKN) Program that may have implications for not achieving the target of poverty reduction in the RPJMN 2010-2014.
  - Identify constraints and evaluate the implementation of National Health Security (NHS / JKN) program both in terms of planning, implementation, and monitoring and evaluation.

- National General Hospital Dr. Cipto Mangunkusumo (RSCM)
  - to assess the effectiveness of services at Integrated Inpatient Unit Building A and the Integrated Outpatient Unit on the RSCM as a health facility in support of the successful of NHS program
- National General Hospital Fatmawati (Fatmawati Hospital)
  - to assess the effectiveness of services at the Outpatient Unit and Inpatient Unit at Building C on Fatmawati Hospital.

- Cardiovascular Hospital (RSJPD) Harapan Kita
  - to assess the effectiveness of health care in RSJPD Harapan Kita as a provider of advanced healthcare facilities in supporting the successful implementation of the National Health Security program.

- Social Security Agency of Health (BPJS-Kesehatan)
  - The implementation of program has significant impact on health insurance in order to eradicate poverty.
  - Agency has increased the number of significant participation in the achievement of universal coverage at the beginning of 2019.
  - To facilitate contributions or dues, the participant has been provided an online payment system that integrates with payment vendors.
  - The audit results showed the implementation of the National Health Security program by Agency not been fully effective because there are many obstacles that may hamper the achievement of universal coverage in 2019.

- Ministry of Health
  - The success that has been achieved, among others, the Ministry of Health has set rules in the form of standards or technical guidelines on implementation of National Health Security program for related parties, and establish centers of referral in the Roadmap of Health Facility Supply Side 2015-2019.
  - The audit results showed the policy of the Ministry of Health in the implementation of National Health Security Program have not been entirely effective to provide optimal health care to the participants of the Health Security.

- National General Hospital Dr. Cipto Mangunkusumo (RSCM)
  - The implementation of National Health Security program at RSCM particularly in Integrated Inpatient Unit at Building A and Integrated Outpatient Unit has not been fully effective in providing optimal health care to participants of National Health Security.

- The implementation of National Health Security program at Fatmawati Hospital especially Outpatient Unit and Inpatient Unit has not fully effective on providing the optimal health care to NHS participants.

- Health services provided by RSJPD Harapan Kita to support the implementation of the NHS program years 2014-2015 have not been entirely effective.

	Establishing the goals or target of performance indicators and performance evaluation process of BPJS-Kesehatan units have been not measurable clearly and sufficiently
	The goals or targets of performance indicators and performance evaluation process cannot be measured adequately
	Develop guidelines for calculation and establishment and evaluation of goals or targets of performance indicator targets to be achieved in the Annual Work Plan Budget.

Note: BPJS-Kesehatan is “the in Bahasa

	BPJS-Kesehatan was not optimal in the socialization and coordination with the relevant authorities regarding the cases of occupational accidents or traffic accidents
	Participants of National Health Security were not getting adequate health services regarding payment guarantor clarity when getting work accidents or traffic accidents
	Improving coordination regularly as outlined in the joint circular between Social Security Agency of Health, Social Security Agency of Labors, and Accident Insurance Provider (PT Jasa Raharja) regarding the assurance procedures of workplace accidents and traffic accidents.

	The Ministry of Health has not been optimal to prepare the action plan in implementing the NHS Program 2012-2019 that predetermined between agencies or departments
	The delivery of health services to participants of NHS not optimal
	Enhance the role and tasks of the Ministry of Health as stated in the Roadmap of NHS Program and create mechanisms that enable MoH know the real condition of human resources, health facilities and infrastructure on first level health facility (FKTP) and advanced level health facility (FKTL) for optimizing the implementation of the NHS Program

	Study of the determination of the PBI dues amounts have not been implemented adequately
	The Ministry of Health has not received PBI dues on ideal value for NHS Program
	Optimize the coordination with the relevant authorities in determining the reasonableness of the amount of the Health Security Premium Support Beneficiary (PBI) budget.

Note: PBI = Penerima Bantuan Iuran ("Health Security Premium Support Beneficiary" in Bahasa)

	Planning and monitoring mechanism of drug availability through e-catalogs to support JKN program is not adequate, so there has been no guarantee of the availability of drugs in accordance with national formulary to health facilities for medical services to participants of NHS program
	Health providers are still experiencing difficulties in the supply of drugs, so participants of NHS program should pay additional costs.
	Enhance the mechanisms for planning and monitoring the provision of drugs to ensure availability of medicines at health facilities through the e-catalog.

	Implementation referral program as a form of NHS implementation support, both from the tiered referral system and refer back programs in RSCM, is not optimal.
	The referral program set by the government have not been fully effective
	Develop a referral management system is a complete, detailed and applicable as guidelines for the implementation of health care.

	Management of pharmaceutical inventory needed to support NHS patient care from BPJS-Kesehatan participants inadequate.
	A vacancy of the drug occurred in some service units of RSCM that affect NHS patient care from BPJS-Kesehatan participants
	Order head of service unit in preparing the planning proposals to meet the needs of pharmaceutical inventory based on the actual need.

	Verification, administration and claim settlement process of NHS patients from participants BPJS-Kesehatan have not timely and appropriate amount.
	Need additional procedures in the control of revenue, due to differences in the value of income received with revenue receipt
	Establish SOP for filing a claim that regulate the flow and length of time needed for each stage of the process of filing a claim, and establish SOP for failed or pending claim.

	Fatmawati have no SOP for monitoring and evaluation of the implementation of the NHS program
	There is no basis for stakeholders to see the extent to which the success of the program
	Develop the policy regarding result reports of monitoring and evaluation of NHS program implementation in line with the establishment of NHS Program evaluation or antifraud team of Fatmawati Hospital

	Waiting time of service does not meet the technical policy
	This resulted in delays in the implementation of services to patients, particularly in patients of NHS
	Using the results of evaluation of the presence of the doctor according visit service hours and schedule as a clinic physician performance assessment.

	RSJPD had have no fully the infrastructure and sufficient resources to support patient care and support successful NHS program
	Improvement of the quality of medical care to patients with the use of medical personnel and nurses were not quite optimal
	Develop human resources needs of RSJPD Harapan Kita based valid workload analysis, and immediately recruit human resources to meet the needs of human resources for improving the health services, increase or optimize the existing space to reduce the patient line and add or repair the medical equipment or devices damaged for optimizing the health service.

	RSJPD have not fully implemented the claims procedure in accordance with the provisions of, among others, has not filed a claim in a timely manner.
	This resulted in pending claims RSJPD disrupt cash flow and influence the delivery of services to patients.
	Design a standard operating procedure in order to follow up the claims that are returned by BPJS-Kesehatan


Thank You !

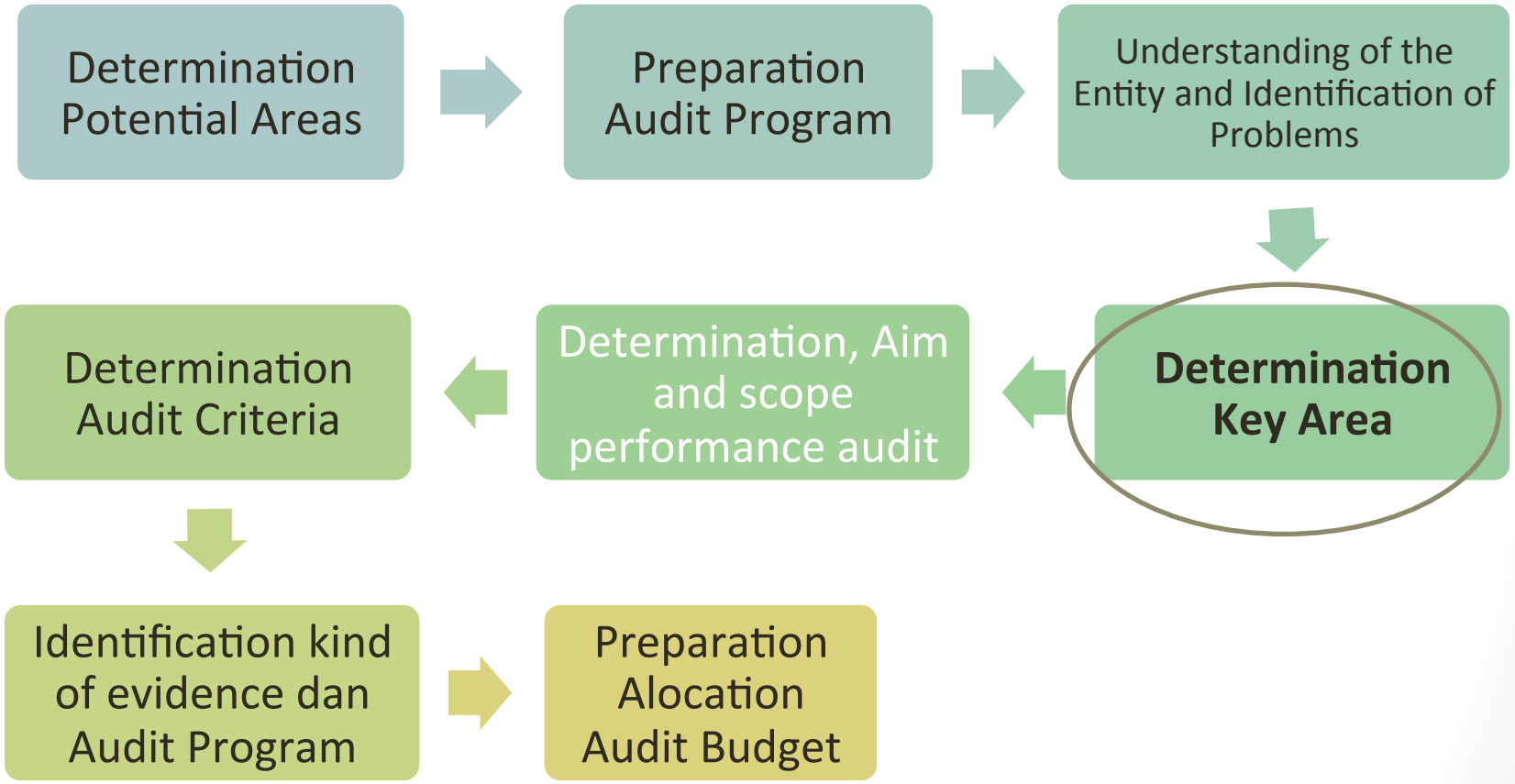
Technique/Audit Procedures of National Social Security System (Health) in Indonesia

By Andi Wira Alamsyah

Bandar Seri Begawan, Brunei Darussalam

3 August 2016

Planning of Perfromance Audit



Key Area Concept

Area, division, program, or activity which becomes the auditing focus on the audited entity.

Aim of Key Area Determination

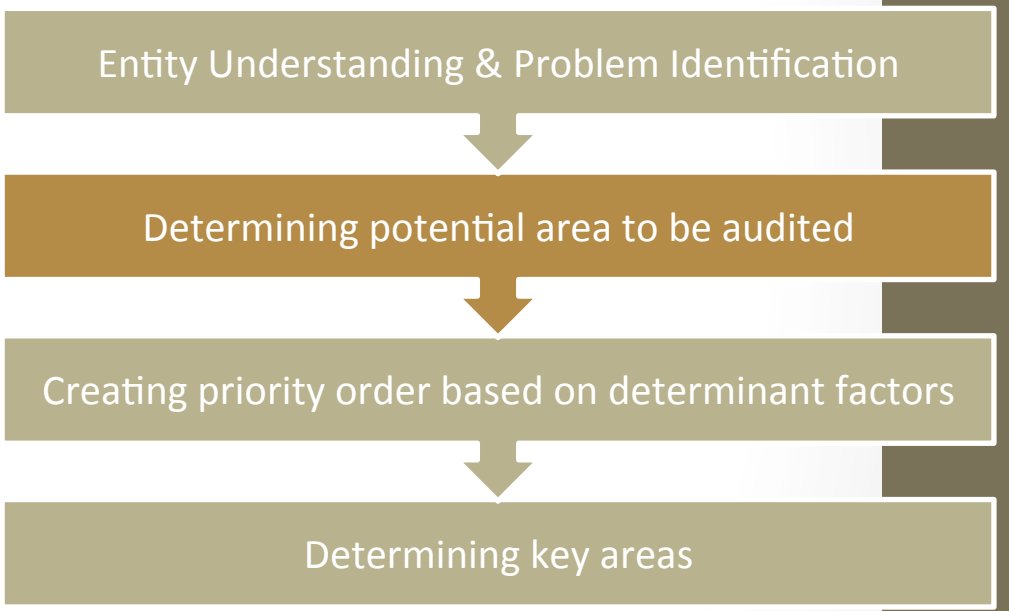
In order to make the auditing implementation to be focused more on the purpose of audit, so that the auditing resources can be utilized more efficiently and more effectively.

Steps in Determining Key Area

- Determining potential areas to be audited
- Creating the order of priority on some areas which have been determined based on determination factors.
- Determining key area based on the order of priority and availability of auditing resources.

1. Determining Potential Areas

Based on all information obtained from other activity from previous step (Entity understanding and problem identification), some potential areas can be identified.



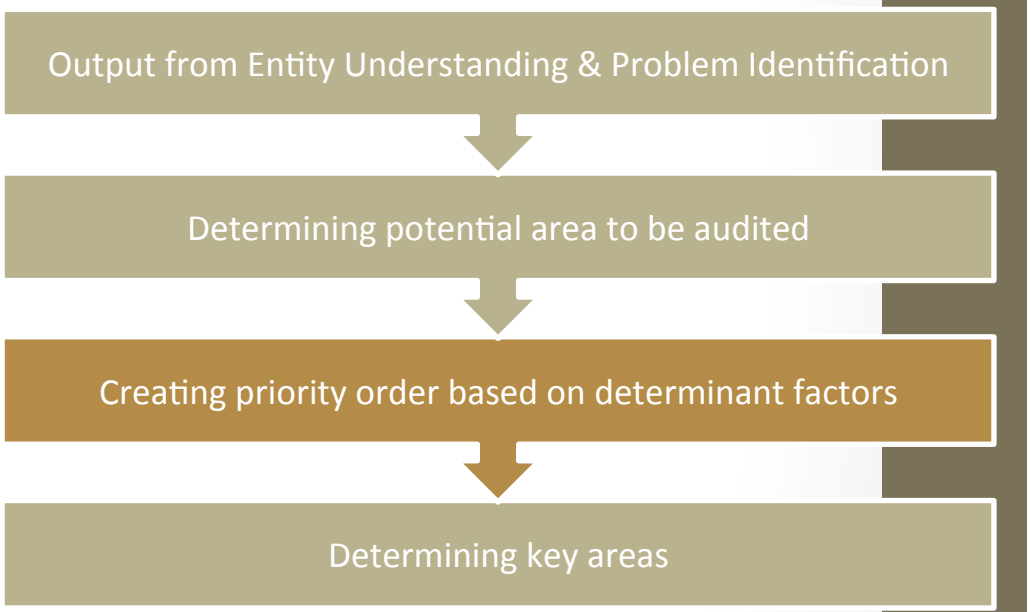
Template of Auditing Worksheet Determination of Potential Areas

Main Problem	Potential Area

2. Creating Priority Order for Potential Areas

Setting priority order on the key areas based on determinant factors:

(1) Risk of management, (2) significancy, (3) impact of audit, and (4) auditability



Risk of Management (1)

- Risk assessment on the performance audit is risk born by management related to economical, efficiency, and effectiveness aspect.
- Factors to be used to assess possibility of the occurance of management risk, includes:
  - Significant budget under/over spending
  - High employee turnover rate
  - No reaction from management related to defficiency found during audit
  - Sudden policy change
  - Overlapping, unclear, or confusing Accountability Relationship.

Risk of Management (2)

- The higher management risk on one area, the higher the priority given to that area.

Template of Audit Worksheet for Management Risk Assessment

Item \ Potential Area	Potential Area I	Potential Area II	Potential Area III
High employee turnover rate			
Overlapping, unclear, or confusing Accountability Relationship			
Sudden policy change			
Average score for "Management Risk"			

Significancy

- Significancy depends on whether one activity in an area of audit has a comparatively big influence on other activity in audit object as a whole.
- Some aspects that can be considered in asessing significancy is financial **materiality**, **critical limit**, **success**, and **visibility**.

Significancy: Financial Materiality

- This factor is based on the assessment of entity's total wealth, annual spending, and/or annual income in the audited area.
- The more material of an area, the higher the priority given to such area.

Significancy: Success Critical Limit

The importance of one area in determining the success of an entity.

Significancy: Visibility

External impact of potential area:

- Social, Economical, and Environmental Aspects
- Importance of such activity to government or society's program

Template of Audit Worksheet for Significancy Assessment

Item / Potential Area	Potential Area I	Potential Area II	Potential Area III
Financial Materiality			
Success Critical Limit			
Visibility			
Average score of "Significancy"			

Impact of Audit

The impact of audit is additional value expected from audit, which is a change and development that may improve '3E' from the audited area. The added-value created from audit is important in determining detail key area to be audited.

"Will the audit create changes?"

Template of Worksheet The Impact of Audit

Item / Potential Area	Potential Area I	Potential Area II	Potential Area III
Improvement of Service Quality			
Improvement of planning			
Improvement of control			
Average score for "audit impact"			

Auditability

- Auditability is related to auditor ability in conducting audit.
- Various condition on entity and auditor can lead to auditor deciding not to conduct audit in certain area, despite its significance.

Consideration Factors on Auditability

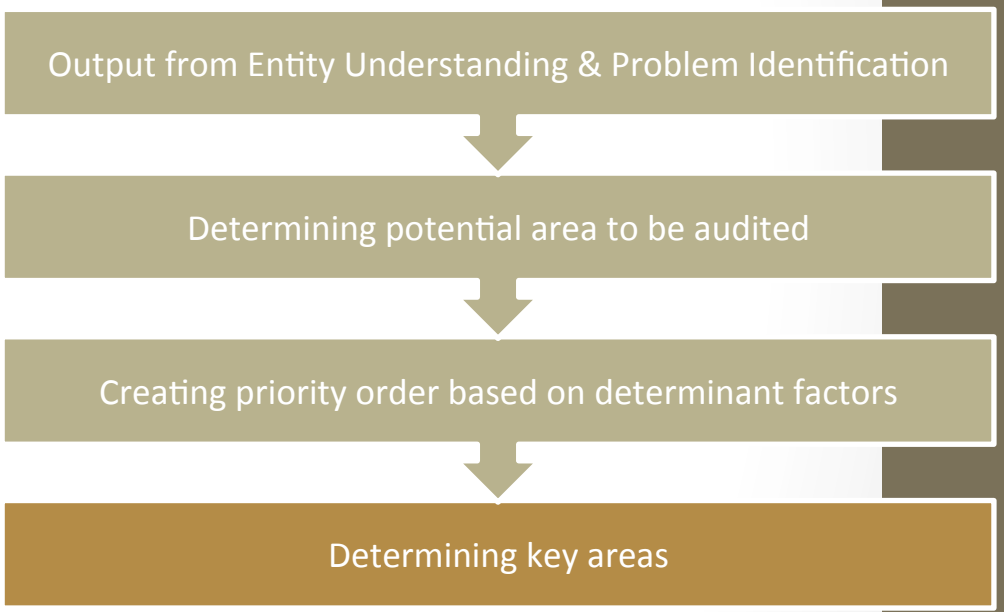
- Auditor does not have sufficient competency to conduct audit;
- Activity which is not feasible to be audited, such as activity related to state secrecy;
- Such area is in the process of significant change;
- Location of field work is not reachable;
- Availability and access of data which will be needed as audit evidence.

Template of Audit Worksheet for Auditability

Potential Area / Item	Potential Area I	Potential Area II	Potential Area III
Personnel: • Skill/Expertise of Personnel • Number of personnel • etc			
Time availablity for audit			
Significant changes on entity			
Audit Location			
Average score for "Auditability"			

Determining Key Area

Based on the order of potential area's priority, auditor determine key areas as the audit focus.



Template of Audit Worksheet Key Area Determination

Potential Area	Determinant Factors				Total Socre	Order of Priority	Conclusion Chosen/ No
	Management Risk	Significancy	Audit Impact	Auditability			
Potential Area I							
Potential Area II							
Potential Area III							

COMMON PRACTICE: AUDIT SCOPING AND DESIGN

ISSAI 300 - Fundamental Principles of Performance Auditing

Performance Audit Process:

Selection of Topics:

Auditors should select audit topics through the SAI's strategic planning process by analysing potential topics and conducting research to identify risks and problems.

Designing the audit:

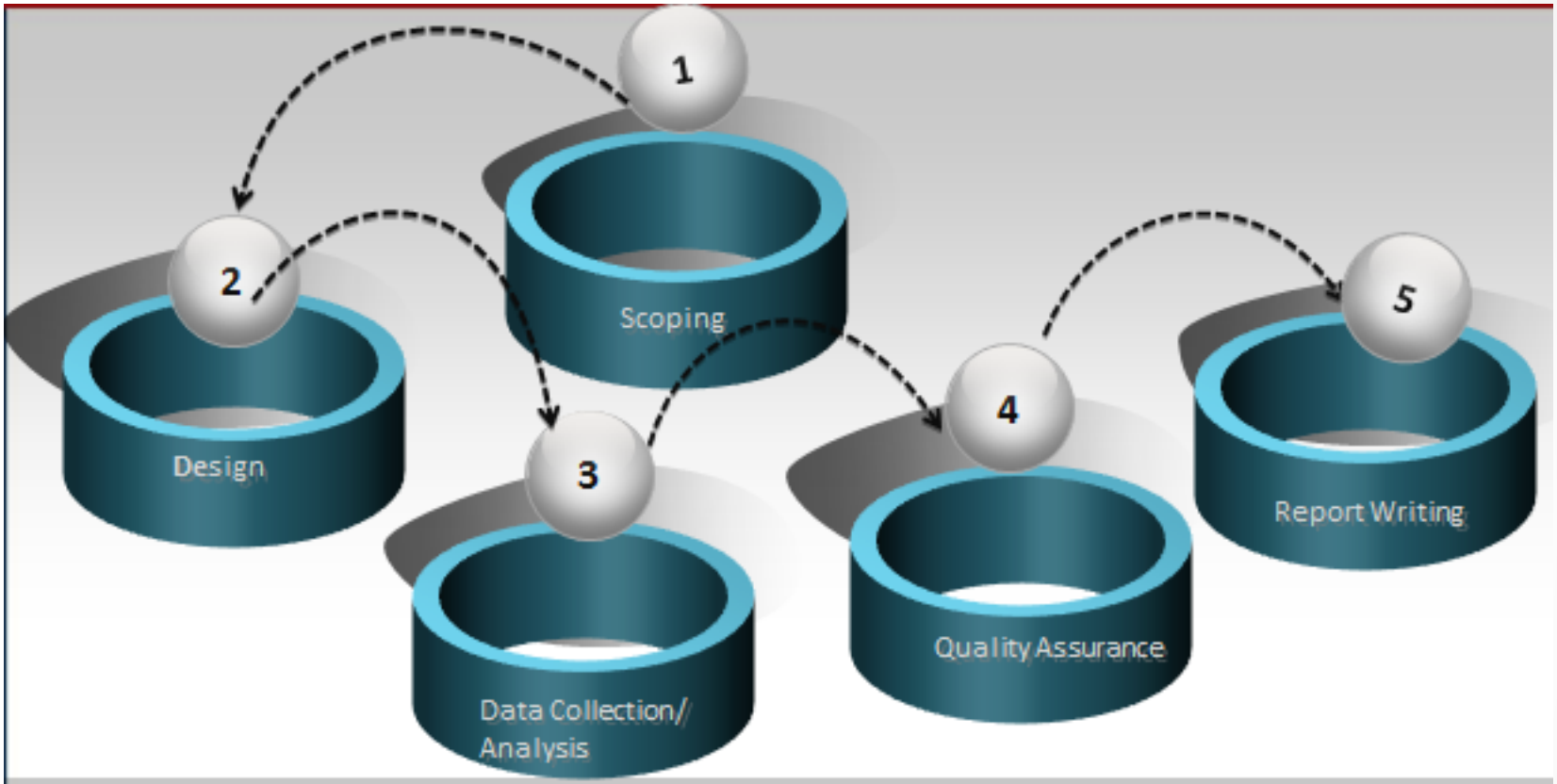
Auditors should plan the audit in a manner that contributes to a high-quality audit that will be carried out in an economical, efficient, effective and timely manner and in accordance with the principles of good project management.

INTOSAI
PA Sub Committee
Selecting PA Topics

Designing Audit

INTOSAI PA Subcommittee

- Focuses on the process of developing audit questions, criteria and design matrix.
- No universally applicable model on how to plan and design performance audits → good practice.



GAO Performance Audit Process

AUDIT SCOPING

- Menentukan isu yang akan diaudit dan pertanyaan riset (*researchable questions*).
- Menentukan tipe audit kinerja (ekonomi/ efisiensi/ efektivitas)
- Mengidentifikasi entitas yang terlibat dalam audit.
- Mengukur kerangka waktu dan sumber daya yang dibutuhkan.
- Mengidentifikasi keterbatasan/kendala audit

AUDIT DESIGN

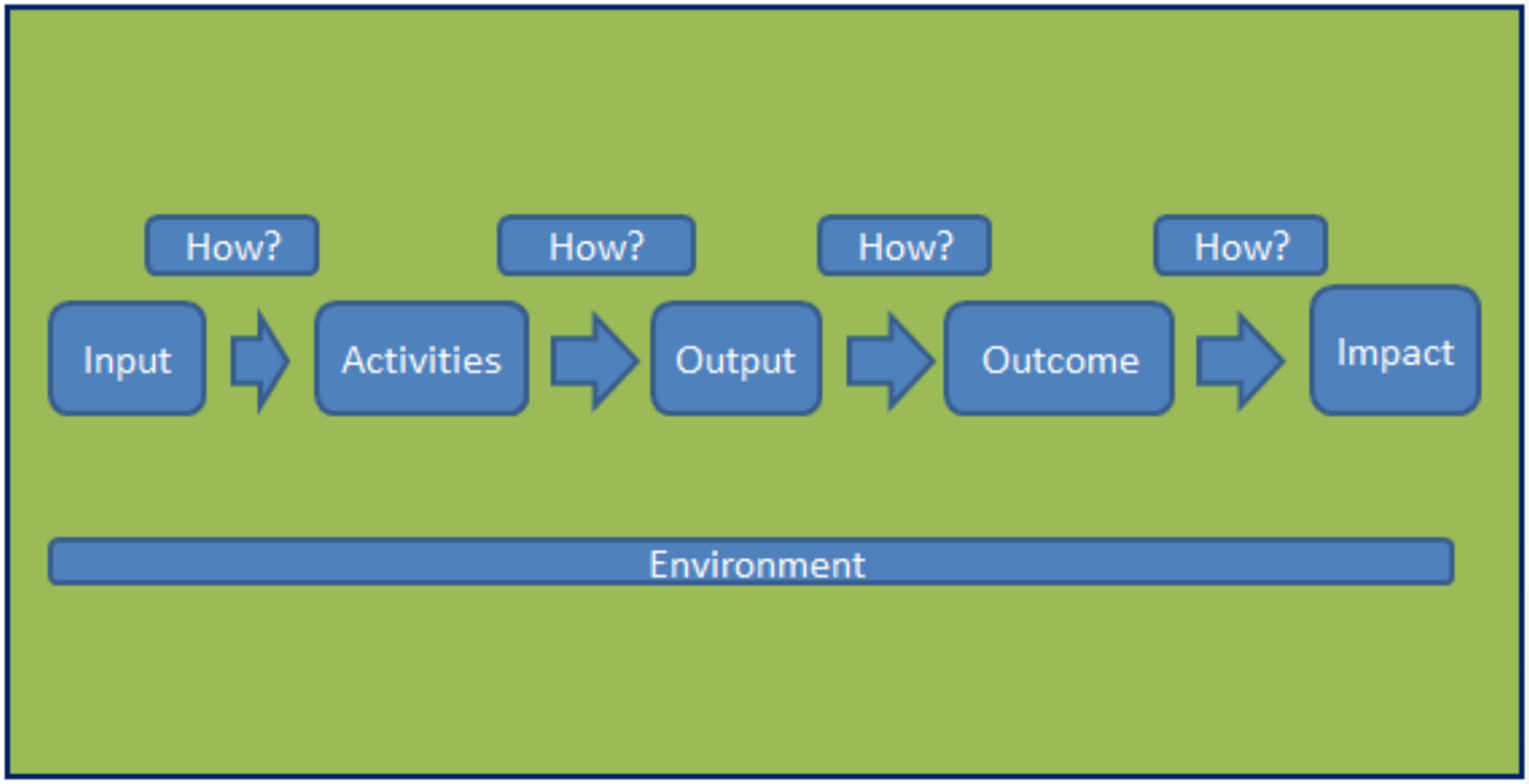
- Audit Design Matrix

Tools for Analysis

- Program Logic Model
- Problem Map/Problem Tree
- Fishbone Diagram
- Audit Questions Pyramid
- Good Management Model/Better Management Practice
- Audit Design Matrix

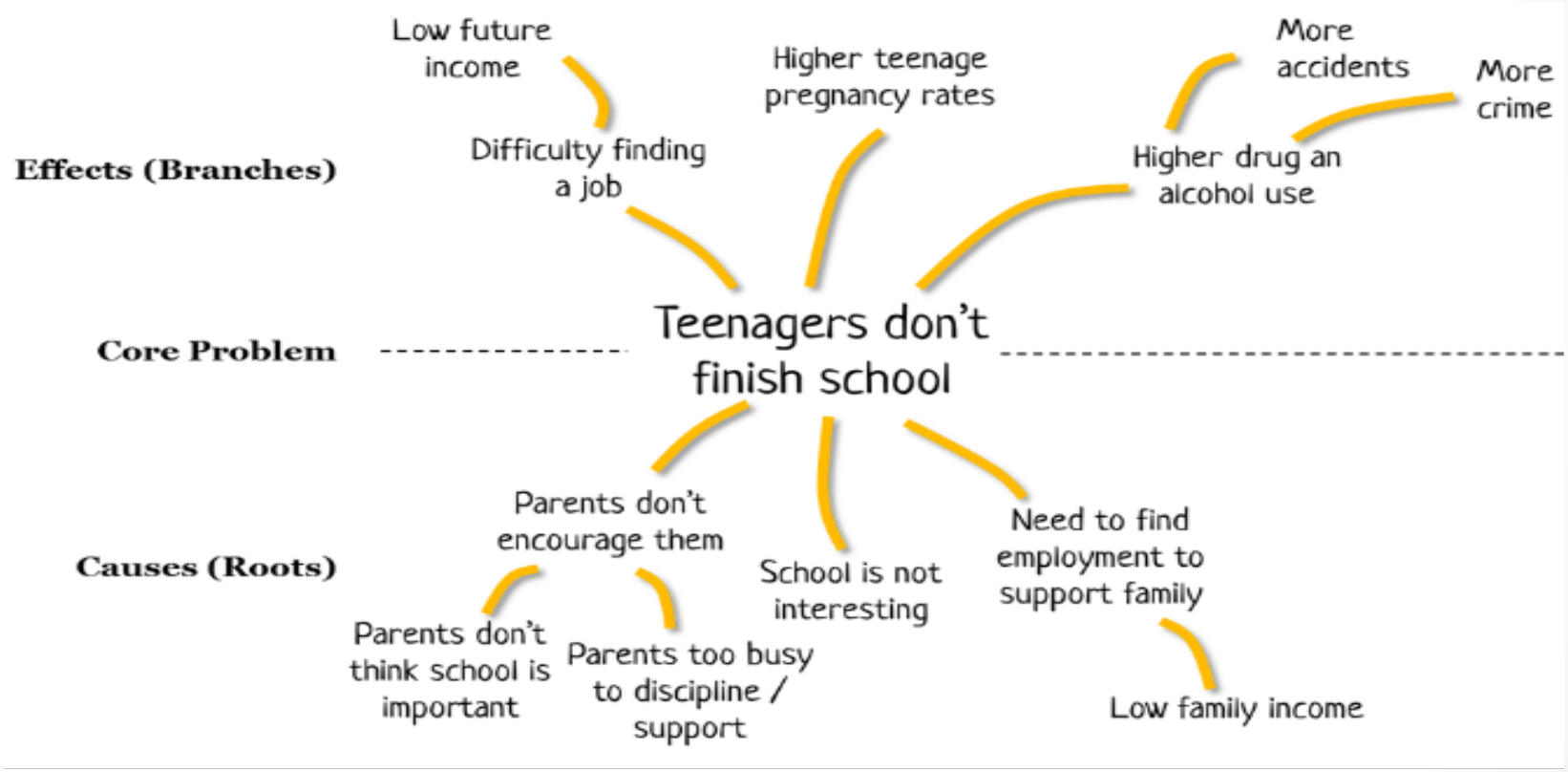
PROGRAM LOGIC MODEL

Flow map of a program

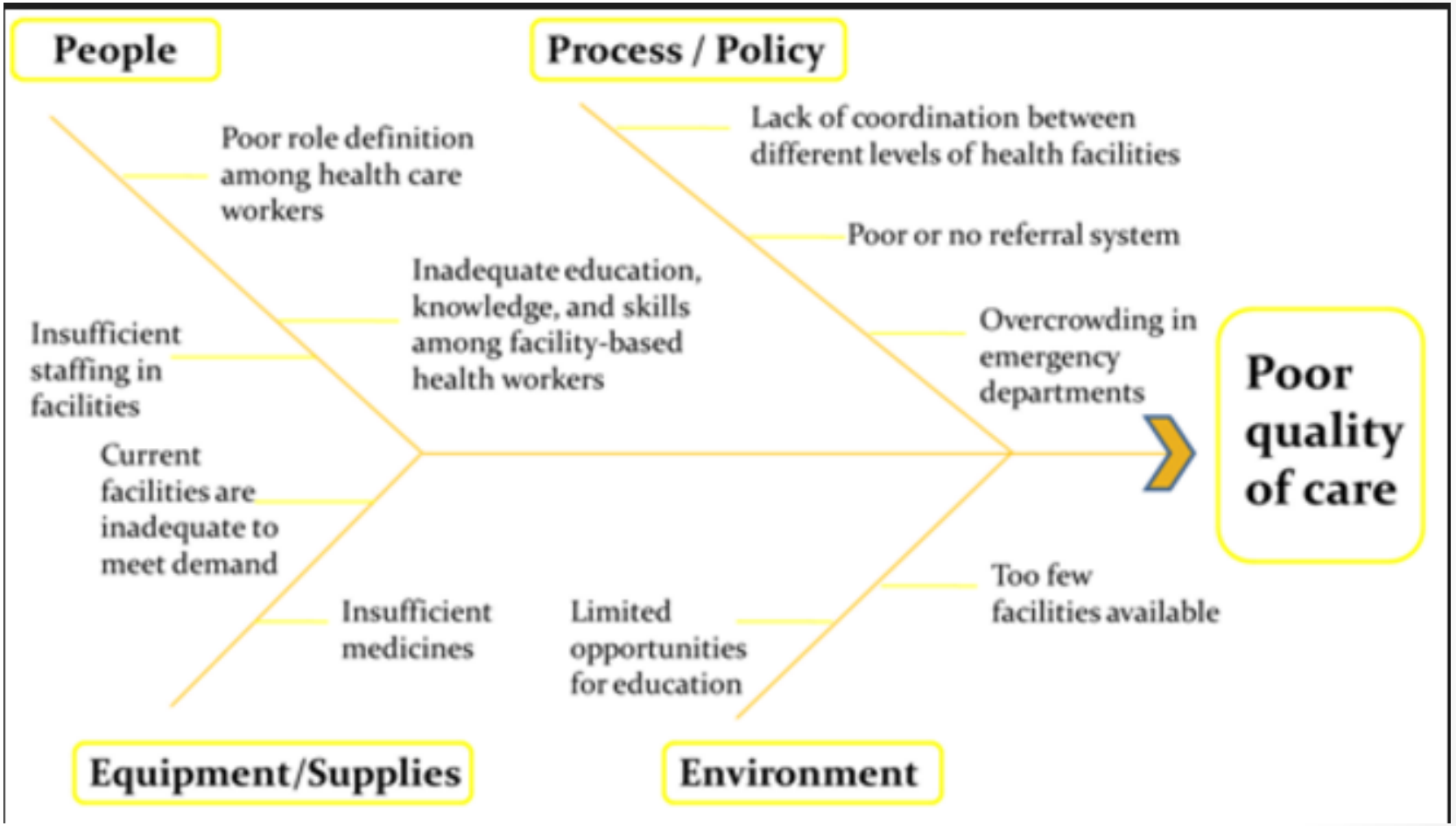


PROBLEM TREE

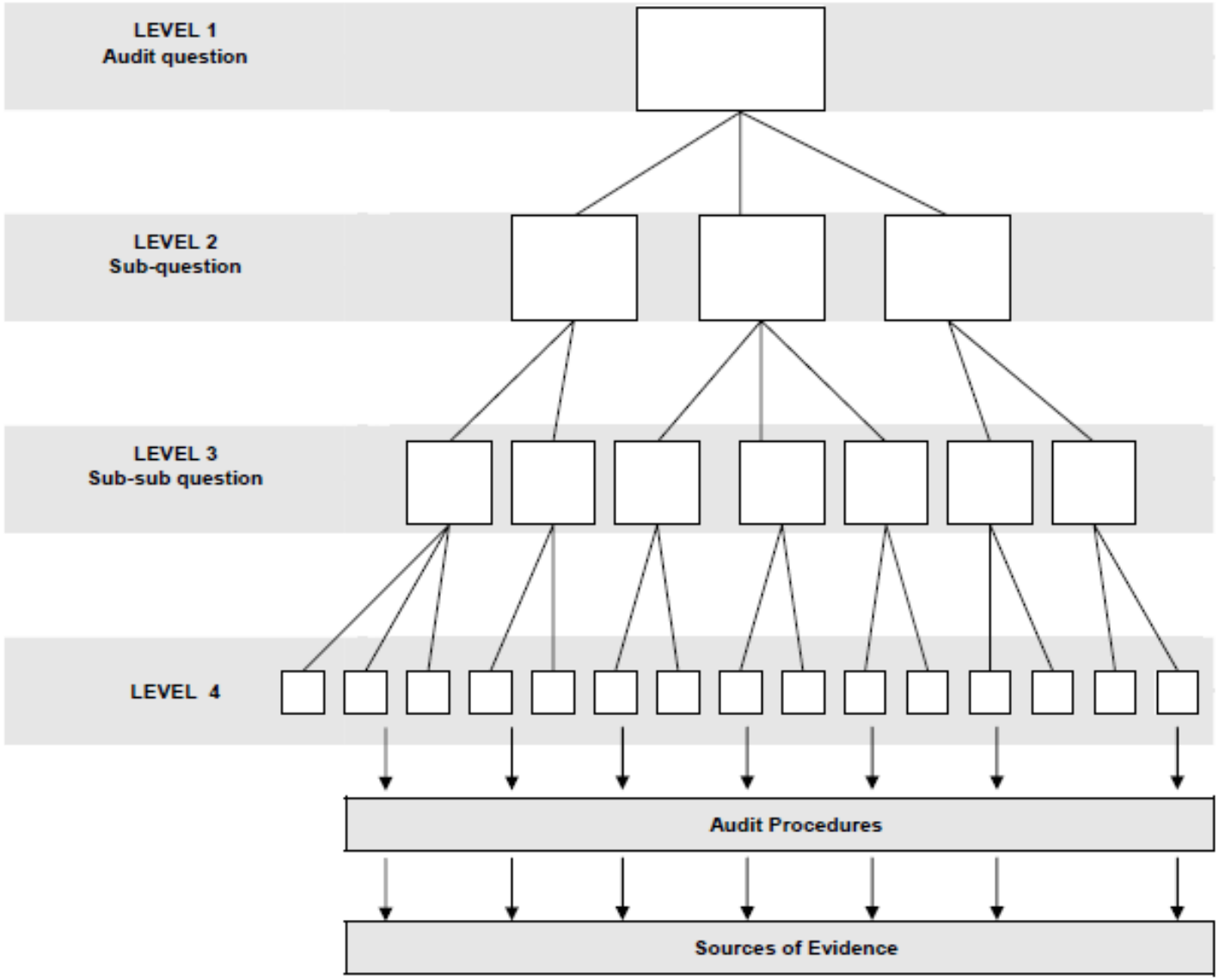
Outlining the main problem into sub-problems or factors cause



FISHBONE DIAGRAM



Audit Questions Pyramid



Audit Questions Pyramid

Level 1: Audit question	Is the Commission managing the devolution process successfully?	
Level 2	**Level 3**	**Level 4**
1. Have delegations been well prepared for devolved management?	1.1 Were needs in delegations properly assessed in preparing for devolution?	1.1.1 Clear definition of the functions to be carried out by devolved delegations? 1.1.2 Definition of the functions consistent with the underlying principle? 1.1.3 Definition clearly communicated to, and understood by, staff? 1.1.4 Analysis of existing resources in delegations prior to devolution? 1.1.5 Clear assessment of the resources needed to meet the future activities and aims of delegations after the devolution?
	1.2 Were needs in delegations properly addressed in implementing devolution?	1.2.1 Needs of delegations addressed successfully, on time and within budget? 1.2.2 Did the Commission clearly address the question of whether needs (in staffing, training, guidance, premises, IT) had been addressed? 1.2.3 Were difficulties encountered in addressing needs, and were the problems overcome?
2 Have central services been well prepared for devolved management?	2.1 Were Head Quarter (HQ) needs properly assessed in preparing for devolution?	2.1.1 Was there a clear definition of the key monitoring and support functions of HQ? 2.1.2 Was the definition consistent with the underlying principle? 2.1.3 Was this clearly communicated to, and understood by, staff in HQ and delegations? 2.1.4 Was there a clear analysis of existing resources at HQ? 2.1.5 Was there a clear assessment of the resources needed to meet the future activities and aims of HQ after the devolutions?
	2.2 Were HQ needs properly addressed in implementing devolution?	2.2.1 Were the needs of HQ addressed successfully, on time and within budget? 2.2.2 Did the Commission clearly address the question of whether needs had been addressed prior to devolution? 2.2.3 Were difficulties encountered in addressing needs, and were problems overcome?

GMM/BMP


1.Do the examined organisations develop their human capacity effectively?
2.1 Do they make informed plans?
2.2 Do they implement their plans effectively?
2.3 Do they evaluate whether their actions are effective?
2.1.1 Do systems provide reliable information?
2.1.2 Do they identify their future HR needs?
2.1.3 Is training planned to fill the skills gap?
2.2.1 Do they provide adequate learning environment?
2.2.2 Do theyimplement planned career development measures?
2.3.1 Do they review the effectiveness of training?
2.3.2 Do they review the effectiveness of career development?

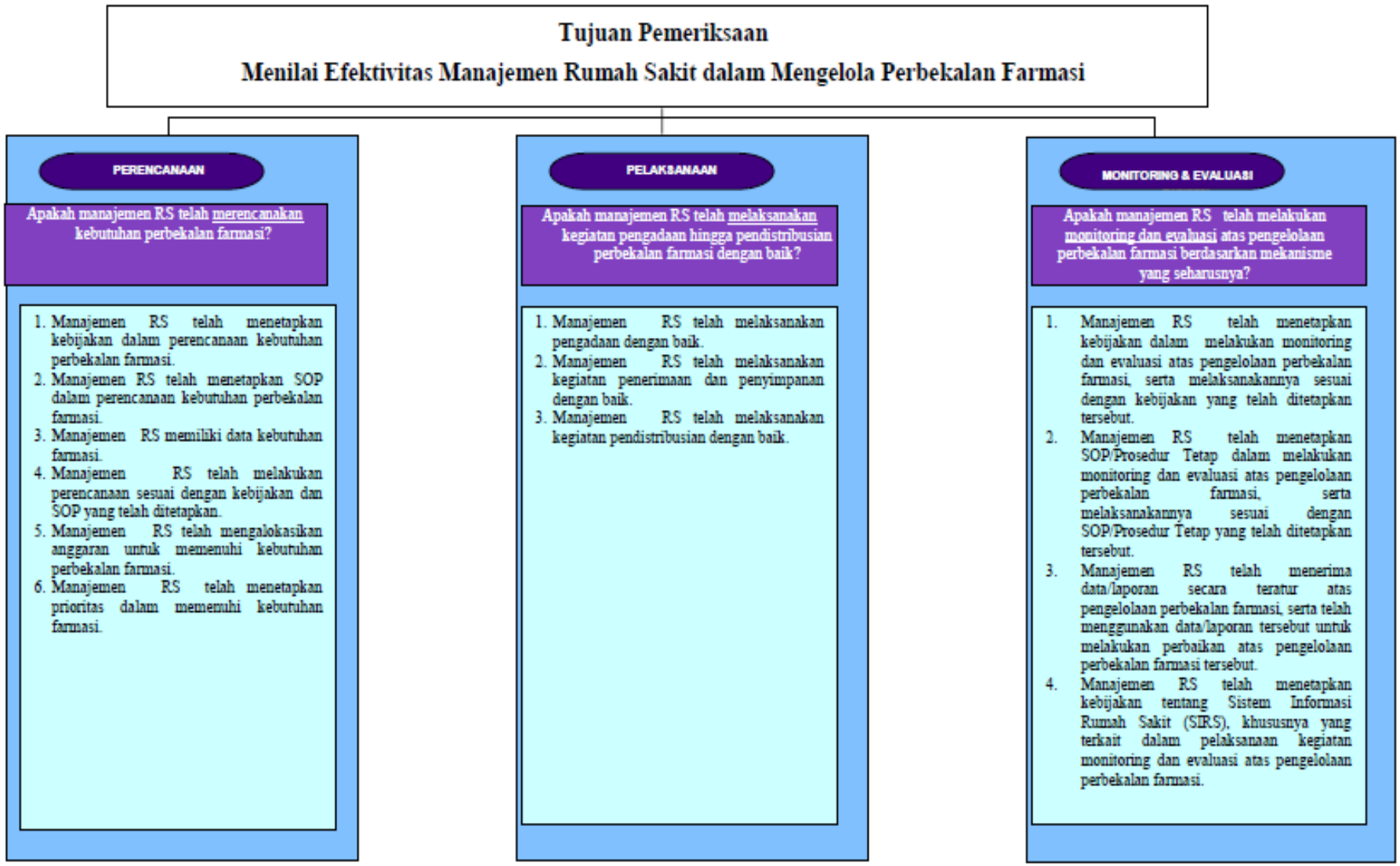
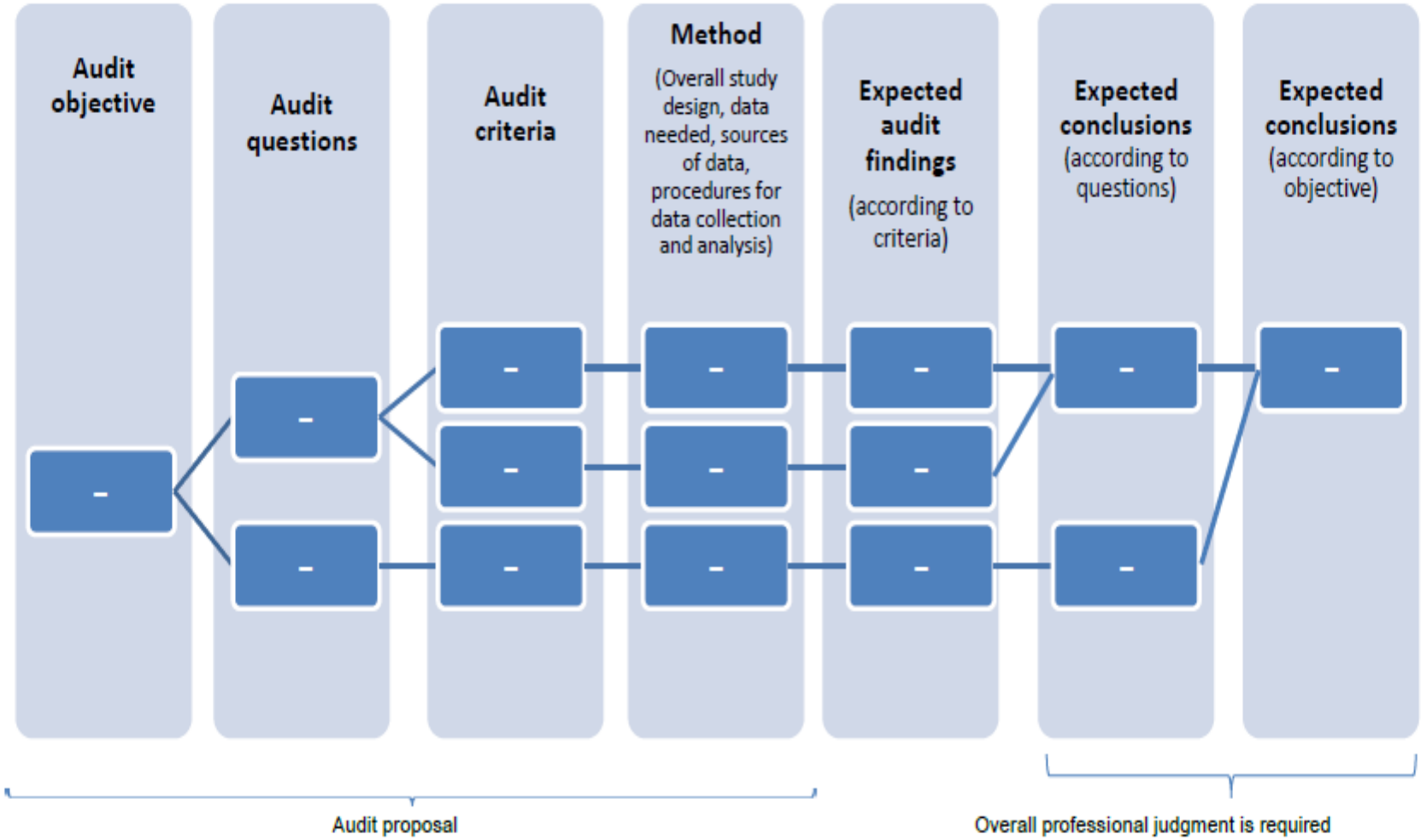

Tujuan Pemeriksaan
Menilai Efektivitas Manajemen Rumah Sakit dalam Mengelola Perbekalan Farmasi
PERENCANAAN
Apakah manajemen RS telah merencanakan kebutuhan perbekalan farmasi?
1. Manajemen RS telah menetapkan kebijakan dalam perencanaan kebutuhan perbekalan farmasi.
2. Manajemen RS telah menetapkan SOP dalam perencanaan kebutuhan perbekalan farmasi.
3. Manajemen RS memiliki data kebutuhan farmasi.
4. Manajemen RS telah melakukan perencanaan sesuai dengan kebijakan dan SOP yang telah ditetapkan.
5. Manajemen RS telah mengalokasikan anggaran untuk memenuhi kebutuhan perbekalan farmasi.
6. Manajemen RS telah menetapkan prioritas dalam memenuhi kebutuhan farmasi.
PELAKSANAAN
Apakah manajemen RS telah melaksanakan kegiatan pengadaan hingga pendistribusian perbekalan farmasi dengan baik?
1. Manajemen RS telah melaksanakan pengadaan dengan baik.
2. Manajemen RS telah melaksanakan kegiatan penerimaan dan penyimpanan dengan baik.
3. Manajemen RS telah melaksanakan kegiatan pendistribusian dengan baik.
MONITORING & EVALUASI
Apakah manajemen RS telah melakukan monitoring dan evaluasi atas pengelolaan perbekalan farmasi berdasarkan mekanisme yang seharusnya?
1. Manajemen RS telah menetapkan kebijakan dalam melakukan monitoring dan evaluasi atas pengelolaan perbekalan farmasi, serta melaksanakannya sesuai dengan kebijakan yang telah ditetapkan tersebut.
2. Manajemen RS telah menetapkan SOP/Prosedur Tetap dalam melakukan monitoring dan evaluasi atas pengelolaan perbekalan farmasi, serta melaksanakannya sesuai dengan SOP/Prosedur Tetap yang telah ditetapkan tersebut.
3. Manajemen RS telah menerima data/laporan secara teratur atas pengelolaan perbekalan farmasi, serta telah menggunakan data/laporan tersebut untuk melakukan perbaikan atas pengelolaan perbekalan farmasi tersebut.
4. Manajemen RS telah menetapkan kebijakan tentang Sistem Informasi Rumah Sakit (SIRS), khususnya yang terkait dalam pelaksanaan kegiatan monitoring dan evaluasi atas pengelolaan perbekalan farmasi.

Figure 1: The audit design matrix (an example)



AUDIT DESIGN MATRIX

ISSUE/PROBLEM

Researchable Question(s)	Criteria and Information Required and Source(s)	Scope and Methodology	Limitations	What This Analysis Will Likely Allow You to Say
What question(s) is the team trying to answer? •Ensure each question is specific, objective, neutral, measurable, and doable.	**What information does the team need to address the question? Where will they get it?** •Identify plans to collect documents that establish the "criteria" to be used to evaluate the condition of the issue. •Identify documents or types of information that the team must have.	**How will the team answer each question?** •Describe strategies for collecting the required information or data, such as random sampling, case studies, DCIs, focus groups, questionnaires, use of existing data bases, etc. •Describe the planned scope of each strategy, including the timeframe, locations to visit, and sample sizes.	**What are the engagement's design's limitations and how will it affect the product?** •Cite any limitations as a result of the information required or the scope and methodology, such as: --Questionable data quality and/or reliability. --Inability to access certain types of data or obtain data covering a certain time frame. --Security classification restrictions. --Inability to generalize or extrapolate findings to the universe.	**What are the expected results of the work?** •Draw on preliminary results for illustrative purposes, if helpful. Ensure that the proposed answer addresses the question in column one.

ADM

Objective	Questions/ criteria	Data required	Sources of data	Collection techniques	Analysis techniques
To determine whether the program is administered in compliance with authorities and with due regard to economy.	How accurately does the department assess applications for payments? Compliance criterion is percentage compliance with the Act and Regulations Economy criterion is percentage accuracy in payments Are payments spent by the recipients for the purposes specified in the Act and Regulations?	System weaknesses Number of applications rejected Dollar value of payments made in error Number of applications approved with errors Number of valid applications rejected in error	System description and list of authorities MIS (management information system) Quality control or audit reports, applications or files	Comparison of processing system with authority requirements File review Interviews or questionnaires Data sampling	Flow charting Secondary data analysis Secondary data analysis and content analysis Statistical analysis

THANK YOU

LESSON LEARN FROM REVIEWING OF NATIONAL HEALTH SECURITY AND HEALTH SERVICES IN INDONESIA

Brunei, August 3, 2016

The State of Indonesia

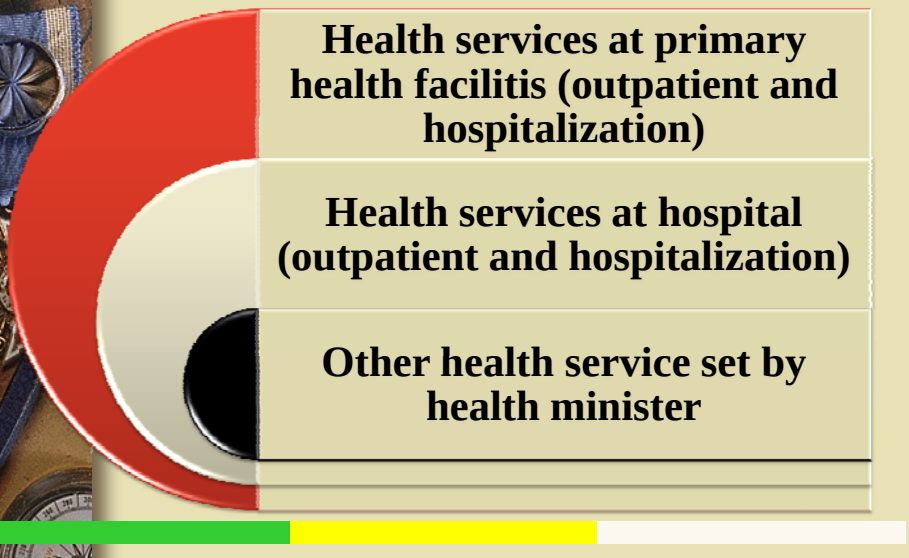
What is Indonesia's National Health Security Program

Agree to

Section 19 verse 2 UU/ regulation No. 40/2004 about National Health Security System.

The purpose of health security to ensure participants get all benefit in maintaining healthy and health security to meet a demand of basic need especially in healthy sector

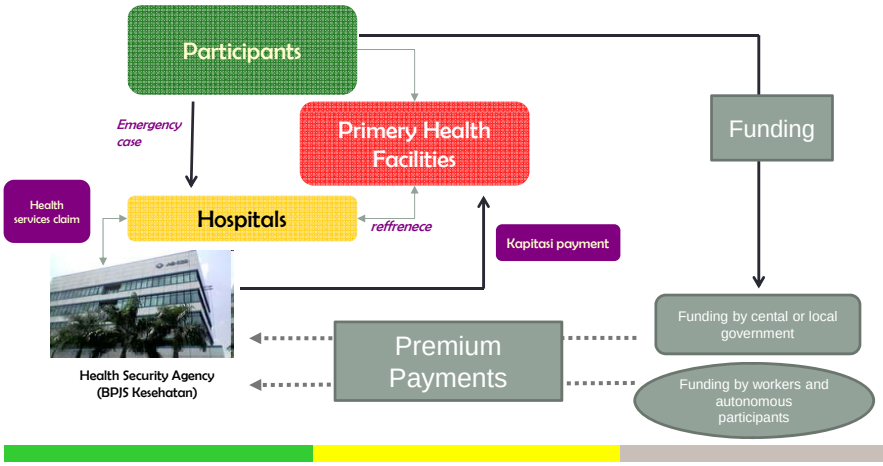
Health Services Secured by Health Security Program



Participants of national health security program

Worker and autonomous participants (Non PBI)	Security beneficiary for poor people (PBI)
Class health care I, II dan III	Class health care III

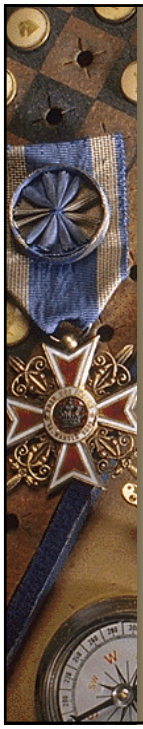
Bussiness Process of National Health Security Program In Indonesia



BACK GROUND OF INDONESIA NATIONAL SECURITY PROGRAM

Why Indonesia needs Universal Health Coverage

Video link



Positive Things from the implementation of National Health Security In Indonesia

1. Indonesian population have extensive access to get health care
2. Illness can make us become poor. The program will help all people from the cost of health services
3. Social protection to ensure that all people in order to meet the basic needs of a decent life

1. ROAD MAP TO UNIVERSAL HEALTH COVERAGE *(UHC)* PARTICIPANTS

All of Indonesia society ± 257,5 million become participants

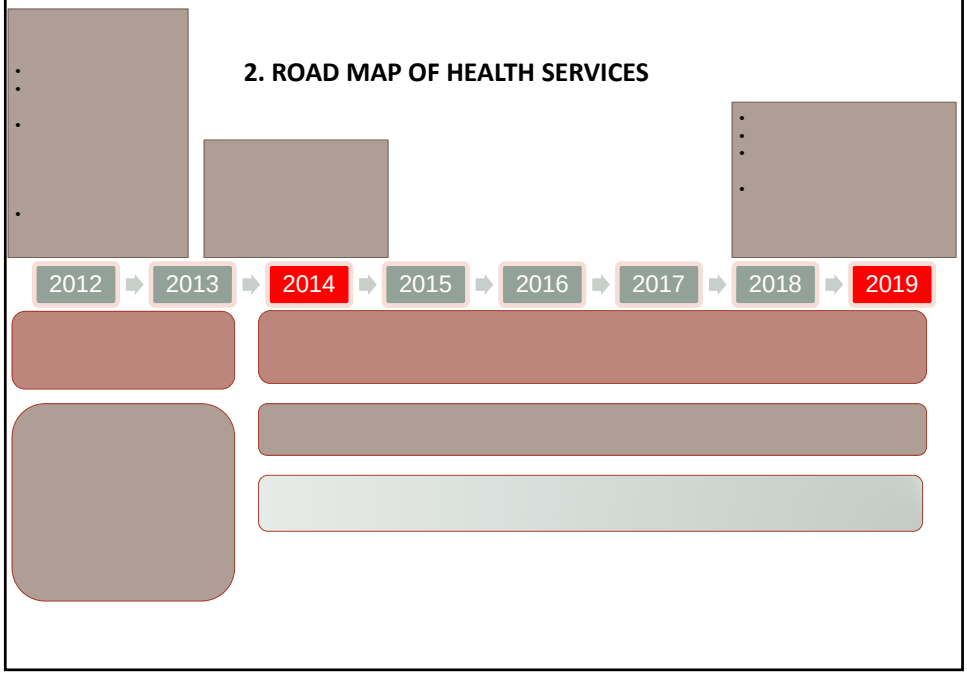
2012 → 2013 → 2014 → 2015 → 2016 → 2017 → 2018 → 2019

Transfer participants from prior health security

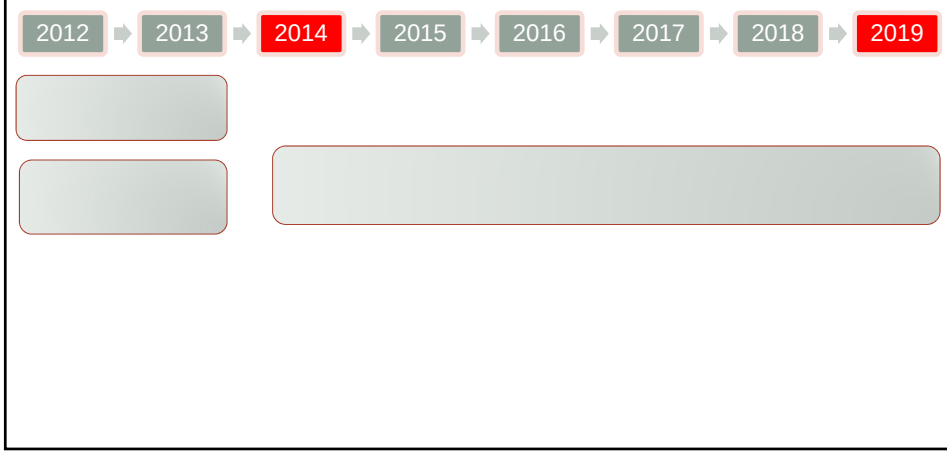
Integration of participants (local government health security program and commercial insurance health) to national health security program

Improvement of participants to all economic of business sector (small/ mciro, medium and large)

2. ROAD MAP OF HEALTH SERVICES



3. ROAD MAP OF FINANCIAL ASPECT



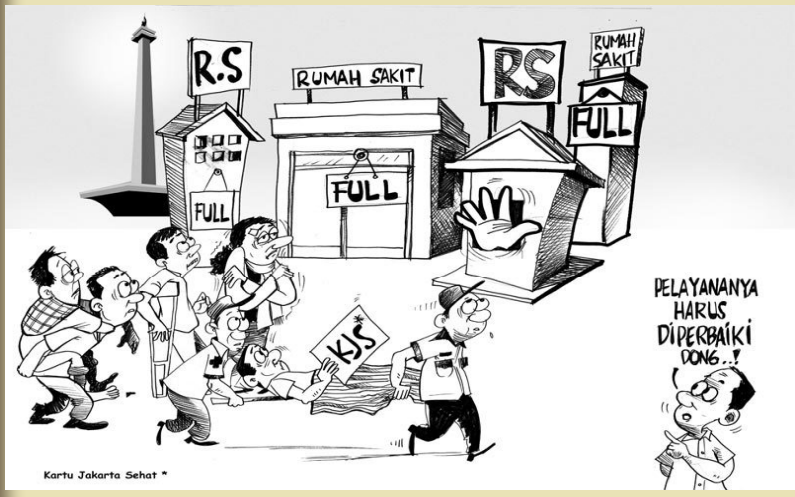
CHALLENGES IMPLEMENTATION OF NATIONAL HEALTH SECURITY PROGRAM IN INDONESIA

QUEUING REGISTRATION IN THE HOSPITAL

QUEUING UP OF HEALTH CARE

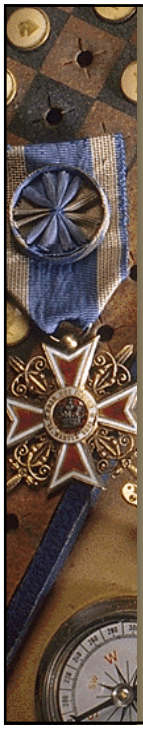
HEALTH CARE SITUATION

HEALTH CARE CONDITION



THE MAIN PROBLEM OF NATIONAL HEALTH SECURITY PROGRAM IN INDONESIA

1. Reimbursement of health care that have been done by health facilities (like hospital or others) to the participant of national health security less than real cost incurred by health facilities. Indonsesia uses INA-CBG's (Indonesia Case Base Groups) to reimburst the incurred cost of health facilities to serve the participants of national health program.
   It causes not all of heatlh facilities participate into the program and amount of health facilities are not comparable with amount of national health participant who should get health care



……Con’d

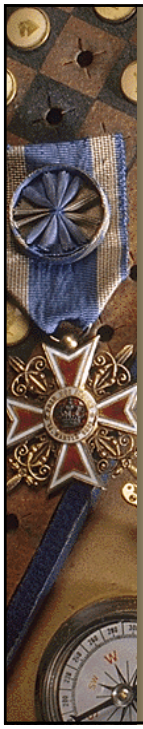
2. Incompletness of medical devices and drugs shortages which are owned by health facilities.

   It causes :

   - Not all patients of national health security program get complete medical treatment and medicine.
   - Some patients must get a referral to another health facilities that have more complete medical devices
   - Some others didn’t get any health service from any health facilities

……Con’d

3. The limited capacity of health facilities to do health care to the participants of national health security program
   - Some patients must get a referral to another health facilities to get health care
   - Some others didn’t get any health service from any health facilities



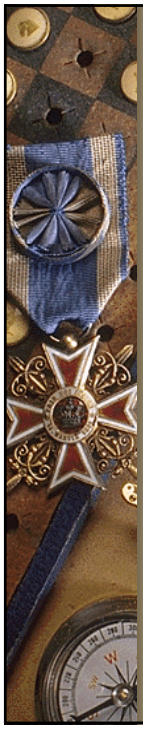
……Con’d

4. Lack of health human resourcing and uneven of health human resources distribution.
   - The participants of national health security program must queue up in a long periode of time to te get health care from health facilities.

5. Low public awareness in maintaining public health

……Con’d

6. Deficit of funding in implementation of the program that organized by national health institution (called BPJS Kesehatan) It is caused by :
   - Insufficient fund that get by national health institution from the participants of national health security program to cover of health care that has been provided by health facilities
   - The participants of the program didn’t make a payment to the national health institution according with the regulation. (1) The participants from the employee didn’t report actual employ income that will be based of amount of payment. (2) The participants from the intrepreneur didn’t make a payment on time/ monthly if they didn’t get health problem

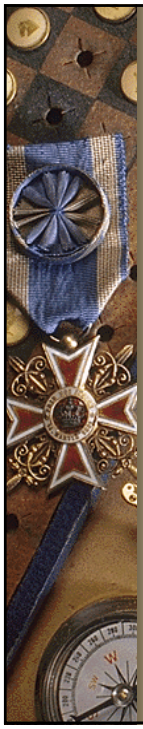


……Con'd

- Limited national budget to cover the deficit of funding that organized by national health institution
- Reluctance of people to join the national health security program. Not all of Indonesian society become the participants of national health security

ALTERNATIVE SOLUTION FOR NATIONAL HEALTH SECURITY PROBLEM

- Increasing the number of health facilities and completing health devices that give service to the participants of national health security program;
- Increasing the percentage budget for health security with priority choices;
- Increasing the developing health facility until remote area in all region;
- Give special treatment, policies and convenience investment for developing medicine/ pharmaceutical factory that that can increasing excellent distribution and affordable price;



Con'd…….

- Increasing the number of health human resources and equalization distribution of health human resources
- Integrated developing health infrastructure that involving intersectoral authority between central government, local government and private sector;
- Seeking fund for organize excellent health coverage with issuing regulation that participants can make on time payment and actual amount of payment that can cover for financing the health security program

THANK YOU FOR YOUR ATTENTION

SHARING EXPERIENCE ON AUDIT OF HEALTH SERVICES BY

NATIONAL AUDIT DEPARMENT OF MALAYSIA

CONTENTS

2

BACKGROUND

MINISTRY OF HEALTH

- Structure
- Financial Allocation
- Programmes/Activities Carried Out

NATIONAL AUDIT DEPARTMENT OF MALAYSIA

- Structure of Health Audit Division

MANDATE

- Federal Constitution
- Audit Act

ANALYSIS OF AUDIT DONE FOR THE LAST 5 YEARS

- 2011
- 2012
- 2013
- 2014
- 2015

Total of 28 performance audits have been carried out involving 18 audits on programmes/activities, 9 audits on construction projects and one audit on ICT

ISSUES AND CHALLENGES

- ISSUES
- CHALLENGES (Audit of SDGs related to Health)

ISSUES AND CHALLENGES

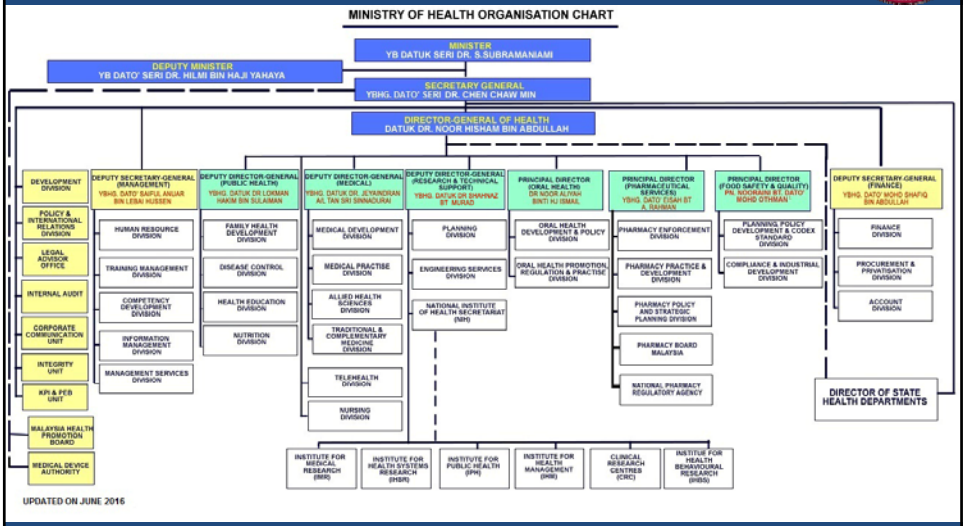
- Availability and Reliability of Data
- SAI's Capacity and Capability
- Qualified Personnel
- Audit of SDGs Related Targets and KPIs

WAY FORWARD

- engage with government agencies and others related parties
- Developing the SDGs Implementation Database
- Incorporation of the audit of SDGs in the Strategic Plan and Annual Audit Plan
- Taking part in the Working Group on SDGs
- Knowledge Sharing Activities
- Capacity Building on the Audit of SDGs
- Mandate and Real Time Performance Audit on SDGs
- Engaging Multi-Discipline Personnel In The Audit

THANK YOU

6758&785(



STRUCTURE (cont.....)

FACILITY	QUANTITY
State Health Department	15
Hospital	145
District Health Office	167
Clinic	934
Institute	12
College	33
Dental Clinics	667
Public Health Laboratory	5

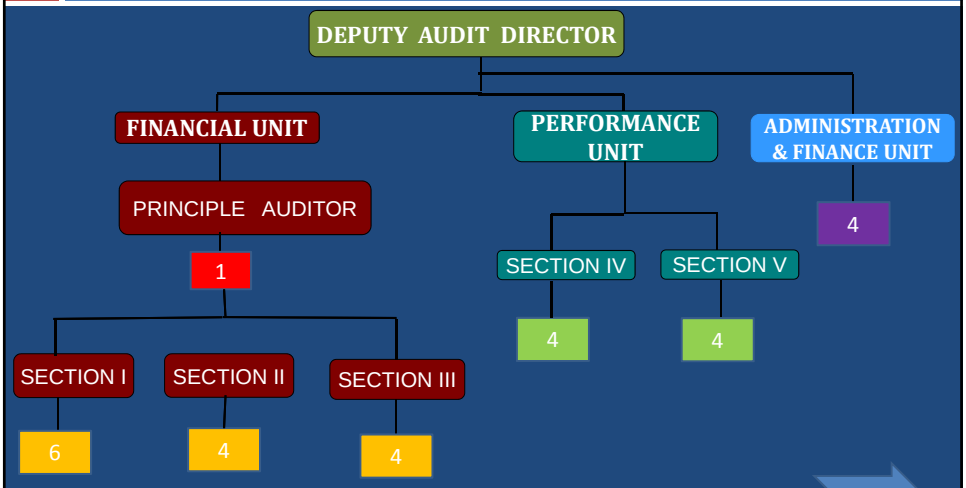
FINANCIAL ALLOCATION

Year	Operating Expenditure		Development Expenditure	
	Original Estimate (RM)	Actual (RM)	Original Estimate (RM)	Actual (RM)
2011	14,302,100,000	14,898,670,107	1,984,455,810	1,957,762,464
2012	15,150,670,410	16,807,971,890	1,872,647,200	1,785,009,672
2013	17,652,956,000	17,652,390,167	1,756,493,520	1,717,742,149
2014	20,498,060,000	20,695,118,556	1,495,320,310	1,389,079,700
2015	21,714,210,000	21,714,209,921	1,350,002,500	1,342,806,523

PROGRAMS/ACTIVITIES

Programs	Activities
Management	i. Management ii. Human Resources iii. Finance iv. Training v. Information Technology And Communication
Public Health	i. Management ii. Family Health Development iii. Disease Control iv. Nutrition
Medical	i. Medical Development ii. Medical Practise iii. Allied Health Sciences iv. Traditional And Complementary Medicine v. Telehealth vi. Nursing
Research and Technical Support	i. Planning ii. Engineering Services iii. National Institute Of Health Secretariat
Oral Health	i. Oral Health Development ii. Oral Health Regulation And Practice
Pharmaceutical Services	i. Pharmacy Enforcement ii. Pharmacy Practice And Development iii. National Pharmaceutical Control Bureau
Food Safety and Quality	i. Planning, Policy Development And Codex Standard ii. Compliance And Industrial Development

HEALTH AUDIT DIVISION



ALYSIS OF AUDIT DONE FOR THE LAST 5 YEARS

YEAR	PROGRAMME/ ACTIVITIES	PROJECTS	ICT
2011	1. Management Of Medical And Non Medical Supplies 2. Registration, Licensing And Enforcement Activity Of Pharmaceutical Product 3. Management Of Hospital Equipment 4. Linen And Laundry Service Management 5. Management Of Flying Doctor Service Programme In The State Of Sarawak	Construction Project Of The Kluang Hospital, Johor	Maintenance Services Of Hospital Information System
2012	1. Management Of Nursing Training Programme 2. Management Of Ambulance 3. Management On The Supply Of Uniforms 4. Management Of Rural Water Supply And Sanitation Programme 5. Management Of Health Education Activities		
2013	1. Management Of Rehabilitation Programme For Malnourished Children 2. Management Of Biomedical Engineering Maintenance Services 3. Management Of Inhouse Meals In Hospital 4. Management Of 1Malaysia Clinic 5. Management Of Asset Losses And Write-Offs	1. Construction Project Of Shah Alam Hospital 2. Construction Project of Health Clinics In Sarawak	

ANALYSIS OF AUDIT DONE FOR THE LAST 5 YEARS (cont...)

YEAR	PROGRAMME/ ACTIVITIES	PROJECTS	ICT
2014	1. Management Of Mobile Clinic Services 2. Management Of Medical Fee Revenue In Hospitals	1. Construction Project of the Specialist Complex And Ambulatory Care Centre In Hospital Kuala Lumpur 2. Construction Project of National Cancer Institute 3. Management Of Upgrading Project For Hospital Sultanah Nora Ismail, Batu Pahat, Johor 4. Construction Project Of Ambulatory Care Centre And Haemodialysis, Raja Perempuan Zainab II Hospital, Kelantan	
2015	1. Management Of Orthopedic Treatment Activities 2. Management of Private Security Services Company In Hospital	1. Construction Project of Hospital Tampin, Negeri Sembilan	

MANDATE

- Presently , the Auditor General conducts four types of audits:

  - Financial Statement/Attestation Audit – to give an opinion as to whether the Financial Statements of the Federal Government, State Government, Federal and state Statutory Bodies, Local Government, Islamic Religious Councils and other public entities show a true and fair view as well the financial performance and the cash flow are in accordance with the approved Malaysian Financial Reporting Standards. It is also to ensure that the accounting records are maintained properly and kept up to date.

  - Financial Management (Accontability Index) Audit – to evaluate whether the financial management of the Ministries/Departments/Agencies of the Federal and State Government is in accordance with the relevant financial laws and regulations. This evaluation covers the elements on the organisational management, budget, receipts, expenditure, Trust Fund/Trust Accounts and Deposits, asset and stores, investments and loans as well as financial statements.

MANDATE (cont....)

  - Performance Audit – to evaluate whether the programmes and activities of the Ministries/Departments/Agencies have been carried out economically, efficiently and effectively to achieve its desired objectivities/goals.

  - Government Companies' Management Audit – to evaluate whether the Government companies/subsidiaries have been managed in a proper manner.

Commencing 2013, apart from auditing and reporting, the Auditor General conducts follow-up on actions taken by Ministries/Departments/Agencies on issues reported in the Auditor General's (AG's) Report.

Audit On Health Services in ASEAN Countries
Country Paper of Brunei Darussalam

3rd – 4th August 2016

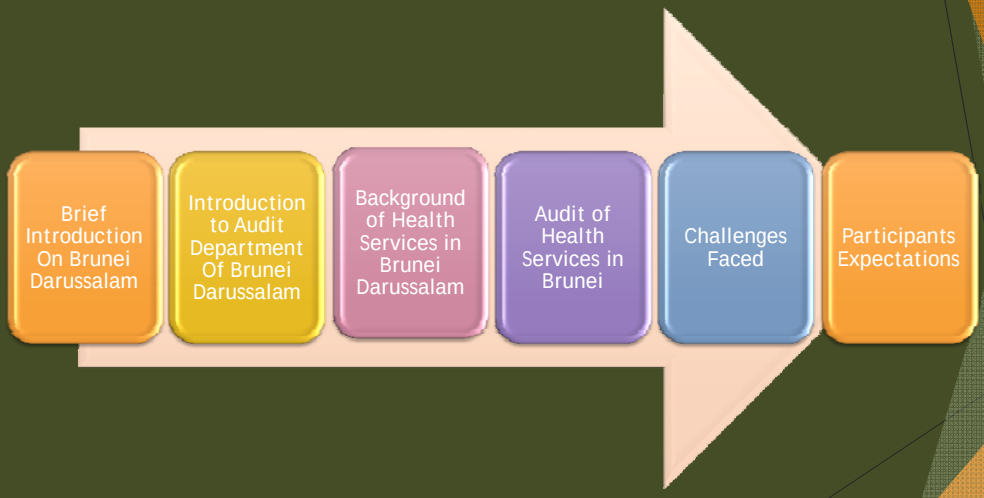
Audit Department, Brunei Darussalam

Presented by:

Mrs Hajah Siti Kamariah binti Haji Mohiddin
[Acting Assistant Auditor General Grade I]

Miss Norrozita binti Haji Awang Zaini
[Auditor]

Presentation Flow



Brief Introduction On Brunei Darussalam

- Located on the northwestern shore of Borneo with a land size of 5,765 km^2 and 75 per cent of its land is covered by equatorial rainforests.
- Ruled by a Sultan, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah Ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam
- There are four districts:
  - Brunei-Muara district, (2) Tutong district, (3) Belait district (4) Temburong district.
  - Bandar Seri Begawan is the capital and based in the Brunei-Muara district.
  - As of 2016, population of Brunei Darussalam is estimated around 432,687.
  - Brunei's main resources are oil and natural gas, support most of its economy.

Introduction Audit Department of Brunei Darussalam

- Independent but administratively under the Prime Minister's Office.
- Headed by the Auditor General.

Vision

"A High Quality Government Auditing Institution"

Mission

"To foster:
- ➔ Excellence in Auditing
- ➔ Excellence in Audit Employees
- ➔ Excellence in Working Environment

in order to promote good governance and enhance public accountability in the management and utilisation of public resources"

Introduction Audit Department of Brunei Darussalam

Function

To provide assurance by independent auditing and subsequent reporting on the government accounts, books, records, documents and computerized accounting systems of government ministries/departments/agencies subject to audit

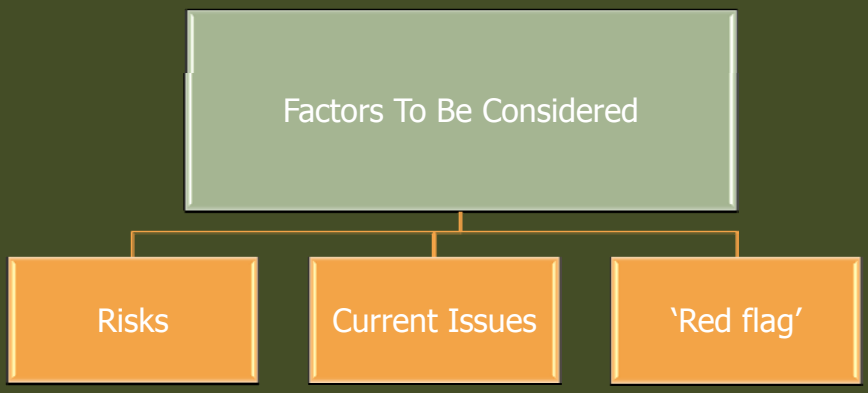
Objective

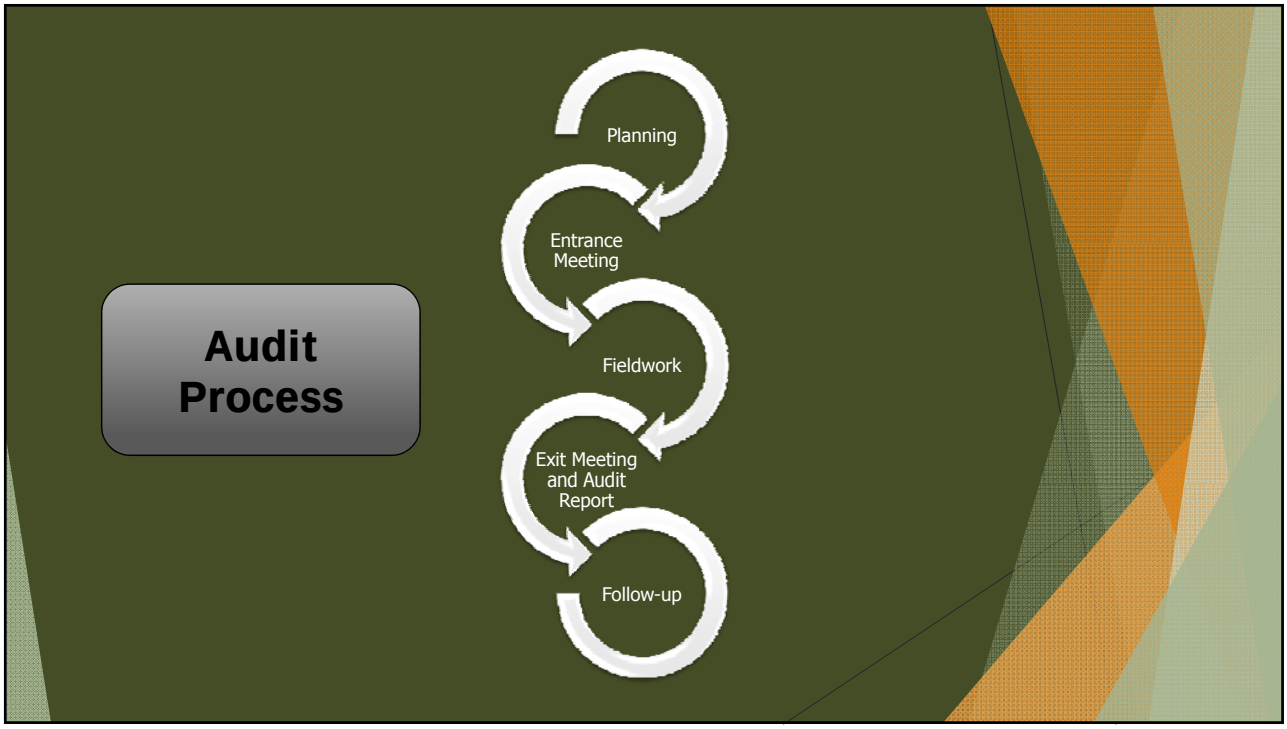
- ◊ Improve Financial Management Control.
- ◊ Provide Added Value to Stakeholders.
- ◊ Promoting Good Governance and Improving Public Accountability.

Types of Audit

- Financial Statement/ Certification Audit
- Compliance Audit
- Performance Audit/ Value for Money Audit

Selection of Projects





Background of Health Services in Brunei

- Health care in Brunei is fully subsidized by the government. Those who are citizens of the country are entitled to medical care free of charge and immigrants who are employed are entitled to health care at a small cost.
- Currently, under the Ministry of Health, it is estimated that there are 42 government health services consists of 4 hospitals, 22 clinics and 16 health centers located throughout four districts in the Brunei Darussalam;

Districts	Estimated Numbers Of Government Health Services		
	Hospital	Clinics	Health Centers
Brunei-Muara	1	13	12
Belait	1	5	1
Tutong	1	2	3
Temburong	1	2	-
Total	4	22	16

Services Provided

↓

Primary Healthcare

↓

Examples:
- ❑ General clinics
- ❑ Flu clinics
- ❑ Chronic Diseases clinics
- ❑ Treatment Room procedures
- ❑ Vaccination

Audit of Health Services in Brunei

- ❖ Auditing in Brunei with regards to health were tackled by looking at Ministry of Health relevant financial information such as expenditure and revenue accounts as well as amount allocated for National Development Plan Projects.
- ❖ In the earlier years, audit performed on health services were more of compliance against existing Financial Regulations, Procedures and relevant guidelines/acts. Also examination of the checks and balances, or controls as well as management of store and disposal of items.

Audit Objectives

- The existence of internal control systems for financial management
- The Government financial and assets management improved timely
- Compliance of the implementation of the project work with the conditions / clauses as per contractual agreements
- Assess Control on the supply, delivery, installation and storage of equipment / items related to store
- Contract payment made properly and regularly in accordance with the powers and provisions determined and supported by the relevant supporting documents

- However, it should be noted that there are also some elements of performance/value for money audits in these reports such as cost ineffectiveness and issues on wastage. Some examples of these reports are as follows:

Renovation of R Block verandah and the purchase of two units of air-conditioners for Mini Gym not utilized but instead has been used as a storage place for hospital equipment and items that will be dispose.	Child Care Centre not utilized since its completion for the past six months.
12 Unit Medical Recliner Chair and one unit Therapy Chair are not utilized. A total of 92 units of equipment supplied have not been used since they were supplied between 2011 to 2014.	Increase in the contract value from original price due to changes in original drawing. Furthermore, there is no supporting documents with regards to the changes.

- Brunei Audit Department has gradually increased the number performance audit based on the encouraging and positive impact from the outcome such as follows:

✓ Improvement on the accountability and governance of public resources.
✓ Give better recommendations or advice to audit entities to manage their operations effectively.
✓ Offer advice or recommendations on operational improvements.

- However the performance audit is not at its purest form. Currently, the value additions gained from conducting performance audits is difficult to quantify as there are no standard benchmark to compare against the results whether the performance of the auditee is economical, efficient and effective or otherwise.

Challenges on Audit of Health Services in Brunei

Problem:
- **Time it takes to understand the whole system is limited.**

Solution:
- **Pre-Entrance Meeting**

Problem:
- **Inadequate audit teams**

Solution:
- **Follow systematic processes**

Problem:
- Documentations are not given on time during the fieldwork

Solution:
- **Provide documentation list to auditee**
- Uses TAFIS System to analyze payment detail related to the project of the entity

Our expectations from this workshop:

Gain more knowledge and share experiences of Audit Of Health Services most especially performance Audit.

Exchange/share ideas with other participants and facilitator.

Learn about the issues and challenges on Audit of Health Services from peer auditors.

---Thank You---

☺

NATIONAL AUDIT AUTHORITY
CAMBODIA

KNOWLEDGE SHARING COMMITTEE
PROJECT ON
AUDIT OF HEALTH SERVICES

Bandar Seri Begawan, Negara Brunei Darussalam
3rd to 4th of August 2016

Veasna Khath
Patri Som

1

I. INTRODUCTION

- Cambodia is a country of approximately 15 million people.
- Population health is still relatively low in comparison with other developing countries.

2

II. MINISTRY OF HEALTH OVERVIEW

- MOH is solely responsible for the provision of public health services through district health system model.
- The system has grown and been strengthened significantly since the 1990s. Public health administration is centralized at provincial and district levels.

3

II. MINISTRY OF HEALTH OVERVIEW

- **Vision is** "to enhance sustainable development of the health sector for the better health and well-being of all, especially the poor, women and children, thereby contributing to poverty alleviation and socio-economic development."
- Health Strategic Plan (HSP) is developed and implemented from phase to phase.
  - HSP1: 2003-2007
  - HSP2: 2008-2015

4

II. MINISTRY OF HEALTH OVERVIEW

Health Strategic Plan focuses on:

1. **Health service delivery** consists of both measures against disease and strengthening of health service delivery.
2. **Health care financing** addresses both increases in investments in health and efforts to remove financial barriers to quality health care.

5

II. MINISTRY OF HEALTH OVERVIEW

3. **Human resource for health** covers a comprehensive range of interventions.
4. **Health information system** addresses the need for high quality, accurate, comprehensive and timely data.
5. **Health system governance** focuses on decentralization.

6

III. THE HEALTH SECTOR

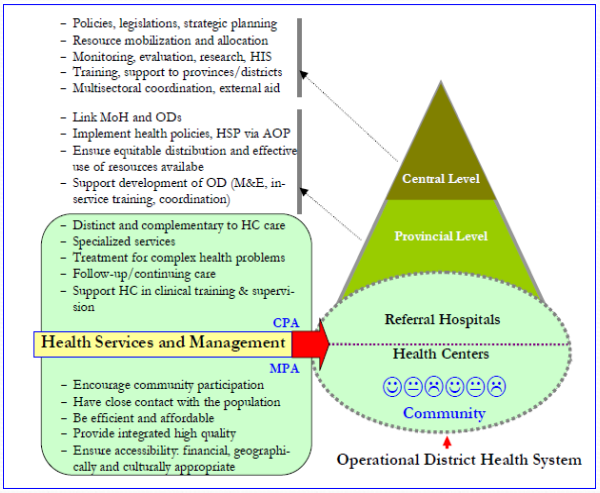
3.1. Health System Organization

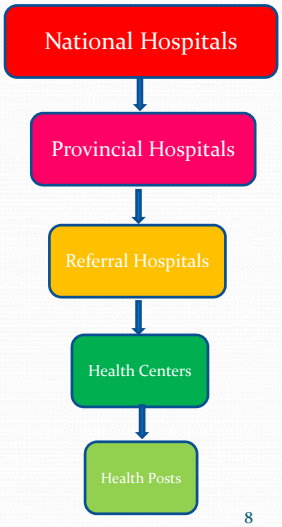
- To improve and extend primary health care through the implementation of a district based health system.

7

III. THE HEALTH SECTOR

Health System Organization





8

III. THE HEALTH SECTOR

3.2. Health Coverage Plan

Criteria	(1) Population	(2) Accessibility
Health Center (HC) MPA	Optimal: 10,000 Vary: 8,000-12,000	Radius: 10 km or Max. 2 hrs walk
Referral Hospital (RH)CPA	Optimal: 100,000-200,000 Vary: 60,000-200,000+	Radius: 20-30 Km between 2 RHs or Max. 3 hrs by car/boat

Summary of Health Coverage

Year	Operational District	Referral Hospital	Health Center	Health Post
2014	88	97	1105	106
2015	92	99	1141	81

9

III. THE HEALTH SECTOR

3.3. Budget Allocation

In Billion Riel

Whole Health Sector	2012	2013	2014	2015
Budget Law	794	902	978	1,023
Budget Implementation	759 (96%)	842 (93%)	825 (83.7%)	933 (91.2%)

10

IV. NATIONAL AUDIT AUTHORITY

- The Audit Law came into effect on 3 March 2001.
- NAA started operation in 2002 with compliance and financial audit.

11

IV. NATIONAL AUDIT AUTHORITY

Performance Audit

- 2013: Three assignments (one Port Authority and two externally assisted projects)
- 2014: Three assignments (externally assisted projects)
- 2015: One assignment on environment impact assessment.

12

V. AUDIT ON MINISTRY OF HEALTH

- Financial statement audit

Findings

- Wrong classification of expenses
- Transferring revenue to National Treasury lately

13

VI. CHALLENGES

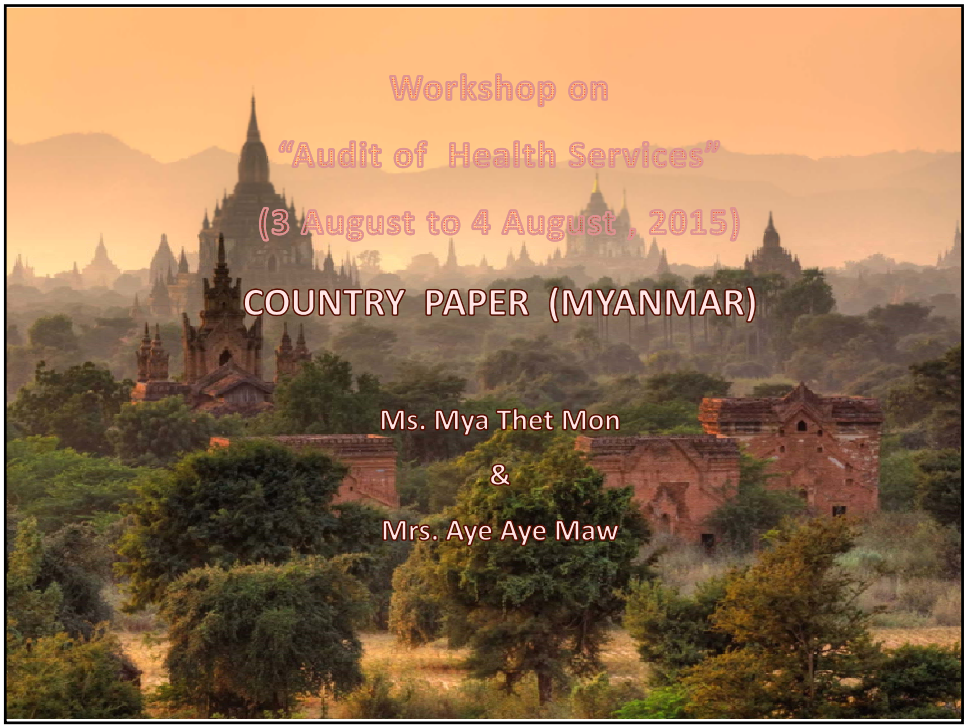
- Lack of performance auditors and
- Lack of performance auditing guideline.

14

THANK YOU VERY MUCH FOR YOUR ATTENDTION

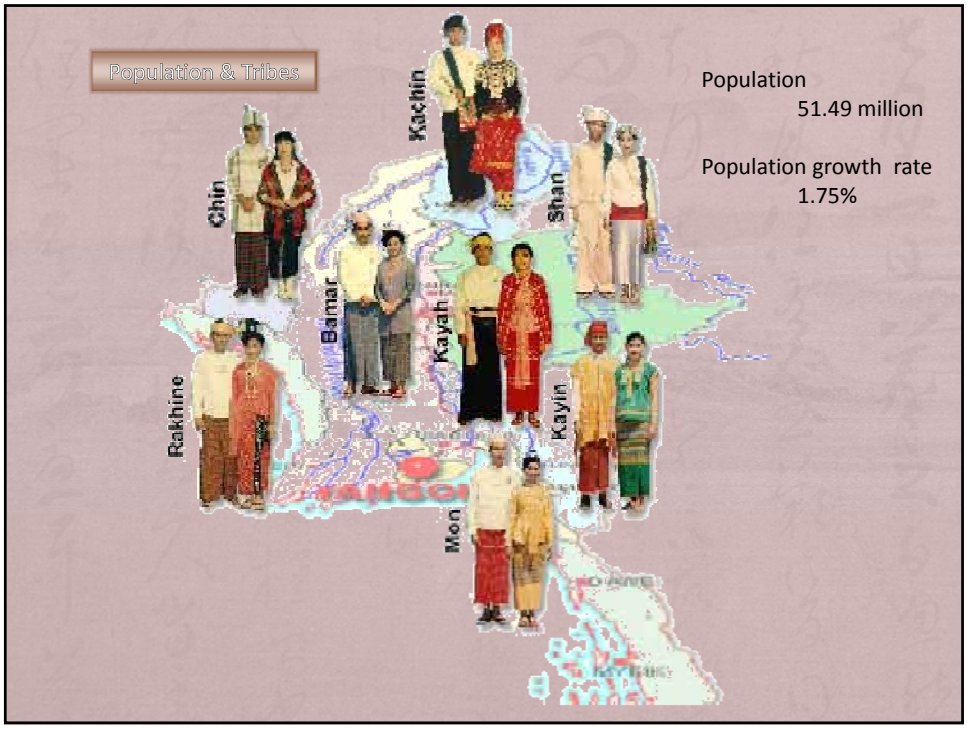
Question & Answer

15



Our Workshop Objective

- To develop knowledge sharing an performance auditing among ASEASAI members through exchange of ideas , experiences, researches , best practices and
- To facilitate and strengthen the adoption process of ISSAI 300 that should be in line with ISSAI 3000-3999 which encompasses general auditing guideline on performance auditing.


Population & Tribes
Kachin
Chin
Shan
Bamar
Kayah
Rakhine
Kayin
Mon
Population
51.49 million
Population growth rate
1.75%


Office of The Auditor General of the Union
Myanmar
Nay Pyi Taw

LEGAL FRAMEWORK OF THE OFFICE OF MYANMAR SAI

- The Office of the Auditor General of the Union was first set-up in1935.
- Re-established under the Constitution (2008) as a Supreme Audit Institution of the Republic of the Union of Myanmar separately and independently from the other Government organization, both in terms of organizational set-up and financial arrangement.
- In accordance with the Auditor General of the Union Law of 2010(UAG Law), we adopted decentralized system of government and our office structure is changed from centralized system to decentralized system.
- Union Auditor General (UAG), Deputy Auditor General and 14 Regional/State Auditor Generals (AGs) for respective regions/states were appointed by 2008 Constitution Law and UAG Law.
- UAG and Deputy Auditor General are responsible to the president, and 14 Regional/State AGs are responsible to the UAG, respective chief ministers and the president.
- The Auditor General of the Union Law is the SAI's mandate.
- Audit works are carried out in accordance with SAI's mandate.

Mr. Maw Than

Focus of Audit

The Auditor General of the Union has the authority and the *responsibility to conduct*

- financial audit,
- compliance audit and
- performance audit of all the government organizations.

- Myanmar SAI does not conduct performance audit specifically but it included in conducting the financial audit .
- SAI does not produce the specific performance audit report,
- Auditor sees auditee ' s operation related to the budget implementation with the view of economy, efficiency and effectiveness while conducting the financial audit on an auditee .
- Audit findings and recommendations regarding the performance on the operation of the audited entities are included in the financial audit report.
- But for the purpose of compliance and effectiveness, our SAI applies the existing financial rules and regulations issued by Planning and Finance Ministry, specified standards , norms and terms and conditions of respective projects in carrying out the audit as a part of performance audit.

- Nowadays, performance audit is becoming more important than before
- Because of the increasing of public expectations toward government programs to improve in welfare in society.
- Currently, *there have not been pure performance audit engagement yet*
- People expect that the government could provide them better infrastructure and satisfying public services.
- Our SAI will conduct these tasks by going beyond the traditional audit techniques.
- So, *our SAI has made a plan to conduct pure performance audit engagement soon.*
- It is expected that it will be able to do with the competence and knowledge gained through workshops arranged by INTOSAI, ASOSAI and ASEANSAI from time to time.

Audit of Health Services in Myanmar

- The Ministry of Health and Sports for health development of Myanmar is provided with the comprehensive health services-
  - They are
    - Promoting Health,
    - preventing diseases,
    - providing effective treatment and
    - rehabilitating
- Auditor explores information regarding expensive support, guidance and help by Department of Medical Service and Department of Public Health to be satisfied for patient.
- So, examining the event of inpatient services is had to emphasize on the level of patient satisfaction, improvement of quality of health and effectiveness of social care, usage of medicine, medicine quality, medical staff services and laboratory reliance.
- Auditor will also examines the ratio of patients and medical staff.
- Therefore, SAI opinion will depend on the patient's comments and SAI can make action plan for next year based on these comments.

RESEARCH ON TOPIC OF NATIONAL HEALTH SECURITY BASED ON STUDIES FROM PREVIOUS AUDIT REPORT

- Health plans had been formulated and implemented systematically both at the national and regional levels
- To see that available human, financial and material resources are most effectively and efficiently utilized to implement these services
- The basic health staff (BHS) down to the grassroots level are providing promotional, preventive, curative and rehabilitative services through primary health care approach.
- Infrastructures for service delivery is based upon sub-rual health centre and rual health centre
- Another service delivery is special care
- Special care is referred to station Hospital, Township Hospital, District Hospital and to specialist Hospital

- At the state/ Regional level, the state/ Regional Health Department is responsible for State/ Regional planning, coordination ,training and technical support, close supervision, monitoring and evaluation of health services.
- Basic Health Staff are major community based health workforce responsible for providing comprehensive health care services .
- Midwives have to take responsibility for maternal and child health care as well as immunization, nutrition promotion and disease control activities.
- To attain sustainable development for improving health, community health volunteers are still one of the health workforce and some health activities still rely on them especially in emergency situation.
- At present, many INGO, NGOs are implementing health care activities as well as private sectors.
- Inputs, outputs and outcomes of all health care activities must be included for accountability, equity and inclusiveness.

- Auditors pointed out the event of non-compliance with the financial rules and regulations and lack of effective spending for available financial and material resources in health care services in previous audit
- The auditee takes action upon these audit finding and comments and gives back action to our office.
- According to the our SAI's authority and responsibility to conduct financial audit, compliance audit and performance audit of all Station, Township , District and State/ Regional Hospital , our SAI assigned State/ Region OAG to inspect providing promotional, preventative, curative and rehabilitative services through and health security approach carried out by state/regional health department .
- After reviewing the outcomes of the State/ Region OAG's report , head office released management letter to the Minister upon the material event.
- The Auditee takes action and replies these management letter.
- Weakness in irregularities weakness in internal control become improve year by year.
- Therefore, we find that according to their taking actions, their weakness in irregularities weakness in internal control become improve year by year.

PERFORMANCE AUDIT EXPERIENCE ON INPATIENT SERVICES AT GENERAL HOSPITALS

- In Myanmar, performance audit experiences on inpatient services does not have yet but we have a plan to conduct it .
- Inpatient services at Myanmar general hospitals are mainly contribute to increase patient satisfaction and to improve quality of health and social care.
- So, auditor should pay attention in measuring people's experiences of care and quality of service.
- Our auditor will examine the provision range of services and expertise of the medical staff to ensure patient's trust always gets.
- And then, auditor will make a comparison the result of getting more trusts from the hospital data year by year and implementing improvement strategies.
- Nowadays, receptionist system is carried out in General Hospital to facilitate for medical care, to reduce waiting time and to be satisfied for all patient .
- So, auditor should make the observation upon the effectives of these system.
- Main objectives of inpatient service in general hospitals is to improve the quality of care for patients and service users, medical staffs do everything they can, to help trusts achieve the lowest possible cost, with no hidden charges.

- General Hospital in Myanmar, some of the hospital cost are free, for example -medicine, laboratory fees, room charges and other service fees.
- SAI will use the audit method of sampling to examine the cost charge by inpatient by choosing a few patient to examine how much they charge the cost for medicine, laboratory and service.
- And then , SAI will also examine the administration of hospital in making plan for the development of new and innovative analysis tools to support their staff trust's improvement plans for the quality of care.

Audit of health security for poor people as a part of thematic auditing on poverty eradication

Poverty and poor health worldwide are inextricably linked.

- The cause of poor health are rooted in political, social and economic injustices.
- The economic and political structure which sustain poverty and discrimination need to be transformed in order poverty and poor health .
- In Myanmar, World Bank, international organizations and agencies help to eradicate the poverty.

  Eg ; World Health Organization and Unicef.
  - Especially, Global Alliance for Vaccine Immunization (GAVI) fund from the World Health Organization is supported annually with the activity of Hospital Equity Fund (or) Patient Referral Fund for poor mothers and children to hospital based services, through provision of targeted medical allowance for emergency transport and emergency and life saving procedures at the Township Hospital.
  - Expected Outcomes / Output of this fund is saving the lives of poor mothers and children who are difficult to access to hospital (Physically or economically) by getting timely referral and treatment.

- So, health systems assessments conducted in so many townships in Myanmar.
- Financial barriers have been identified as a fundamental problem in improving access for mothers and children.
- Therefore WHO supported for saving poor mothers and children's lives in Myanmar.

- Our SAI side is
  - Firstly, our SAI is required to understand their system well before the audit.
  - Depending on the implementation of the loans, grants and aids included the budget our SAI has a plan to conduct 3Es Audit (Economy, Efficiency and Effectiveness).

- Is the effect supported funds, nutrition give effectiveness and efficiency for the poor people?
- How many poor level can be reduced?
- How many poor mothers and children life can be saving by the supported funds and nutrition?
- And then, our SAI also emphasize to examine performance for promoting health, preventing diseases, providing effective treatment of health status of the poor people.
- Moreover, SAI will examine the source document of loans, grants and aids with the agreement or manual of supporting agencies.
- SAI also will trace the fund flow to the poor people and level of effective and efficient use of these funds.

FOCUS OF AUDIT

- In Myanmar, performance audit is becoming more important than before because of the increasing of public expectations toward government programs to improve in welfare in society.
- People expect that the government could provide them better infrastructure and satisfying public services.
- The Auditor General to the Union has the authority and the responsibility to conduct financial and performance audit of all the government organizations.
- Our SAI is conducting these tasks by going beyond the traditional audit techniques.

CONSTRAINTS

- In evaluating the performance of health services , they may have multiple objectives and there is no priority ranking to determine which objective takes precedence.
- Management's co-operation and technical skills of the audit staffs at all levels are also very important.

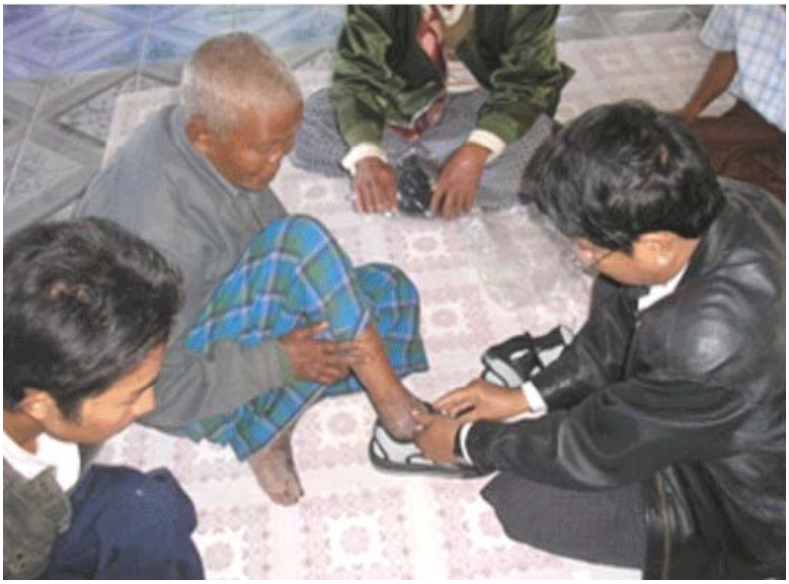
SAI'S REPORTS ON NATIONAL HEALTH SERVICES

- Our SAI will issue performance audit report as a pilot test on national health service in line with Union Auditor General Law.

Conclusion

- This workshop will provide an excellent opportunity for the ASEANSAI members to meet with experienced project leader, other members and each other to exchange ideas, experiences, researches and knowledge for best practices of audit of health services.
- Transferring knowledge and sharing SAI's experience from the Audit of health services are significant contribution towards improve its capacity of performance audit of health services.
- We will get an opportunity of disseminating the obtained knowledge on the health services auditing from the project leader of Indonisia .
- As a representative of Myanmar SAI, I hope that this workshop will get fruitful results for Myanmar SAI and other SAIs as well.


ကျွန်းဟာဝေဖုံဝန်ကြီးဌာန
(ကျွန်းဟာရုံးဆင်ခြေကုန်းတိုက်)
ဝေးခန်း




THANK YOU
FOR YOUR ATTENTION

ASEANSAI Knowledge Sharing Committee (KSC)

COUNTRY PAPER: REPUBLIC OF THE PHILIPPINES

Theme: Knowledge Sharing Committee Project on Audit of Health Services in ASEAN Countries

Performance Audit: Audit of Health Security for poor people as a part of thematic auditing on poverty eradication involving multiple agencies

3-4 August 2016

Bandar Seri Begawan, Negara Brunei Darussalam

PRESENTATION FLOW

- MANDATE, MISSION AND VISION
- KEY RESULTS AREAS, SECTOR AND ORGANIZATIONAL OUTCOME AND KEY STRATEGIES
- STRUCTURE
- SOURCES OF FUNDS and FLOW OF FUNDS
- OBJECTIVES AND STRATEGIES
- PROGRAMS AND PROJECTS

PERFORMANCE AUDIT/VALUE FOR MONEY AUDIT

- AUDIT MANDATE
- AUDITING GUIDELINES
- AUDIT OBJECTIVES, SCOPE AND METHODOLOGY
- AUDIT FINDINGS AND RECOMMENDATIONS
- CHALLENGES AND LESSONS LEARNED

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

MANDATE, MISSION AND VISSION

Mandate

Executive Order No. 102 mandates the Department of Health (DOH) to redirect its functions and operations in accordance with the devolution of basic health services to the local government units (LGUs). Likewise, the DOH is expected to provide assistance to the LGUs, non-government organizations (NGOs), other national government agencies, people's organizations (POs) and the health sector in general in effectively implementing health programs, projects and services to every Filipino.

Mission

To guarantee equitable, sustainable and quality health care for all Filipinos, especially the poor and to lead the quest for excellence in health.

Vision

A global leader for attaining better health outcomes, competitive and responsive health care systems, and equitable health care financing

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

KEY RESULTS AREAS, SECTOR AND ORGANIZATIONAL OUTCOME AND KEY STRATEGIES

Key Results Area
– Poverty reduction and empowerment of the poor and vulnerable

Sector Outcome – Human development status improved

Organizational Outcome:

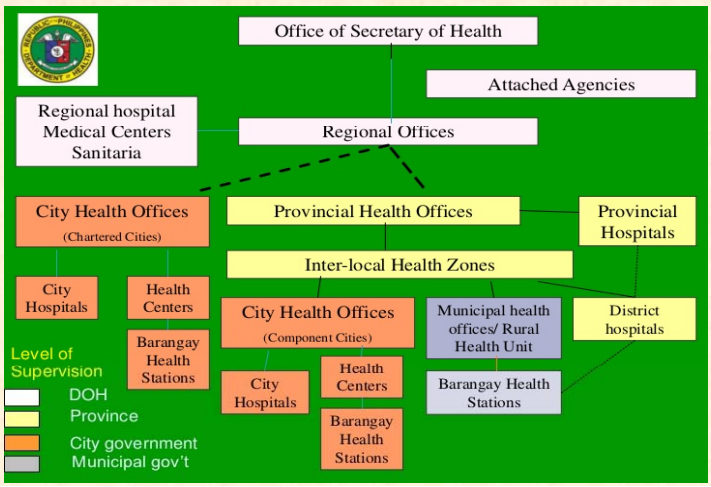
- Access to Preventive Primary Health Care Services improved
- Access to Quality Hospital Services improved
- Safe and Quality health commodities, health devices, health facilities and food ensured
- Access to Social Health Insurance assured

Key Strategies

- Public health Millenium Development Goals (MDG) achieved
- Financial risk protection improved
- Quality care delivery system accessible
- Health governance improved

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

STRUCTURE

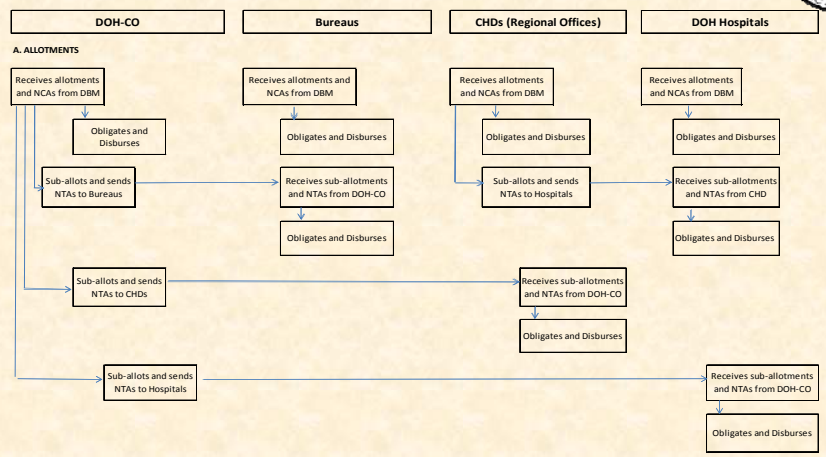


Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

Fund/Program	2016	2015	2014	2013
Per General Appropriations Act (GAA)	RA #10717	RA # 10651	RA # 10633	RA # 10352
Regular Fund	122,630,153,000	86,968,697,000	83,720,921,000	50,442,299,000
Health Facilities Enhancement Program (HFEP)	26,872,368,000	13,271,393,000	13,541,405,000	13,558,065,000
National Health Insurance Program (NHIP) for the Indigents and the Senior Citizens	43,835,766,000	37,060,440,000	35,295,657,000	12,612,283,000
Assistance to Indigent Patients (MAP)	2,783,345,000	1,849,149,000	3,193,950,000	0.00
Distribution of Drugs, Medicines and Vaccines	8,954,414,000	7,885,754,000.00	Not specifically stated in GAA	Not specifically stated in GAA

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

FLOW OF FUNDS

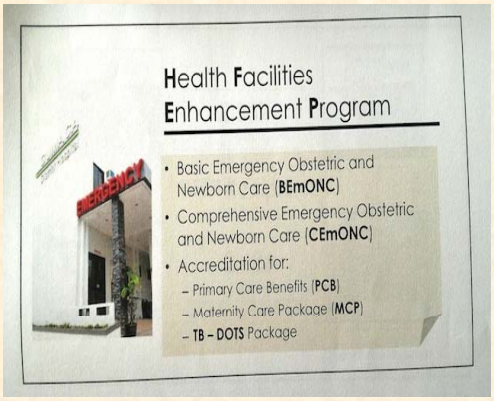


Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

DOH PROGRAMS AND PROJECTS

(1) HEALTH FACILITIES ENHANCEMENT PROGRAM (HFEP)



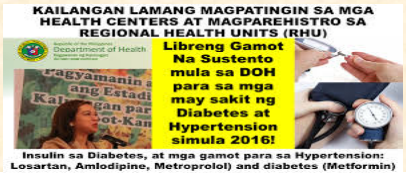
Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

DOH PROGRAMS AND PROJECTS

(2) NATIONAL HEALTH INSURANCE PROGRAM

(3) ASSISTANCE TO INDIGENT PATIENTS OR MEDICAL ASSISTANCE TO INDIGENT PATIENTS OR MEDICAL ASSISTANCE PROGRAM (MAP)

(4) PURCHASE AND ALLOCATION OF DRUGS, MEDICINES AND VACCINES



Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT MANDATE

LEGAL BASIS

1. The 1987 Philippine Constitution

2. Presidential Decree (PD) No. 1445

AUDITING GUIDELINES

The audit being conducted by the Philippine Commission on Audit is guided by the following standards and policy issuances:

1. Integrated Results and Risk-based Audit Manual
2. COA Resolution 2014-003 dated January 24, 2014: Adoption of the Philippine Public Sector Accounting Standards
3. COA Resolution 2006-002 dated January 31, 2006 directing all auditors to continue conducting performance/VFM audit yearly, in addition to the regular financial and compliance audits;

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDITING GUIDELINES

(4) COA Memorandum 2015-003 dated February 27, 2015: Intensification of Agency-based Performance Audit/Value-for-Money (VFM) Audit

(5)COA Circular No. 2013-003, dated January 30, 2013, re: Reiteration of Audit Disallowance of Payments Without Legal Basis of Allowances, Incentives, and Other Benefits of Government Officials and Employees in the NGAs, LGUs, and GOCCs and their Subsidiaries

(6)COA Circular 2013-004 dated January 30, 2013: Information and Publicity on Programs/Projects/Activities of Government Agencies

(7) COA Circular 2012-003 dated October 29, 2012: Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures

(8) Republic Act 9184: Government Procurement Reform Act and its Implementing Revised Rules and Regulations

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT OBJECTIVES AND SCOPE

For Performance Audit, the Audit Team has selected/identified the following DOH programs with the corresponding audit objectives and rationale after management 's risk assessment :

1) **Financial Risk Protection – expanded NHIP enrolment and benefit delivery to protect the poor from the financial impacts of healthcare use.**

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

National Health Insurance Program (NHIP)

1) To determine whether the expansion of NHIP enrolment were extended/ provided to the intended beneficiaries- the poor and indigent patients.

2) To determine whether the expansion of NHIP enrolment improved the health insurance coverage of the intended beneficiaries; the lowest income quintiles or the poor/indigent Filipinos.

3) To determine whether quality outpatient and in-patient services were availed by the intended beneficiaries at accredited health facilities through no balance billing arrangements.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

Assistance to Indigent Patients/Medical Assistance Program (MAP)

1) To determine whether the government provided financial assistance or additional resources on a timely manner for the prompt delivery of quality health services to eligible patients as determined by DOH who are seeking consultation, examination, medication for in-patients, rehabilitation, or otherwise in government hospitals.

2) To determine whether the financial assistance provided by the government to eligible patients were fully utilized and extended to greater number of indigents or poor patients seeking medical assistance/attention.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

Purchase and Allocation of Drugs, Medicines and Vaccines

1) To determine whether the distribution of drugs and medicines had reached the intended beneficiaries to ensure the availability and affordability of needed medicines.

2) To determine whether the existing policies of the DOH (procurement, logistics, adequate storage area) and the system of the distribution and utilization of drugs, medicines and vaccines adopted by them would ensure that the expiration and non-utilizaton would be avoided.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

2) Responsive Health System – improved access to quality hospitals and health care facilities

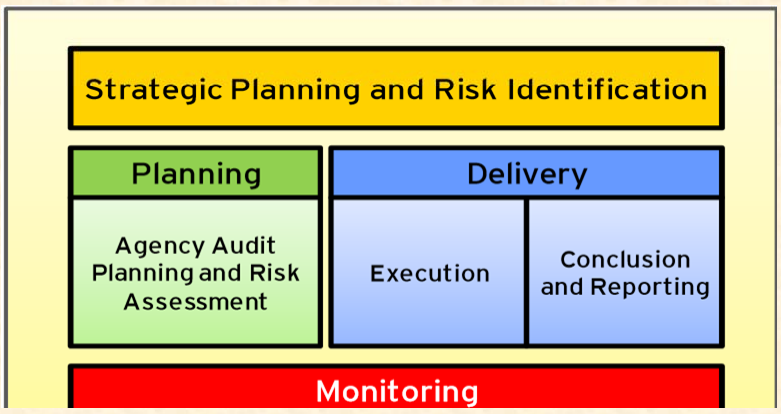
Health Facilities Enhancement Program (HFEP)

1) To determine whether health facilities were upgraded to improve the quality of healthcare services delivered/provided to the intended beneficiaries by government operated/retained hospitals

2) To determine whether health facilities, equipment and supplies were utilized/ readily available and manned by personnel with technical know-how and adequate training to operate the equipment to respond to the immediate health care needs/emergencies of the intended beneficiaries.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT METHODOLOGY



Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
(1) Unclaimed benefits increased by ₱72.159 million or 28.52 per cent, as compared with the CY 2013 balance where the increase was only ₱2.854 million or 1.14 per cent which indicated that PhilHealth Management had not given priority for its refund which was disadvantageous to the affected members and the purpose of the establishment of the expanded NHIP enrolment was not fully attained/achieved.	(1) Auditors recommended the immediate refund of the unclaimed benefits to the members and the completion of the refund process be time-bound and that a special team be created for the purpose for the benefit of the intended beneficiaries.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
(2) Procured medical equipment under the HFEP amounting to ₱302.910 million were either found unutilized for about one to three years or defective and not received by the intended health facilities, due to: *(a)* health facility not yet completed nor operational; *(b)* over-supply/distribution of equipment; *(c)* lack of manpower or trained personnel to operate the equipment; *(d)* non-installation of the equipment; *(e)* no supply of reagents; and *(f)* equipment intended for LGU hospitals and BHS still found in PHO and RHUs; thereby, exposing such properties to deterioration and theft, wastage of government funds and non-attainment of the program objective.	Management agreed to: (a) Provide each assigned HFEP Team (Facilitators and Coordinators) in all regions of the list of all procured and delivered equipment under HFEP in health facilities under them, and instruct them to: (*i*) inform the concerned Chief of Health Facilities on the equipment to be delivered to them; and (*ii*) conduct 100% validation not only as to the receipt, but more so, of the condition and utilization thereof, and submit the same to the Central Office for monitoring and further evaluation; (b) Ensure that all equipment left idle due to unfinished/unconstructed health facilities are stored properly in a good/suitable storage, and conduct intensive supervision of construction and completion of health facilities to avoid delay in the utilization of the facility and of the equipment;

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
	(c) Exhaust all possible means to ensure that all the equipment are utilized and maximized the utilization to prevent wear and tear due to exposure to elements or through obsolescence or non-use; (d) Coordinate and make representations with the LGU officials in order to attain their commitment to shoulder provision of personnel and other responsibilities, as their contribution/obligation in the implementation of the HFEP; (e) Enter into a MOA or equivalent with the end-user LGUs and stipulate therein, among others, their responsibility/ies in ensuring that the equipment distributed to them will be made operational and used accordingly; (f) Provide the necessary assistance to the health facilities in need of training and installation of equipment to make them useful for their intended purpose and to the advantage of intended beneficiaries;

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
	(g) Conduct investigation on the reported equipment no longer used by health facilities due to lack of supply of reagents. Direct the procuring agency to look into possibility to open system wherein the kind of reagents for the equipment is always available in the market; (h) Instruct the DOH-ROs to coordinate with the PHOs and RHUs or all those who received equipment in bulk for redistribution of such to intended end-users, and submit inventory report of all the equipment received and distributed, and validate the same prior redistribution; (i) For defective equipment, provide the necessary assistance to the health facilities in contacting the suppliers for replacement or necessary repair; (j) Impose appropriate sanctions to erring suppliers and DOH personnel who inspected and accepted the delivery of defective equipment and allowed its payment; (k) Review the distribution of the centrally procured equipment and determine its proper delivery to the intended recipients.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
	Gather all the necessary documents, such as the Delivery Receipts and IRPs, and submit a copy of the summary status of the same to this Office for evaluation; (l) Revisit the HFEP guidelines on the procurement, receipt, delivery, distribution and acceptance of HFEP equipment. Provide detailed roles and responsibilities of the all Offices and Units concerned in each level of implementation and designate a focal person who shall be authorized to receive the equipment in the health facilities and properly accomplish the receipt documents (DRs and IRPs) to ensure proper coordination, compliance and accountability; (m) Submit a list of all centrally procured equipment under HFEP sorted per procuring entities (SCOBAC, RMC, SLH, EAMC, NKTI), detailing the funding year, PO no., contract amount, intended recipients, check no. and date of payment, and such other relevant information to facilitate the audit of related expenditures; and (n) For future undertaking, conduct actual needs assessment and capacity/readiness of the beneficiary health facilities, to consider its existing equipment inventory to avoid unutilized/idle/oversupply of the same and to ensure economy and efficiency in the spending of public funds.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
(3) Various infrastructure projects, implemented by eight (8) DOH Regional Offices with contract amounts totaling ₱836.039 million, were not completed within the specified contract time nor started as of December 31, 2014, and eight (8) health facilities totaling ₱72.983 million were not utilized despite of its completion, hence, the utilization thereof had not been maximized.	(3) Management agreed to direct the concerned Officials of the DOH to: (a) Impose liquidated damages against defaulting contractors and terminate or rescind contracts of infrastructure projects with negative slippage of more than 10% resulting from contractors' fault or negligence and impose sanctions on erring DOH personnel who were remised of their obligations; (b) Ensure that issues like provisions of necessary permits for demolition/construction works, and LGU's proposed project site and its contribution on the completion of the health facilities, such as tapping the electricity to the main source are properly addressed during the feasibility or preliminary engineering study prior to project implementation. These problems should be disclosed during the planning stage and extensively discussed with management officials and implementing offices when deliberations for the project's implementation are conducted to arrive at decisions advantageous to the

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
	government; (c) Scrutinize, evaluate and update the manner by which the Program of Work is prepared, prior to bidding to ensure that the desired design and estimates including changes in specifications, and all the items of works are properly considered to minimize variation order and time extensions which often results in increased cost and delayed project completion; (d) Coordinate immediately with the Provincial Government of Ifugao and fast track the assessment /evaluation of the identified defects/flaws of Phase I and Phase II in the Construction of Ifugao General Hospital by a highly expert Structural Engineers from the government, if available/possible. Conduct the evaluation/assessment with the presence of representatives of the Provincial Government of Ifugao and the DOH- RO CAR to come up with a unified/non bias report; (e) Require the concerned contractors to immediately effect remedial measures for defects and flaws noted during the evaluation. Failure to comply could be used as basis for management to demand reparation including blacklisting thereof. For any delay after the contracted period, claim for liquidated damages or consider offsetting the equivalent amount to whatever payables that may accrue in favor of the contractor; and (f) Require the DOH Project Engineers to strictly and closely monitor HFEP funded projects to ensure efficient use of government resources and see to it that projects are implemented in accordance with plans and specifications.

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
(4) In fourteen hospitals in NCR, III and XI, the DOH MAP objective of granting medical assistance to indigent or poor patients was not fully attained due to low usage/utilization of funds. Only a total of ₱139.565 million or 32.41 percent of ₱430.643 million downloaded to said hospitals were actually utilized.	(4) Management agreed to direct and ensure: (a) the concerned personnel of the DOH Central Office to ensure the timely release of funds allocated for each retained hospitals; (b) all attached LGU hospitals and retained government hospitals strictly adhere to the guidelines under DOH Administrative Order No. 2014-0024 dated July 15, 2014 on the use of MAP; (c) execution of the guidelines on MAP implementation mechanisms to cater more number of indigents or poor patients needing medical assistance so as to fully utilize the program funds to its maximum and the purpose of the program may be attained; and (d) the concerned DOH Regional Office and Retained Hospitals to stop the use of same mechanisms of PDAF, requiring referral from legislators prior to the availment of the program in utilizing the sub-allotted funds, and cause the widest dissemination of information relative to the program and its mechanism so that more beneficiaries could avail of such.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
(5) The lapses in the grant and utilization of financial assistance out of MAP amounting to ₱32.117 million cast doubts on the propriety and veracity of such transactions/payments to the disadvantage of the intended beneficiaries.	Management agreed to direct the concerned Heads/Chiefs of Bureau and Hospitals to: (a) fast track the distribution of drugs and medicines to intended beneficiaries; (b) observe the normal three-month requirements in their purchases of drugs and medicines and medical; (c) maintain adequate inventory levels of stock to avoid overstocking of inventories and implement the First In-First Out in the issuance of inventories to avoid unissued stocks reaching their expiry dates; (d) coordinate and plan the timing of procurement taking into consideration the need and expiration of the drugs and medicines; and (e) direct the Property and Supply Head to follow-up the replacement of some of the expired supplies from the suppliers concerned.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

AUDIT FINDINGS	AUDIT RECOMMENDATIONS
(6) In two DOH RO and six Hospitals, the drugs and medicines acquired in current and prior years amounting to ₱6.851 million have either expired or remained unutilized due to lack of proper planning, monitoring and control on utilization/distribution.	(6) Recommended that Management should informed beforehand the concerned ROs and hospitals for the delivery of donated drugs and medicines to ensure that these are not excessive and urgently needed by patients to prevent oversupply and expiration.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

CHALLENGES AND LESSONS LEARNED

- Lack of Auditors who are Structural Engineers to enable more effective audit of HFEP Infrastructure; the auditor being CPA/CPA lawyers has no technical knowledge to estimate the percentage of construction. Most of our engineers are in the fields of civil engineering, mechanical, chemical and electrical.

- Auditors having limited knowledge on the technical specifications of the HFEP Equipment purchased pose as inherent limitation and restricts the effectiveness of the audit.

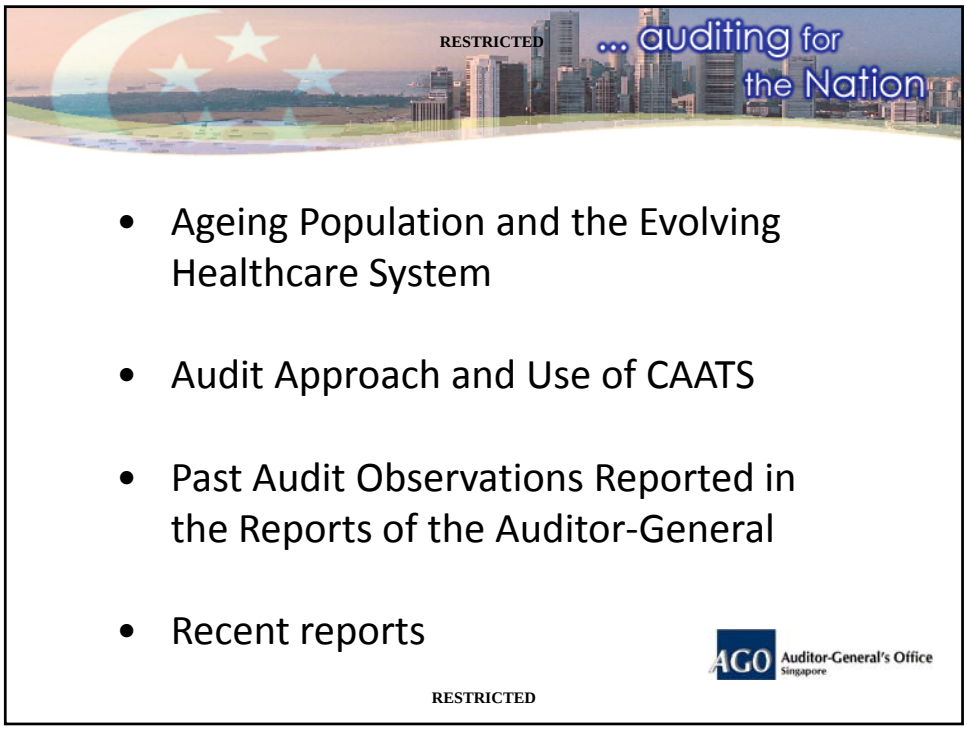
- Auditors encountered difficulty in the audit of transactions due to: (a) late submission of Disbursement Vouchers together with the attached supporting documents, delays even ranges from one to three months; (b) delayed recording of transactions by the Accountants;

- Multiple assignments of Auditors, particularly those assigned in the 17 Regional Offices, causing the MLs devoid of necessary audit observations, either common or specific audit findings.

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0

Republic of the Philippines
Department of Health
Kalusugan Pangkalahatan
Version 1.0


RESTRICTED
... auditing for the Nation
4 August 2016
AGO Auditor-General's Office Singapore
RESTRICTED


RESTRICTED
... auditing for the Nation
• Ageing Population and the Evolving Healthcare System
• Audit Approach and Use of CAATS
• Past Audit Observations Reported in the Reports of the Auditor-General
• Recent reports
AGO Auditor-General's Office Singapore
RESTRICTED

- Year 2015 Population: 5.54million
- Number of residents aged above 65 in Year 2015: 653,000
- Healthcare expenditure is 4.9% of GDP as of year 2014

AGO Auditor-General's Office Singapore

RESTRICTED

- Healthcare expenditure has doubled from $4.7million in financial year 2012 to $11 billion in year 2016.

AGO Auditor-General's Office Singapore

RESTRICTED

- Integration of Care - Regional Health System
- Affordability made possible through:
  - Basic medical savings account (i.e. Medisave)
  - Health insurance plans (i.e. Medishield)
  - Medifund
  - Assistance schemes (e.g. CHAS)

AGO Auditor-General's Office Singapore

RESTRICTED

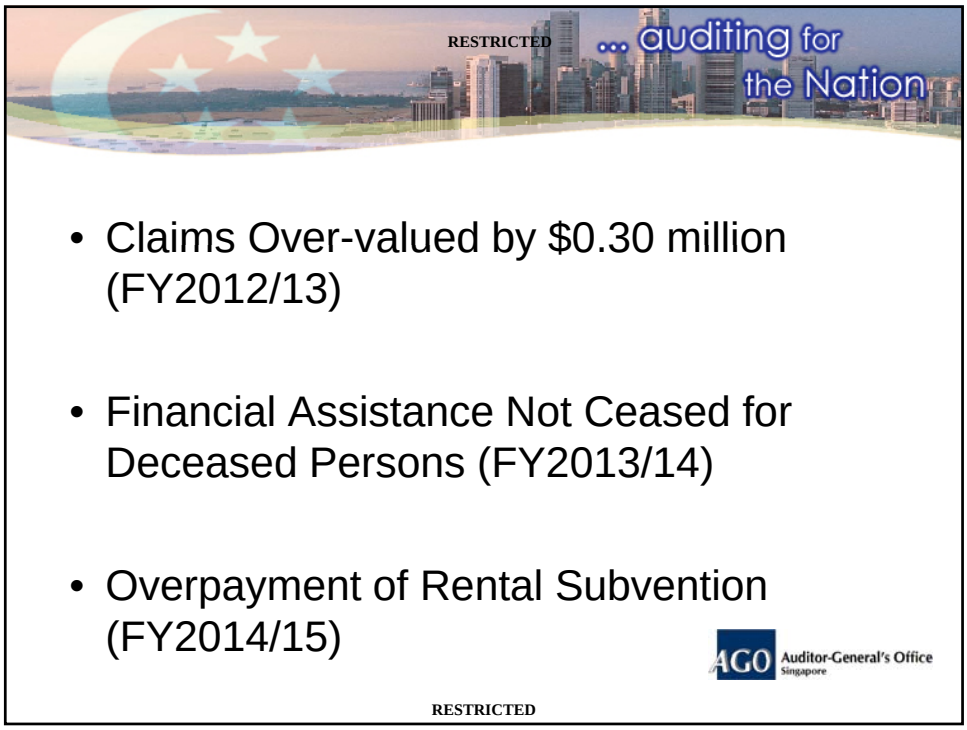
AGO Checks on:

- Grants given to healthcare institutions
- Development expenditure relating to the building of health infrastructural facilities such as nursing homes and hospitals.

AGO Auditor-General's Office Singapore

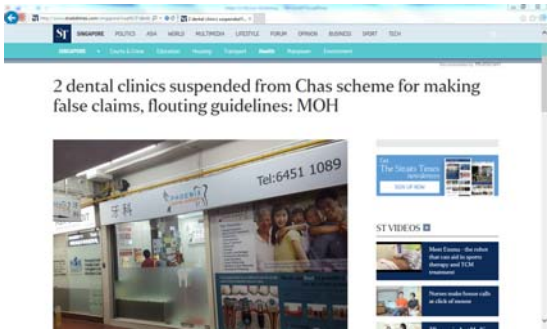
RESTRICTED


RESTRICTED
... auditing for the Nation
• Irregularities in Contract Management of Hospital Development Project (FY2011/12)
• Non-compliance with Medifund Disbursement Guidelines (FY2011/12)
AGO Auditor-General's Office Singapore
RESTRICTED


RESTRICTED
... auditing for the Nation
• Claims Over-valued by $0.30 million (FY2012/13)
• Financial Assistance Not Ceased for Deceased Persons (FY2013/14)
• Overpayment of Rental Subvention (FY2014/15)
AGO Auditor-General's Office Singapore
RESTRICTED

... auditing for the Nation

- False claims by 2 dental clinics



AGO Auditor-General's Office Singapore

... auditing for the Nation

End of Presentation

Thank you

AGO Auditor-General's Office Singapore

ASEANSAI Workshop
on
Audit of Health Services in ASEAN Countries

COUNTRY PAPER OF THAILAND

3 – 4 AUGUST 2016

BANDAR SERI BEGAWAN, BRUNEI DARUSSALAM

Pasu Senasook
Nattapol tesavibul
Office of Auditor General of Thailand

- The current population in 2016 is 68 million.
- Thailand has 4 regions: North, Northeastern, Central and South.
- Thailand is divided into 77 provinces.
- Doctor per population ratio is 1:3,000.

World Health Organization (WHO) stated that there were approximately 57 countries with critical shortage of doctors, nurses and midwives, particularly in sub-Saharan Africa and

"Collaborative Project to Increase production of Rural Doctor" (CPIRD)

.

- **The structure of MOPH**
- **The mandate**
- **The budget**
- **The activity of the project**

The Main Objectives of CPIRD

- to produce the doctor and distribute to the rural hospital.
- to give an opportunity for rural students to be the doctor.
- to develop a collaboration with faculties of medicine in Ministry of Education with service hospitals in MOPH

Background

- CPIRD has been started because of the lack of rural physicians, poor distribution and increasing "brain drain" from MOPH to private sectors in the 1990s.
- CPIRD is not a medical school. It is an administrative office in MOPH to collaborate faculties of medicine in Ministry of Education with service hospitals in Ministry of Public Health.
- Challenge still exists to overcome the mal-distribution and producing the right person to be rural physician.

Audit Objectives

To examine whether CPIRD meet the objectives to increase the production of rural doctor in Thailand and distribute the graduated to rural area.

Audit Procedures

- Preliminary study – setting the Matter of Potential Significance (MOPS)
- Data collection technique such as observation, interview, documentation review and questionnaire
- Audit sampling (Sample size is 67 out of 736 rural hospitals at confidence level of 90%)

In statistics, we use calculating method of *Taro Yamane* formula to find *sample size*

Audit Criteria

The CPIRD students have to spend the first three preclinical years at the medical schools (both central and regional) and the second three clinical years at 12 regional hospitals with the networking of district hospitals. Contracts are signed which require 3 years of rural public services specifically in the MOPH. If graduates bleach the contract, they have to pay 400,000 baht (US$11,000).

Audit Findings

Finding 1: CPIRD graduates resigned from MOPH before 3 obligatory years to work in rural areas.

Auditor found that 18% of CPIRD graduates (249 out of 1,402) resigned from MOPH before 3 obligatory years to work in rural area. Graduates who bleach of contract have to pay 400,000 baht (US$11,000) to MOPH while CPIRD has to subsidize 1,800,000 baht (US$51,000) per student.

Audit Recommendations

1) As the student resigning from MOPH before 3 obligatory years, MOPH should set higher fine or charge if breach the contract. Moreover, MOPH should offer additional incentives to the graduates who were assigned to the remote areas.

2) In the process of selecting the students to CPIRD, the faculties of medicine should firmly inform the students about the CPIRD obligation to work in rural hospitals for 3 years.

Audit Findings

Finding 2: CPIRD graduates were distributed Inequitably to each region of Thailand.

The data of doctors per population in each region of Thailand shows that northeastern region of Thailand has the lowest doctor ratio while central region of Thailand has the highest doctor ratio.

Audit Findings

Table 1: Doctor per population ratio in each region of Thailand

Year	Doctors per population ratio				
	Average	Northern Region	North-eastern Region	Central Region	Southern Region
2010	1 : 2,893	1 : 3,397	1 : 4,947	1 : 2,533	1 : 3,504

Source: MOPH

Audit Findings

Auditor found that Although CPIRD success for producing the doctors in quantity side, but there are still a problem of mal-distribution of doctors.

Almost half of CPIRD graduates have been distributed to the regions that have high doctors density especially in northern, central and southern region. The Inequitable of doctors between rural and urban area has a negative impact on access to health service for those living in rural area.

Audit Recommendations

1) MOPH and the faculty of medicine should set up the proper criteria for accepting the students to join CPIRD by selecting the one who live in the rural areas first.

2) To avoid the shortage of doctors in rural areas, MOPH should prioritise area of the country properly before distributing the graduates to work in order to distribute the graduates properly to the right area of the country.

Thank you