

R E P O R T

for Implemented Training to
Ex Ante Financial Controllers

Skopje, August 2008

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1 Objectives of the training

The main objective of the project is to provide adequate knowledge and training relevant for Ex Ante financial controllers for new payment models for primary health protection and hospital services as well as the agreed mechanisms implemented by the Health Insurance Fund with the institutions providing health protection.

Particularly, the objective of the project is capacity building of Ex Ante financial controllers by the Fund and its local units for effective control transactions between Health Insurance Fund and Public Health Institutions. During the course of the year 2007 for the first time was implemented Ex Ante financial control, whose general objective was control of all transactions before their practical processing. This will provide assistance to the Public Health Institutions management in order to prevent possible irregularities and violation of the law.

The control refers to the documents with financial implications. The financial transactions regularly become as a result of numerous number of previous activities which also should be subject of control. For that reason the financial controllers are required to have wide knowledge in order to control the strategic and business plans of Public Health Institutions, the procedures and implementation of public procurements, budget and treasury operation, financial operation, control of accounting practices, financial reports, the cash and cash flow as well as the estimation of the liquidation risk.

This kind of control should provide effective operation of Public Health Institutions, assigned and efficient usage of Fund's money, as well as to provide the best possible services for those using the health services. This objective should be accomplished by further training of Ex Ante financial controllers for qualified control of documents, procedures and transactions, preparation of standardized and prompt reports for the Health Insurance Fund as well as pointing out the irregularities and giving recommendations for their improvement.

2 Training Needs Analysis

The project has started by research and analysis of the training needs of Ex Ante financial controllers, who are employees in the Health Fund of the Republic of Macedonia and its local units.

According to the Agreement for providing and Payment of Health Services for the year 2007, it is defined the issue of Ex Ante financial Control. On the basis of the Agreement, the Fund performs control of the health institutions, and they are obliged to provide for the Fund conditions for performing this kind of control. This kind of control has been introduced in the year 2007 by the Fund within the frame of reform processes related to the Health Sector Management Project in the Republic of Macedonia, as part of the activities that are in accordance with the World Bank Mission and recommendations of the International Monetary Fund.

This function means performing of Ex Ante Financial Control of public health organizations and preparation a report. Providing that, this function is relatively new one and it requires wide knowledge of the controllers, it appeared a need for their further training.

In order to define the training needs for these persons, the project has planned a preparation of training needs analysis.

According to the proposed table of activities, the analysis provides interviews with Ex Ante financial controllers, the responsible persons in the Health Fund, as well as an analysis of documentation and their tasks and responsibilities.

a) Analysis of documentation provides experts to understand the role and tasks of Ex Ante financial controllers.

This kind of control has an objective to give appropriate information on time before actual processing of financial transactions, to the management team of health institution and the management team of the Fund about the irregularities and violation of law that is related to certain financial activity, for purpose of preventing such violation. The analysis has also an objective to strengthen the budget operation process and respecting the budget and financial discipline in public health institutions.

The subject of the this kind of control is also to check the correctness and compliance of documents that have financial implications with the legislation and by its signature the financial controller Ex Ante approves the correctness of documents, such as:

- Strategic Plan of Operation,
- Annual Plan of Operation,

- Annual Plan of Public Procurements,
- Annual Plan of Public Procurements of Small Value,
- Budget and Financial Plans,
- Contracts for Procuring Goods and Services,
- Financial Reports
- Monthly Budget Reports, etc.

These documents are submitted to the Fund in accordance with the determined budget procedures, calculations, collection and charging of participation fees, payment orders, employments and payment of salaries and insurance allowances, decisions and other acts having financial implications, control of economical, effective and efficient operation of health institutions, assigned use of financial means received by compulsory health insurance.

- b) The Interviews with the responsible persons in Health Fund, has shown that in the current period Ex Ante financial controllers have not been trained for preparation of reports, i.e. they are preparing the reports predominantly on basis on their personal experience and exchange of experience among themselves. Numerous numbers of controls have been made during the course of the year 2007 and on basis of such controls reports have been made. The reports of such controls show that during the last months of the year 2007 the controls had been improved in terms of their quality and higher level of professionalism while conducting such controls. Thus, the reports are more complex, more detailed and now they include more aspects and segments with well defined actual situation and concrete conclusions, as well as proposed measures and recommendations for operation in accordance with the applying laws and regulations.

Although the improved quality of reports based on conducted controls, they are not yet complied and present different situations depending on the actual circumstances in particular health institution, than on the kind of controlling activity performed by the EX Ante financial controller at that particular period of time as well as by the findings, approach and manner of conducting the control, i.e. by the controller itself, its capability, knowledge and skills.

- c) The interviews with Ex Ante financial controllers have shown that they well understand the importance of the financial control and their responsibility. They consider that this function is still in its initial phase and it is not well understood by the managers of Public Health Institutions. The insufficient human and organizational capacities in the Public Health Institutions still do not allow for the Ex Ante financial controllers to fully perform their function. Their activities are consisted of control of the monthly reports, financial reports etc. The problem of lack of personnel and insufficient training of these persons with regard to the current laws and regulations is something which has to be improved. What is the

most important for the Ex Ante financial controllers now, is establishing procedures for their operation.

- d) **The Interviews with chief finance officers in certain health institutions** have shown that still there is no established system of mutual connection with managers of public health institutions. The managers of public health institutions although being aware with establishing the position of Ex Ante financial controllers, they still do not see the need of such function, neither have used their services in this period in a way they are defined by law.

Based on forehead statements, summarizing the results received by analysisd circumstances, the BASME KT experts have prepared a training program for each of forehead topics.

3 Training Implementation

The training was designed in accordance with the provided instructions in Terms of Reference. The Terms of Reference define 6 (six) modules and for each of them was supposed to be prepared programs and submit them to the Health Insurance Fund for their approval. Due to the short period of time for implementation of training and in accordance with the Terms of Reference, there was no possibility to make any intervention with regard to the training duration and topics, following the conclusion in the Training Needs Analysis.

The program together with the description and objective of each individual module were prepared by BASME and approved by the Health Fund. It was defined that the training should be implemented in six modules with the following topics:

1. Strategic and Business Planning;
2. Budgeting and Control;
3. Reading and Analysis of Financial Reports;
4. Public Procurement Law and implementation procedures;
5. Commitment and Management Accounting
6. Cash Flow and Liquidation Risk Management

In the process of materials preparation were involved all engaged experts. They were acknowledged with analysis results and training needs as well as all relevant documents and materials received from the Health Insurance Fund. They were instructed to prepare appropriate materials and exercise for practical training by

using materials and financial reports from the Health Insurance Fund and Public Health Institutions.

During the course of defined module program preparation, the experts have used the results from Training Needs Analysis and the documents which in details explain the work of Ex Ante financial controllers, such as:

- Operation instructions of Ex Ante financial controllers,
- Job descriptions of Ex Ante financial controllers,
- Annual Report of Health Insurance Fund for the year 2007,
- Plan of Operation,
- Control Lists for each sector covered by Ex Ante financial controller,
- Legal provisions and regulations that define the operation of Ex Ante financial controllers,

The expert teams in coordination with the team for organization have prepared the programs for different modules. Each module was implemented by team of two experts in order to provide better expertise for all topics and better interaction with participants. Special attention was put to practical exercise preparation that is related to every-day-practice of controllers.

After the approval of program by the Health Insurance Fund, the experts of BASME have organized and implemented the training.

The training took place in Skopje, in hotel "Vodno" from 7th until 19th July. In a time period of two weeks in two parallel sessions for two groups of participants were organized six modules. Each module in duration of two days was consisted by theoretical and practical part. The participants along with the theoretical part related to the topics, also had an opportunity to do practical exercised together with the experts that are related to their every-day-practical work as well as to implement their theoretical knowledge.

Applying the participation method, the experts along with the theoretical classis and power point presentations through structural discussions with the participants have learned about the problems faced by the Ex Ante financial controllers in their every day practical operation. The experts have passed their knowledge and practical experience to the training participants, and through the practical exercises have helped them to apply suck knowledge and skills.

The training had an intensive character and was implemented in two weeks time period and in parallel sessions for two groups. The training has the following schedule:

	07.07.	08.07.	09.07.	10.07.	11.07.	12.07.
Group 1	Modul 1 Stratrgic and Business planning		Modul 4 Public procurement low and implementation procedures		Modul 6 Cash Flow and Liquidation Risk Management	
Group 2	Modul 4 Public procurement low and Implementation procedures		Modul 3 Reading and Analysis of Financial Reports		Modul 1 Stratrgic and Business planning	

	14.07.	15.07.	16.07.	17.07.	18.07.	19.07.
Group 1	Modul 3 Reading and Analysis of Financial Reports		Modul 5 Commitment and Managemet accounting		Modul 2 Budgeting and Control	
Group 2	Modul 5 Commitment and Managemet accounting		Modul 2 Budgeting and Control		Modul 6 Cash Flow and Liquidation Risk Management	

Such schedule of training made it possible for the training to be implemented in defined period of time. The place of organizing the training (isolated and quiet place) has provided good conditions for work. The participants were regular in their presence and were concentrated during the course of training.

BASME KT has engaged two teams of experts. One team was composed by experts who are experienced in training needs analysis and preparation of training curricula. The other team was composed by experts who are experienced in fields that were subject of training, and who are experienced in training implementation in order to be able to provide participants theoretical knowledge, but also practical experience.

The teams were comprised of the following experts:

Team for training need analysis and preparation of training curricula	Beti Delovska	Vlatko Danilov
Team for training implementation		
Strategic and business planning	Ninko Kostovski	Epaminonda Glavinac
Budgeting and control	Maksim Acevski	Branislav Gulev
Financial reports	Sasha Grujoski	Ninko Kostovski
Public Procurement	Aneta Mostrova	Kire Kostovski
Commitment and Management Accounting	Dushko Apostolovski	Zvonko Kochovski
Cash flow and liquidation Risk Management	Sashko Manakovski	Vlatko Danilov

3.1 Modules Description

3.1.1. Module 1 – Strategic and Business Planning

This module has an objective to provide two general aspects about the planning processes. One of the tasks of the controllers is verification of the health institution strategic plan. In order Ex Ante financial controllers to be capable to perform control of the strategic (business) plan and implementation of strategic priorities, this module was designed in a way so that the participants may:

- Understand the place and role of the planning process in modern organizational models,
- Identify the levels of planning, putting special focus to strategic planning,
- Aware with the methods acknowledging and understanding the initial circumstances (analysis of circumstances) as a precondition for successful strategic planning,
- Understand the steps in the process of strategic planning (mission verification, vision design, defining the objectives and developing a strategy),

- Introduce with the processes of implementation, monitoring and evaluation of strategic plans.

The module makes it possible for the participants to understand:

- What is strategic plan,
- What is the role and function of the strategic plan in the institution,
- How the strategic plan is prepared and verified,
- The difference and compliance between the strategic, operational and action plan,
- Control and monitoring of implementation the strategic plan,
- What is business plan and what are its consisting parts,
- Who is preparing it and when.

During the course of the training were made several practical exercises for preparation of parts of the business plan, and a special attention was made to monitoring of realization of the business plan in terms of monitoring of planned operational results.

3.1.2. Module 2 – Budget and Control

This module was estimated as a necessary one, due to the fact that it is proposed from 01.01.2009 all public health organizations will receive status of budget users so that they will make all transactions through the central budget and treasury.

The objective of this module is to generally introduce the participants about the treasury operation and control and creation of qualitative control of budget execution.

This module includes the following topics:

- Budget planning of Public Health Institutions in accordance with the applying laws and regulations and the internal acts of the organization;
- Control of procedures when planning the budget;
- Control of allocate and lawful budget performance;
- More successful compliance of prescribed procedures for treasury operation;

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- Control of quality of designed system of internal controls and control of its implementation;
 - Control of complete and updated records of accounting transactions in accounting evidence and financial reports.

The theoretical part of the training was supported by practical exercises through which the participants were able to get introduced with the procedures, documents, competent institutions for adopting and execution of budgets, ways of control for budget execution.

3.1.3. Module 3 – Reading and Analysis of Financial Reports

The main objective of this module is that the financial controllers get introduced with the financial reports that are used by the public health institutions, as well as introduction with the general rules for reading and control of financial reports. The knowledge they have acquired during the training course shall be benefiting for them when conducting control in the health care institutions and for evaluation of financial situation of the companies having business relations with the public health institutions.

During the training course were explained the reasons for preparation of financial reports, the main and consisting parts of the international financial reports. Furthermore, on the training were elaborated the general financial indicators for analysis of liquidity, the stocks and other items of the balance sheet and income sheet (profit and loss account), as well as the relation of debt and capital, liquidity, efficiency of invested capital and other similar topics. The analysis of balances was conducted through concrete examples.

3.1.4. Module 4 – Public Procurement Law and Implementation Procedures

This module attracted special attention at the course participants, because since the beginning of this year a new law on public procurements is in force. This module has covered the following topics:

- Practical application of the Public Procurement Law and the secondary legislation;
- Rules and regulations for efficient tender documentations;
- Criteria for granting the public procurement contracts;

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- Types of public procurement procedures and public procurement contracts defined by law and finding out if they are appropriately applied;
 - Procedures for granting public procurement contracts;
 - Basis for implementation of electronic public procurements;
 - Special modules for granting public procurement contracts;
 - Course participants to be introduced with the types of sector contracts;
 - Legal protection in the public procurement procedures;
 - Control and audit of public procurement procedures.

On the training the course participants were introduced with all public procurement procedures such as: planning, granting of public procurement contracts, legal protection and implementation, procurement realization, financial control in the health sector, etc. The training shall help the course participants for individual performance of control and implementation of public procurement procedures.

3.1.5. Module 5 – Commitment and Management Accounting

This module covers the topic which is well understood by some of the course participants because they already have a wide knowledge of the accounting, but still some of the participants are still beginners in the accounting. Both groups of participants have shown great interest for calculation of salaries and insurance allowances. Namely, on special request of the beneficiary, in the module were incorporated provisions of the Labor Relations Law and the subsequent rights arising from this law, than manner of calculation of salaries in the public health institutions, as well as the provisions of the collective agreements defining the rights of employees employed in public health institutions.

In the training session special attention was given to audit, so that the course participants were introduced with the basic audit principles, contents of audit reports and the manner of conducting the control. By use of practical example from their everyday work, they have made a documents which should be subject of control, also issues like- with what kind of dynamics the control is conducted, to what should be paid attention when making control, and how to compare it and with what to compare it. Special attention was paid to the control of payment orders (payment slips), the compliance of these slips with the invoices and other related documents, as well as control of financial reports and application of analytical procedures used in controls.

3.1.6. Module 6 – Cash Flow and Liquidation Risk Management

The purpose of this module is to explain the participants mechanisms of cash flow and liquidation risk management, as one of the most important risks which should be controlled by the financial controllers.

This module has provided the participants to get introduced with the general characteristics of cash flow and methods of cash flow calculation, what information is needed to prevent the occurrence of liquidation crisis.

The awareness of cash flow and liquidation risk management have crucial importance for financial controllers in order to prevent loss occurrence.

In order to make closer this topic to the participants, there were used real financial reports by the public health institutions.

3.2. Methodology

Several methods were used during the training course that was based on participation method which provides active participation of participants during the course session. The theoretical part of the training was presented by the experts by power point presentations, and during the whole session were applied practical examples and exercises, through which the participants had an opportunity to practically implement acquired knowledge during the training.

In order to make closer the theoretical knowledge, for exercises were used real financial reports of the public health institutions and the exercises were prepared from financial controllers' everyday practical work. All information and reports of the public health institutions were provided by the Health Insurance Fund.

3.3 Training materials for the participants

During the training course the participants were receiving materials for each module, which materials contained experts' presentations, examples and exercises and additional materials such as laws, secondary legislation and other useful materials. At the end of the training the participants received disc with electronic copies of all materials they already have received in hard copy version. All materials make useful handbook, which can serve the controllers in their everyday work.

Along with the training materials containing the laws and secondary legislation acts for certain fields, the BASME KT experts shall be available to all participants and to

the Health Insurance Fund for further clarification of certain topics and dilemmas they might face in their everyday work, and which are related to the training topics. Also, very useful can be the exchange of experience among the participants themselves.

4 Training evaluation

During the training course an evaluation of training was made through conversations during the sessions, separate evaluation list and at the end of the training through oral evaluation, i.e. summarizing the results of the training.

The participants had an opportunity to express their opinion about the topics, organization; working conditions where the training took place, trainers and the benefits from the training.

In the training evaluation list the participants have answered the following questions with- mark 1 (worst) till mark 5 (the best):

1. Was the training useful?
2. What was the content of the training?
3. What was the methodology of the training?
4. How were the trainers?
5. What were the conditions where the training took place?

Generally, on basis on all forehand listed methods of evaluation, there is an impression that the training was very useful for the participants. The module topics were well defined, the training materials were very useful, and case studies - examples from the everyday practical of financial controllers work were used. The participants have stated that this training should have been organized earlier and in a longer duration of time between the modules. Also, the participants think that this training creates solid basis and that they would need further training for all topics.

The participants' opinion is largely overlapping with the experts' opinion, who along with the afore stated comments consider that it is necessary to continue with the training, but also to establish a system of periodical measuring of what has been accomplished from the training. This can be done through a qualitative comparing of reports they are preparing and then submitting to the Fund, as well as through organizing meeting, where the training participants shall have the opportunity to express their opinion and accomplishments.

In the table below are shown the marks from the participants' evaluation lists, and some of their comments:

		Modul 1	Modul 2	Modul 3	Modul 4	Modul 5	Modul 6	Total
1	Was the training useful for you?							
	Does the training fulfill your expectations?	4,52	4,53	4,08	4,39	4,74	4,23	4,41
	Were the training materials appropriate for the training?	4,57	4,63	4,25	4,82	4,69	4,49	4,58
	To what degree do you feel we achieved our objectives with the training?	4,39	4,58	4,03	4,54	4,65	4,09	4,38
	Can the knowledge and skills that you gained during this training, be used in practice?	4,54	4,53	4,00	4,57	4,64	4,29	4,43
2	Effectiveness of the training?							
	To what degree are you satisfied from the training's content?	4,35	4,59	3,56	4,50	4,76	4,32	4,35
3	Analyses of the training's methodology							
	Do you consider that the training materials (slides, exercises, practical examples, case-studies) are useful?	4,71	4,72	4,31	4,75	4,63	4,52	4,61
	Are you generally satisfied with the training methodology?	4,68	4,54	4,17	4,43	4,66	4,37	4,48
4	Evaluation of the trainers							
	Presentation skills of the trainer and used visualization means	4,71	4,55	4,06	4,68	4,76	4,45	4,53
	Did the trainer explain the concepts well?	4,70	4,81	4,19	4,82	4,83	4,48	4,64
	Did the trainer engage the trainees to participate?	4,71	4,46	4,44	4,89	4,73	4,55	4,63
	Trainer's flexibility related to your questions and remarks	4,79	4,73	4,42	4,89	4,78	4,63	4,71
5	Training Administration							
b)	Were you satisfy with the duration of the daily schedule	4,14	4,36	4,22	4,40	4,45	4,60	4,36
v)	Were the conditions of the training (location, facilities, equipment etc) appropriate?	3,71	3,78	3,44	3,00	3,80	3,83	3,59
g)	Are you satisfied with breaks (coffee and food)?	3,33	3,96	3,33	2,93	3,60	3,45	3,43
6	General impression							
	To what degree are you satisfied from the training, having into consideration the previous criteria?	4,16	4,48	3,98	4,43	4,40	4,26	4,29

Module 1

- Excellently conducted training for topics which are not interesting;
- The training should be divided in a period of few weeks;
- Additional trainings to follow for the applying legal provisions;
- More practical exams from the health sector;

Module 2

- These kind of trainings are very useful;
- To organize additional training in duration of 3-4 months about the topics proposed by the controllers;
- Practical case studies from the public health institutions to be applied, i.e. examples that will be proposed by the controllers;
- Control of DRG method;
- Very good training session;
- Training is not to be organized in July;

Module 3

- Very concentrated program, without possibility for more case studies;
- More concrete case studies (examples);
- This topic requires longer period of time;
- DRG system and foreign insurance, smaller services to be trained as well;
- DRG organization structure of health sector, EU control of Health Insurance Fund, Public Health Institutions, calculation of health insurance allowances;

Module 4

- Additional training for public procurement control for purchasing medical vehicles, echo machine, insulin, etc.;
- In the additional training to be included more case studies- examples from all phases of public procurement process;
- To organize other trainings about the control in the health sector;
- A continuous training is required, as this topic is very changeable;
- Additional training with more case studies, in duration of 3-4 months, on other location;
- Excellent training;

Module 5

- Additional training about the unification of reports;
- Very well elaborated model;
- Many topics, little time for explanation;

Module 6

- Important topics, short time for explanation;
- More practical case studies –examples from the health sector;

5 Analysis of the participants

During the training, the experts made analysis and assessment of the participants.

The conclusion is as follows:

1. Groups were composed of mixed participants: both from the Health Insurance Fund and the Regional Units of the Health Insurance Fund.
2. Participants demonstrated exceptional interest in all the topics, because of their relevance to the work. They were oriented and strongly motivated towards the realization of the objective of this training.
3. It should be particularly emphasized that they have been devoted and active in the course of the training. All the participants demonstrated high level of activity and contributed for sharing their own experiences with all the participants in the group and with the experts, too.
4. Concentration of the attention of participants did not diminish at all during the whole time of the training, although it was concentrated and without breaks between the modules. It points to a good selection of the topics and their relevance to the everyday work of the financial controllers, but also to a good approach and application of practical experiences and examples.
5. Groups were heterogeneous and the participants had significantly different levels of knowledge, prior knowledge and experience. It resulted, of course, from the fact that they are new at the position financial controller and come with different experiences gained at their previous working places. The difference in the level of their knowledge for the topics has been reduced due to the theoretical knowledge they gained in the course of the training, but also to the communication established among the participants and the experts, and the experience exchanged between them.
6. Participants acquired basic knowledge in the fields, but they need additional training as to be able to do the control smoothly and by their own. Two days training for each module is too short period for a detailed elaboration on the topic. But the concentrated training also does not give the confidence that the knowledge acquired could be well systematized.
7. Participant conscious of the high responsibility in doing the controls, asked for subsequent trainings and also assistance from the experts in doing the

- controls, and BASME KT provided them a permanent contact with all the experts and a conference in the next period.
8. Comparing the statements of the participants for their understanding of the matters and of the obligations arising from the relevant documents, it was concluded that there is a high level of understanding the matters. But there is also a difference in the level of their prior knowledge and there is no coordination in the way to approach the work. On the basis of the statements of the participants, this appears because the controllers in their everyday work do not have enough precisely written procedures for the work, guidelines, as well as harmonized way in doing a control and preparing a report.
 9. Namely, the description of the duties of the financial controllers covers a set of documents which should be checked from the aspect of accuracy and harmonization, and this requires a broad knowledge of more fields which are not only financial but it also includes law. Here appears the need for more detailed knowledge about strategic planning, business planning, public procurements, participation collection systems, the method of decision making in Public Health Institution (PHI) and alike. It is unrealistic to expect that a controller has detailed knowledge in all the fields, but a controller should have general knowledge on the topics, from the aspect of control of document which he is supposed to control. For the purpose to facilitate the work of the financial controllers, their permanent training and improvement is required in all the fields which they are active in.
 10. Documents that the financial controllers should inspect are regulated by great number of laws and other kinds of legislation, which changes and updates all the time. It is of exceptional significance for the ex ante financial control that the controllers permanently follow and update the knowledge and get the newest information. Any change in the legislation is important for their work and they should be always duly informed and instructed for the relation toward the changes.
 11. From an aspect of the approach towards the work, it can be said that this is a relatively new function in the health sector and each controller is in a stage of development of his own style of operation, but also his own approach concerning the control. Preparation of manuals and written control procedures, which will describe the duties and responsibilities of the controllers in more details, shall equalize and harmonize the controls to a great extent.

6 Conclusions

Training was carried out within the fixed time limit, with limited time period. Taking into consideration the exclusively short time period for preparation of the materials, they have been prepared before and in the course of the training. It started first with

the topics for which appropriate concrete examples had been provided, and the remaining modules subsequently as the examples were provided by Public Health Institutions. Although concentrated, the training was followed completely by all the participants. Through this training the controllers acquired basic knowledge in many fields and it represents only introduction in the forthcoming training. The training carried out represents a solid basis from a theoretical and practical aspect as to consider the situations and plan a series of new trainings which are to be carried out in future. In the course of the training the needs for establishing a standard procedure and a working procedure was perceived, as well as the need for an additional continuous training have been realized.

On the basis of the statements given by the participants and the experts, this training has achieved the effects planned, increasing the level of knowledge with the participants. By completion of the training, they could perform their function in a more efficient way and shall have more equalized understanding of the documents subject to financial control.

One of the essential factors for a successful ex ante financial control harmonization of the terms, terminology and the significance of the control between the controllers and Public health Institutions. Our opinion is that for a successful performance of the financial control, training of both parts is of a vital significance.

This is of particular importance as, up-to-date, Public Health Institutions have not developed a clear idea for the role of the financial controllers and of the method of their work (conclusion on the basis of the statements of both parts). Training shall provide better communication between them and more efficient realization of the work.

In order to get a more clear idea for the training realized, we are going to give a comment for each module respectively.

6.1. Module 1

Strategic planning was one of the areas less known to the participants. In the course of the training they acquired a clear idea for the difference among strategic, operational and business plan, components of the strategic and the business plan, as well as instructions to control these documents.

Participants understood the concept of the two document, what is their significance for the operation of Public Health Institutions, what do they require for their preparation and how are they implemented.

We consider that the participants have acquired only basic knowledge for these two documents, and on the basis of their statements it is not sufficient and stressed the need for advanced training on this topic. The basic reason is the short time period of 2 (two) days only, and there was no time go deeper in the topic. Such an additional training should be organized and intended to both target groups (financial controllers and representatives from Public Health Institutions) together.

6.2. Module 2

Budgeting is a topic which has not been treated in the previous period of the operation of the financial controllers. Its actuality has increased by the proposal for Public Health Institutions to become budgetary beneficiary from the next year.

Participants demonstrated different level of knowledge for the budgeting process, but fundamentally great number of the participant do not have knowledge and experience in preparation, control and realization of the budgets.

They do not have also knowledge for theoretical operation, and advanced training in this field is of exceptional significance for them. Without advanced training they could not perform properly their function in this field.

6.3. Module 3

Reading and analysing of financial reports is a topic of great importance for the financial controllers. In the course of the training, the participants have acquired knowledge for the significance and connection of the financial reports, as well as their analysis and use in the process of decision making. There is a need for the participants to acquire detailed knowledge in understanding financial reports, the needs and purposes of the management. Financial reports are a useful tool which can give the Health Insurance Fund a clear and real picture for the effectiveness and efficiency of the operation of Public Health Institutions, for the purpose of more efficient allocation of the funds.

6.4. Module 4

Public procurement system is a topic which caused the greatest interest among the participants, partly because of the new Law on Public Procurements, and partially because it is one of the last topics which the financial controllers became familiar with, and it is also an important link in the financial control system.

The time period of the training did not allow going in more details in the legal provisions, procedures and the procurement system, and the participants got knowledge only of the elements of the legal provisions which govern this issue. For the purpose of a more efficient performance of the controlling function in this area, there is a need of a more detailed training which would include also elaboration of concrete practical examples from Public Health Institutions, as well as simulation of a complete public procurement process, starting from a decision on public procurement, and further until the completion of the public procurement process, including appeal procedures and financial implications.

A special topic which should be dealt with in the next training of the financial controllers is PPP – Public Private Partnership and the legal provisions governing this area.

6.5. Module 5

Module on the topic commitment (cost) and management accounting represents one of the basic areas of control. Control is carried out on the documents, their recording, entering and the reports that Public Health Institutions prepare. Part of the participants had advanced knowledge about this topic as a result of their previous working experience, and part of them did not know much of it.

In the course of the training the basic principles of the audit control, which is very close to the one performed by the ex ante financial controllers, have been also elaborated

6.6. Module 6

This module elaborates the topic on cash flow and risk management. For part of the participant it was of particular interest, but part of them did not feel that there is a need for an advanced training.

It comes from the fact that the report on the cash flow has not got the necessary significance and application, neither with the financial controllers nor with the Public Health Institutions. But having in mind that the cash movement and the liquidity are the elements of a normal functioning of each organization, we consider that this topic should be a base for the next trainings, where the planning of funds for a few years in advance is going to be a basic topic.

7 Influence of the logistics and organization of the training

Organization of the training has been carried out in coordination with the Project Unit. BASME KT was responsible for realization of the modules, preparation, printing and distribution of the training materials, as well as for providing experts for smooth realization of the training course. The project unit organized the contact with the participants, rooms for training, accommodation of the participants and the necessary equipment for the realization of the project.

Comments and conclusions related to these issues are as follows:

- A lot of topics and information in a short time period. According to the learning theory, the memory is in an inverse proportion with the absorbing of the quantity of information in a given time period. It means if too many topics are elaborated for a short time period, there is a great possibility for the learning efficiency to be reduced. The same is valid also for too many information and too many materials about one topic in a short time period. We have faced this risk while we were defining the time schedule, but it could not be avoided, having in view the high concentration of the training. Our opinion is that the topics were well defined, but the time for each module is too short for a

detailed and in depth understanding of the topics and an advanced training is necessary.

- Module topics provided a wide range of knowledge, but as the modules were dealt with subsequently, without break between them, there was no sufficient time to systematize the knowledge acquired for each single topic. We consider that this factor has decreased the efficiency of the realized training.
- The place where the training took place, Hotel "Sredno Vodno", provided high degree of isolation of the participants, which had a positive effect on the training, by increased concentrated attention of the participants and their permanent presence. The logistics was organized well and there have not been any obstacles in the training, and it was carried out smoothly. The participants from Skopje faced the problem to regularly attend the course, because of their every day obligations at the working place, but it did not have any influence on realization of the training.
- Training was carried out during the summer period, in July, when the people take their annual vacations. We propose for the next trainings to be organized in other time period and with bigger time distance between the modules.
- Participants accommodated in the hotel had an opportunity to get to know each other better and establish better communication between them, and it will be better for the future as it will contribute to a great extent to the exchange of experiences among them. We propose, and it is a proposal by the participants, for the future trainings to be organized in a place isolated for all the participants (for example, in Ohrid, Mavrovo or alike). It will create possibility for the participants to communicate and be friendly with each other.

8 Recommendations for future activities

In the forthcoming period Ex Ante financial controllers are going to have very important role in the realization of the strategic goals of the Ministry of Health and of the plans of the Health Insurance Fund (HIF) for efficient use of the funds and achievement of maximum possible effects by providing quality health services to the beneficiaries.

On the basis of these arguments we consider that the training which Ex Ante financial controllers passed is useful, but not sufficient as they could start immediately to do their tasks and finalize them entirely.

So, we propose elaboration of a system for **continuous training**, which will bring the existing controllers to the necessary level and extent of knowledge (both theoretically and practically) and be ready to prepare complete reports as Health Insurance Fund could realise its targeted goals. This system for a permanent

improvement of the capacity of the controllers should be elaborated in a form of **multidisciplinary training programme**, with clearly specified goals, topics, depending on the practical needs of the controllers and in advance fixed schedule of trainings. This training system should have a possibility to accept also the new controllers and provide them orientation and quick inclusion in the operation. The system should also provide way for getting information about all the relevant changes in the legislation and its appropriate application and consequences, both for Public Health Institutions and Health Insurance Fund.

Training in future should be regular and practical as to enable the participants share their opinions and dilemmas with the colleagues and experts of the relevant areas. The training which was carried out within this project included a minimum part of the theory which deals with the problems the controllers face with while they perform their activities. The future training for the purpose of this target group should contain both theoretical and practical part.

Concerning the **practical part** we propose it to be based on organization of workshops on various topics and by using moderation and facilitation methods as to induce the participants and the experts to elaborate the topics. At these workshops the participants would emphasise the problems the controllers face with in their everyday work, as well as the proposals as to overcome those problems. They should represent a field where the controllers and experts, invited with a purpose to contribute with their knowledge and experience for a more efficient functioning of the Ex Ante control, could exchange their experience. Thematic workshops should be attended also by representatives from the Public Health Institutions.

Our proposal is for the **theoretical part** to be dealt with at workshops on various topics which could cover more fields necessary for doing the function in an efficient way. These workshops should be also attended by representatives from the Public Health Institutions, for the purpose of better mutual understanding, strengthening the capacities of all the participants, as well as for improvement of the performances of the organizations. Workshops should cover all already elaborated topics (both the levels for beginners and advanced levels), as well as topics for improvement of the interpersonal skills of the controllers. For this training, we propose that it covers development of communication and presentation skills, a team and team work, time management, efficient conduct of meetings, stress management issues, handling difficult situations, identification and management of the concerned parties, project management issues and alike. In addition to the theoretical part, these workshops should also include practical exercises and simulations, as the participants could better improve the relevant techniques and their level of knowledge.

Both types of trainings should be intended for both target groups, as training only for financial controllers without training for the financial employees in Public Health Institutions will not give complete results. An optimal option is for the financial controllers and the representatives from Public Health Institutions to talk, in other words, in the same language, that is to understand the terms, processes, procedures, law and alike, in the same way. This will contribute for simplification of the control, optimisation of the results, shortening of the time of control and more

efficient use of the funds that Health Insurance Fund allocates for Ex Ante financial control.

In addition to training, the financial controllers also need assistance in **establishing written working procedures**. Establishment of clear written procedures will help to establish standardized financial controls and reports, which in this conditions, with missing written procedures, are carried out in different ways by the controllers, depending on their prior knowledge, situation in the field and alike. The procedures should enable harmonized criteria, consistency and uniform approach and reports.

It is necessary, for each part of the work, to prepare a clear written procedure covering:

- documents required (laws, by – laws (secondary legislation), rule books and alike),
- steps required to carry out the control (where to start from, what to control, how to complete it and alike),
- schedule (calendar) of activities (when to carry out the control),
- templates for a control order, procedure, report.

In the preparation of the written procedures, in addition to the financial controllers, should also be included representatives of Public Health Institutions, as they could be prepared to carry out Ex Ante financial control (to know what are the documents required, what they should prepare in advance, to advise and alike). The Health Insurance Fund should have a key role in establishing the written procedures for the work of the Ex Ante financial controllers, together with the previous participants. The procedure should be managed by external experts.

In our opinion this is the only way to establish a system of Ex Ante financial control which will be efficient and transparent and which will contribute to better efficiency in the use of the funds from the Health Insurance Fund.

In order to achieve higher efficiency in the Ex Ante financial control, the level of providing information to all the participants in the process should be increased. One of the methods in achieving this goal is establishment of an **electronic data base for laws and regulations** which are necessary for the controllers in the course of their work, and which will be regularly updated, with a purpose to provide updated data and legislation.

For the needs of both Health Insurance Fund and Ex Ante financial controllers it is necessary to develop a software with a single data base to storage all reports submitted by the Ex Ante financial control, financial reports from Public Health Institutions, as well as other useful data. This data base will serve for comparison (benchmarking) of the financial effects arising from the operation of the Health Insurance Fund. This base of financial reports should give answer to many issues concerning the level of efficiency in the operation of Public Health Institutions, when they are compared. This software shall calculate automatically all necessary performance indicators, and it will also follow the expenditures, service prices, the efficiency in the operation and alike.

In addition to the above general recommendations, we also propose few concrete activities which should be undertaken on the basis of our perceptions in the course of the training and on the basis of the requirements of the participants. Namely both target groups (Ex Ante financial controllers and the representatives from Public Health Institutions) should get more detailed knowledge in the following:

- Training for preparation of a strategic plan with special review on the control plan and established priorities,
- Preparation of a template for a strategic plan of Public Health Institutions, or for acceptance of an existing comprehensive template,
- Training for preparation of a business plan in accordance with a given template, in which all elements would be elaborated in details, with a special emphasis to the control on the realization of the business plan,
- Advanced training for the public procurement process, by elaboration of the public procurement procedures, as well as preparation of a detailed instruction and procedure for public procurement control,
- Accounting in Public Health Institutions for the needs of the Ex Ante financial controllers,
- Training for taking management and investment decisions on the basis of the financial reports and establishment of their correctness,
- Budgeting and treasury operation for both target groups of Ex Ante financial controllers,
- Training for public - private partnership.