# Australia-Indonesia Partnership for Health Systems Strengthening (AIPHSS) Implementing Service Provider (ISP)


## Progress Report

June 2013

Australian AID

# CONTENTS



## Annexes

# ABBREVIATIONS

| | |
|---|---|
| ADINKES | Asosiasi Dinas Kesahatan |
| AIPD | Australia Indonesia Partnership for Decentralisation |
| AIPHSS | Australia Indonesia Partnership for Health Systems Strengthening |
| AIPMNH | Australia Indonesia Partnership for Maternal and Neonatal Health |
| BPJS | Badan Penyelenggara Jaminan Sosial (Social Security Agency) |
| BOK | Bantuan Operasional Kesehatan (Support for Health Operational Costs) |
| BUKD | Bina Upaya Kesehatan Dasar (Basic Health Services Unit) |
| Coffey | Coffey International Development |
| CSCF | Civil Society Challenge Fund |
| CSO | Civil Society Organisation |
| DHA | District Health Accounts |
| DHO | District Health Office |
| DPMU | District Program Management Unit |
| DTPS | District Team Problem Solving |
| FR | Funds Request |
| GFATM | Global Fund to Fight AIDS, Tuberculosis and Malaria |
| GIS | Geographical Information Systems |
| GoA | Government of Australia |
| GoI | Government of Indonesia |
| HPN | Health Policy Network |
| HR | Human Resources |
| HRMIS | Human Resources Management Information System |
| HSRA | Health System Rapid Assessment |
| IHPB | Integrated Health Planning and Budgeting |
| ISP | Implementing Service Provider |

# ABBREVIATIONS

| | |
|---|---|
| Jamkesmas | Jaminan Kesehatan Masyarakat (Community Health Insurance) |
| Jampersal | Jaminan Persalinan (Delivery / Birthing Insurance) |
| JATIM | Jawa Timor |
| KSI | Knowledge Sector Initiative |
| LFA | Local Funds Agent |
| MAMPU | Maju Perempuan Indonesia untuk Penanggulangan Kemiskinan (Advancing Indonesian Women to Tackle Poverty) |
| M&E | Monitoring and Evaluation |
| MoH | Ministry of Health |
| MoHA | Ministry of Home Affairs |
| NHA | National Health Accounts |
| NIHRD | National Institute of Health Research Development |
| NTT | Nusa Tenggara Timur |
| PDD | Program Design Document |
| PF | Performance Framework |
| PHC | Primary Health Care |
| PHO | Provincial Health Office |
| PIM | Program Implementation Manual |
| PJJ | Distance Education Program for Nurses and Midwives |
| PML | Performance Management and Leadership |
| PMU | Program Management Unit |
| POM | Program Operations Manual |
| PPJK | Centre for Health Financing and Social Health Insurance |
| PPMU | Provincial Program Management Unit |
| PPSDM | Centre for Health Workforce Planning |

# ABBREVIATIONS

| | |
|---|---|
| PR | Principal Recipient |
| PSC | Program Steering Committee |
| PTS | Program Technical Specialist |
| QA | Quality Assurance |
| RMM | Risk Management Matrix |
| ROREN | Bureau of Planning and Budgeting |
| SG | Secretary General |
| SoS | Scope of Services |
| SPM | Minimum Service Standards |
| SR | Sub Recipient |
| SSR | Sub Sub Recipient |
| TA | Technical Assistance |
| ToR | Terms of Reference |
| TWG | Technical Working Group |
| UGM | University of Gadjah Mada |
| UHC | Universal Health Coverage |
| WHO | World Health Organisation |

# Executive Summary

This document is the first Progress Report for the Implementing Service Provider (ISP) for the Australia Indonesia Partnership for Health Systems Strengthening (AIPHSS) and covers the period from December 2012 to end of May 2013. As the initial Progress Report the focus is on the activities of the Inception Phase and Program establishment. Subsequent six monthly progress reports will provide data against intermediate Program outcomes and outputs.

The ISP has established a fully operational office and Team that is focused on the delivery of the scope of services (SoS). Relationships have matured with a good level of trust and partnership developing between the ISP, Program Management Unit (PMU) and AusAID. All indications show that these relationships will continue to further mature into a strong team approach for implementation of AIPHSS. The ISP has further developed positive working relationships with Sub Recipients (SRs) and Sub Sub-recipients (SSRs).

The Performance Framework and Program Implementation Manual (PIM) were presented to the Technical Working Group (TWG) on 17 May, 2013. Follow up actions included some changes to the Sub Recipient (SR) work plans, in particular those for the Basic Health Services Unit (BUKD) and Bureau of Planning and Budgeting (ROREN). Final touches to the PIM were identified and carried out by the PMU and the ISP in preparation for endorsement by the Program Steering Committee (PSC) on 3 June 2013. The bottleneck channelling funds through the central level to provinces and districts has now been resolved. The partners have agreed that the ISP will be used as an interim mechanism to channel funding to the provincial and district levels from July 2013 to December 2014.

The technical direction of the Program has been strengthened by the Program Technical Specialist (PTS) who joined AIPHSS in February 2013. The PTS has undertaken critical analyses of work plans, assessed current Ministry of Health (MoH) policy priorities and conducted thorough coordination with senior management across the SRs and with the AusAID Senior Health Analyst. This has enabled the PTS to provide an overarching framework and identify key strategic issues to be addressed by AIPHSS. The PTS will be assisted by a group of five technical advisers for six months who will support the preparation of activity terms of reference (ToRs) and maintaining technical quality of AIPHSS at the national, provincial and district levels. The ISP will contract the technical advisers on behalf of the MoH and AusAID.

ISP implementation of 12 Tasking Notes - including seven initial activities - has resulted in progress towards early stage outputs which will be captured in the next reporting period.

The recruitment of 66 PMU staff for district, province and national PMU offices is advanced and expected to be completed by the end of June with new staff commencing in early July. They will be contracted by the ISP until the end of 2014.

Progress in communications has resulted in the preparation of the Program Communications Strategy, establishing a regular monthly bulletin and the launching of the AIPHSS website.

Following feedback from AusAID the Monitoring and Evaluation (M&E) Plan which was presented in the Implementation Strategy has been revised and now includes a comprehensive M&E system and management approach. All six monthly progress reports from this stage forward will provide data on program outcomes and outputs as part of standard M&E reporting.

The initial six months have provided an insight into risks and lessons learned. The management of AIPHSS is conducted by three main parties - AusAID, PMU and the ISP. The SRs and Sub-sub recipients (SSRS) are responsible for designing and implementing health systems strengthening activities in the work plans. As the Program moves towards implementation, further improvements are required in:

1 the quality of coordination, communication and documentation.

2 clear decision making and planning processes for work plan activities.

3 undertaking effective management of complex, high value, high risk activities.

4 ensuring that partners fulfil roles and responsibilities according to the Subsidiary Agreement.

5 the application of a quality assurance (QA) process.

# 1 Background

The Australia Indonesia Partnership for Health Systems Strengthening (AIPHSS) is the most recent health sector program to be funded by AusAID in Indonesia. It addresses weaknesses in the health system that have resulted in bottlenecks in health financing and health workforce to deliver quality health primary care, particularly for those in remote and poor areas. AIPHSS represents a change in how the Government of Australia (GoA) is working with the Ministry of Health (MoH) to improve health systems by being the first of its health programs that will be on-budget off-treasury, and harmonised with Government of Indonesia (GoI) systems.

Program coverage is planned for five provinces and 20 districts. Currently the provinces of Nusa Tenggara Timur (NTT) and Jawa Timur (JATIM) have been selected with four districts in each province targeted for AIPHSS activities in 2013. The initial targeted Provinces for the first phase are:

- NTT:Sumba Barat Daya, Ngada, Flores Timur and Timor Tengah Utara
- JATIM:Situbondo, Bondowoso, Sampang and Bangkalan

Three more provinces may be identified in late 2013 for the period January 2014 to December 2016.

## 1.1 Purpose and Goal

Tho goal of AIPHSS is: *"the improved health status of poor people in Indonesia."* The impact will be measured beyond the life of the program through improvements in the maternal mortality and under-five mortality rates.

The program's outcome (purpose) is: *"increased utilisation of quality primary health care and appropriate referral systems in 20 districts in 5 provinces."*

## 1.2 AIPHSS components

The five program component objectives are:

**Component 1:** The Ministry of Health uses evidence-based data and up-to-date information to make national-level policy decisions on health financing and health human resources to improve access to and the quality of primary health care for the poor and the near-poor.

**Component 2:** Health offices in 20 districts in five provinces implement health financing and human health resources policies and programs more effectively and efficiently to improve access to and the quality of primary health care for the poor and the near-poor.

**Component 3:** Selected primary health centres (Puskesmas) and village health posts (Poskesdes) in 20 districts in five provinces have empowered and qualified health workers and sufficient resources to deliver quality, free primary health care services and referral for the poor and the near-poor (Puskesmas achieve Poned status, that is, the management of basic emergency obstetric neonatal care).

**Component 4:** The Centre for Health Workforce Education and Training (Pusdiklatnakes) ensures that selected government health polytechnics (Poltekkes) run accredited nursing and midwifery study programs (Program Studi Kabidanan Perawat (Prodi)) to produce qualified nurses and midwives for the selected primary health care and village health posts.

**Component 5:** Universities, research institutes and civil society organisations are able to deliver evidence-based data, advocate for health financing and human resources for health with the central and local policy-makers, and provide technical assistance and training to districts and Puskesmas to increase health access for the poor and the near-poor.

AIPHSS will achieve its program objectives through the provision of technical assistance; conducting research; providing data and evidence to policy makers; and building capacity of health planners, managers and service providers to overcome health systems bottlenecks in health financing and health workforce.

The program is led by the Central Program Management Unit (PMU) which is based in the Bureau of Planning and Budgeting in the Ministry of Health (MoH). An Implementing Service Provider (ISP) has been contracted by AusAID to provide management and operations support to the PMU in the procurement of technical assistance, Monitoring and Evaluation (M&E), Communications, and management of research grants.

# 2 Progress in management and operations

## 2.1 Mobilisation

The ISP was mobilised on 26 November 2012. Since then the ISP has established a fully functional office close to the MoH, established operation systems and recruited a team to deliver the Scope of Services.

During this early mobilisation phase the ISP - in partnership with the PMU - conducted the Socialisation and Evaluability Workshop. Progress to-date was presented at the Workshop and the PMU and ISP engaged the SRs and SSRs in analysis of their work plans and gained inputs for the Performance Framework. This was a key initial step which engaged the SSRs and introduced the ISP for the first time.

## 2.2 Tasking Note System

A system of managing Tasking Notes was also established during the Inception Period and to date 12 Tasking Notes have been received and actioned by the ISP. The Tasking Notes cover a wide range of activities with varying level of complexity. To date Tasking Notes have included the management of consultant contracts, financing of multiple workshops (e.g. BPJS) and the provision of management, operational and technical support services for large scale complex activities. One example of ISP action under a Taking Note has been the analysis and support to develop a procurement, management and financial disbursement plan for the ADINKES activity for regulatory reform of minimum standards of health care. Using the ISP Quality Assurance (QA) process, larger scale activities are subject to a detailed analysis of the terms of reference (ToR), and their objectives and expected outcomes to ensure they comply with AIPHSS goal and objectives and the performance framework.

## 2.3 Establishing Relationships

Good working relationships have been firmly established in the last six months. The level of trust between the ISP and the PMU has particularly strengthened. This has been achieved through sustained, positive and flexible responses from all ISP team members. In some cases the ISP has

been requested to support the MoH in activities outside AIPHSS, for example communications support for the Rakerkesnas.

Close working relationships with AusAID have also been established; the ISP Manager is in close communication with the AusAID Program Manager on a daily basis. There are now weekly coordination meetings taking place between AusAID, the PMU, the Program Technical Specialist (PTS) and the ISP.

The ISP has also established sound relationships with Sub-Recipients (SRs) and Sub Sub-Recipients (SSRs). This has been achieved through the coordination support to implement initial activities and recruitment of all PMU staff at the national, provincial and district levels.

## 2.4 Progressing the AIPHSS Work plans

The development of the AIPHSS work plans has been a vital process which provides the basis for the delivery of the AIPHSS program. Over this six month reporting period, the ISP M&E Adviser provided technical and coordination support to the PMU which has the primary responsibility to finalise and agree work plans with the SRs and SSRs. The work plans initially had a total of 458 activities when the ISP commenced. They were tested against selection criteria of:

- feasibility of being completed within 18 months;
- relevance and consistency against the performance framework;
- activities are not MoH routine activities;
- being achievable, with reference to existing workloads for the SRs and SSRs.

The activities were reduced to 178. All work plans have now been submitted to the Technical Working Group (TWG) and Program Steering Committee (PSC) for further review.

## 2.5 PMU Program Implementation Manual (PIM) finalisation

The implementation and operational manuals for both the ISP and the PMU are essential for the management and control of the AIPHSS program. The ISP prepared, and submitted to AusAID, a comprehensive Program Operations Manual (POM) which provides details of all the ISP's operational procedures.

The ISP also supported integration of relevant POM processes into, and finalisation of, the PIM for the PMU. This included sections on financing, human resources, procurement and fraud control. Importantly, the ISP developed a Funds Channelling process which will be utilised to fund activities at Provincial and District levels from July 2013 until December 2014 (see Annex 4). The PIM was submitted to the PSC on 3 June 2013. The PSC identified some necessary revisions before it can be submitted to the Local Fund Agent (LFA) for final review and approval.

## 2.6 Recruitment of PMU Staff

In collaboration with the PMU, AusAID, SRs and SSRs, the ISP undertook open recruitment of all PMU staff at the national, provincial and district levels. This was an exhaustive process of advertising, responding to and shortlisting 1,355 applications (and many more email queries and responses), liaising with the PMU and AusAID to confirm shortlisted candidates, and organising interviews with candidates and panel members to undertake the selection process. The first round of 45 preferred candidates have been confirmed and agreed with AusAID. Negotiations have commenced on a second round of recruitment of 21 positions taking place at the time of reporting. A total 66 positions

will be recruited for commencement in July 2013 (see Annex 1 - overall PMU staff recruitment and structure)

**Table 1. Summary of Progress and Key Achievements**

| Key Achievements in First 6 Months |
|---|
| 1. Mobilisation of full ISP team. |
| 2. Establishing positive relationships with PMU, AusAID, SRs and SSRs. |
| 3. Ten major reports submitted to AusAID. |
| 4. ISP Operational systems established. |
| 5. Work plans submitted to TWG and PSC for approval in May 2013. |
| 6. Performance Framework finalised and submitted to the TWG on 17 May and endorsed by the PSC on 31 May. |
| 7. Fund channelling bottleneck resolved, including the development of an ISP financing and fraud management system |
| 8. Twelve Tasking Notes implemented , including priority activities HSRA, ADINKES , PJJ, Gender Responsive Planning and Budgeting for Puskesmas, NHA and Capitation workshops, GIS training. |
| 9. Open recruitment of 66 PMU staff at national, provincial and district levels. |
| 10. Refurbishment of PMU office in the Ministry of Health completed. |
| 11. M&E System established. |
| 12. Quality Assurance process developed and integrated into the PIM. |
| 13. PMU Program Implementation Manual and ISP Program Operational Manual integrated. |
| 14. Weekly coordination between AusAID, PTS, ISP and PMU established. |
| 15. Regular monthly bulletins established. |
| 16. AIPHSS Website established, |

# 3 Progress under each component

## 3.1 Component 1:

**Objective:** The Ministry of Health uses evidence-based data and up-to-date information to make national-level policy decisions on health financing and health human resources to improve access to and the quality of primary health care for the poor and the near-poor.

### *Health System Rapid Assessment (HSRA)*

Terms of Reference (ToR) for the HSRA have been approved by the PTS for implementation by the National Institute for Health Research and Development (NIHRD). The objective of the HSRA is to identify needs and gaps in the health system in order to determine new short term priorities at provincial and district level of AIPHSS pilot areas. The assessment will provide quantitative and

qualitative information on the health system building blocks and interaction between the building blocks. Results from the HSRA will better inform district work plans for 2014.

Current status: AusAID and the PTS will review the relevance and timing of this activity.

### *Research Agenda*

Initial discussions have been held with AusAID and the NIHRD to develop a research agenda for the AIPHSS program. A workshop with the PMU, AusAID, NIHRD, SRs and SSRs is required to develop the research agenda and ensure that the research topics are linked to current health policy priorities.

The research agenda requires a strategic approach on how the partners will use research to address specific questions related to AIPHSS. The research agenda should be informed by SRs and SSRs making sure that research is demand driven and applied. The ISP suggests that these can be explored in the agenda setting workshop.

Current status: A terms of reference has been drafted by the ISP for presentation to AusAID for review.

## 3.2 Component 2:

**Objective:** Health offices in 20 districts in five provinces implement health financing and human health resources policies and programs more effectively and efficiently to improve access to and the quality of primary health care for the poor and the near-poor.

### *Universal Health Care*

AusAID is providing technical support to the BPJS for its work on Universal Health Coverage.

Current status: The ISP has contracted an international Technical Adviser, a Technical Officer and two administrative staff to support the Secretariat for BPJS transformation and provide operations support to the BPJS Task Force under the Centre for Health Financing and Insurance (PPJK).

### *Primary Health Care (PHC) Capitation Workshop*

A Primary Health Care (PHC) Capitation Workshop was held in Jakarta from 28 February to1 March 2013, sponsored by the MoH, AusAID, and the Joint Learning Network. The objectives of the workshop were to:

- Reach consensus on the current main challenges with PHC payment in Indonesia and objectives for new or refined provider payment systems;
- Identify the benefit package in capitation or other payment system design and implementation that can be used to achieve health system objectives in Indonesia;
- Develop methodologies for calculating capitation for a benefit package;
- Identify the challenges of non-capitation payment for Primary Health Care.

The workshop progressed development of options for payment models.

Current status: Recommendations for follow up will be provided by the Technical Adviser to the BPJS Secretariat. To date the ISP has not received further instructions to support the next steps.

### *Institutionalising National Health Accounts (NHA)*

AIPHSS supported the PPJK to conduct a workshop on NHA on 25 March 2013. Systematic analysis of the NHA is an important evidence based approach to monitoring health systems and health financing .The workshop aimed to introduce NHA to senior managers in the MoH (Echelon 1) as an initial step toward institutionalisation of NHA in the MoH.

To date, the PPJK have not produced an overall strategy for institutionalisation of NHA although the ISP has received a number of workshop requests and a NHA Institutionalisation presentation. The analysis of the NHA is an important and strategic activity with long term effects on evidence informed policy and planning. The activity would benefit from a strategic operational plan which would allow the ISP and partners to provide planned and appropriate support.

Current status: The ISP, PTS, and PPJK are developing a contract for the University of Indonesia to support institutionalisation of the NHA by building capacity of the PPJK for this role. A pre-training workshop is planned for 10 June and a training workshop for 58 participants between 17 – 21 June, facilitated by World Health Organisation (WHO) Geneva.

### *Support for the Centre for Human Resources Development (PPSDM)*

The ISP assisted the PPSDM to develop ToRs for technical assistance for the “Grand Design of a Health Workforce Strategy”. Five consultants were initially requested to undertake a review of the strategy and guidelines for workforce competencies and produce a new operational plan, new guidelines and training material based on the new guidelines. The ISP conducted an open recruitment process, advertising in national media, via the Coffey website and Relief Web but with a poor candidate response: only two suitable candidates were identified. PPSDM had identified two potential candidates to undertake the assignment, however with further discussions with the candidates and the PTS it was decided that they were not suitable as they did not have the correct skills set for the task. The PPSDM have also requested for international TA to support in the preparation of the operational plan.

Following recent meetings with the PPSDM, it appears that a Health Workforce Strategy has been prepared and what is required is a detailed operational plan for the strategy. International consultants are required to prepare a framework for the operational plan.

This activity would benefit from stronger management by the SR and further guidance from the PTS. This is another highly strategic activity with long term impact. The team in the PPSDM have not been able to articulate clearly what they are trying to achieve, nor the specific inputs required from the international consultants in particular. Although they have requested the international team to assist with the operational plan it is not clear what the PPSDM mean by an operational plan.

Current Status: The ISP has contracted three consultants to undertake the initial design process in collaboration with PPSDM. A strategy has been developed which includes international consultants to provide oversight of the process and an international perspective to workforce planning has been agreed with the PPSDM

Training of staff in Geographical Information Systems (GIS) that will support the Human Resources Management Information System (HRMIS).

Current Status: Two intakes for training have been completed in April and in May 2013.

### *Implementation of Distance Learning Program for Nurses and Midwives (PJJ)*

The ISP was requested to urgently undertake financing of activities for a distance learning program to be implemented by the Centre for Health Workforce Planning (PPSDM). This is another complex activity that has been requested to be fast tracked due to pressure to have the program started in September 2013.

The PPSDM team leading this activity prepared 21 ToRs and a presentation on which to prepare an AUD 1million activity by September 2013. The ToRs are not sufficiently strong for implementation and there is no overarching strategy or design document for the program as yet. Nonetheless the PMU, PTS and ISP are working closely with PPSDM to ensure full technical management and operational support is provided.

Current Status: The ISP provided dedicated time and staff to ensure that the PJJ activity receives the attention required. The ISP has held four meetings with PPSDM and assisted in the recruitment of four technical consultants to write the overarching strategy and funding preparatory workshops. The ISP has also prepared a procurement and finance review of the ToRs for AusAID.

### *Regulatory Reform of Health Regulations and Minimum Service Standards (SPMs)*

AusAID agreed to support the Bureau of Planning and Budgeting, through the Asosiasi Dinas Kesehatan (ADINKES) to reform the specific regulations affecting health functions and the Minimum Service Standards (SPMs) for health care for which a district government can be held accountable under the decentralisation law UU 38. The reform will address regulatory gaps that govern health functions, minimum standards and standard competencies of senior health officials.

The ISP financed three initial workshops as a preparatory phase, to establish the initial team and develop assessment tools to analyse the regulations. The ISP also provided technical support to improve the current project proposal. This is a large program of activities (value AUD1.46 million) for eight months and a subcontract has been developed for signing with ADINKES in early May.

This is a proposed regulatory reform which is required to follow a schedule that is led by the Ministry of Home Affairs (MoHA). If the reforms in the proposal are successful they will provide a stronger legal basis for PHC centres to be organisationally responsible to the local health departments and not local governments and provide minimum competency standards for senior health service managers in districts. For this reason the partners have decided that this should be presented to the PSC for review.

Current Status: The ISP has prepared the contract and the proposal was tabled at the PSC meeting for endorsement, resulting in a request for further information and detail on the proposed activities. Note – advice from the person representing ADINKES is that it may soon be too late to implement this activity if approval is not received soon.

## 3.3 Component 3:

**Objective:** Selected primary health centres (Puskesmas) and village health posts (Poskesdes) in 20 districts in five provinces have empowered and qualified health workers and sufficient resources to deliver quality, free primary health care services and referral for the poor and the near-poor (Puskesmas achieve PONED status, that is, the management of basic emergency obstetric neonatal care).

Activities under this component will commence once the 2013 work plan has been approved by the TWG and the PSC in May 2013.

### 3.4 Component 4:

**Objective:** The Centre for Health Workforce Education and Training (Pusdiklatnakes) ensures that selected government health polytechnics (Poltekkes) run accredited nursing and midwifery study programs (Program Studi Kabidanan Perawat (Prodi)) to produce qualified nurses and midwives for the selected primary health care and village health posts.

Activities under this component will commence once the 2013 work plan has been approved by the TWG and the PSC in May 2013.

### 3.5 Component 5:

**Objective:** Universities, research institutes and civil society organisations are able to deliver evidence-based data, advocate for health financing and human resources for health with the central and local policy-makers, and provide technical assistance and training to districts and Puskesmas to increase health access for the poor and the near-poor.

#### *Health Policy Network (HPN)*

The ISP had initially been requested by AusAID to undertake a capacity needs assessment of the HPN by 15 June 2013. The ISP prepared a ToR for review by AusAID, who requested a change to an "appropriateness" assessment leading to further delay in implementation. In a meeting with AusAID on 7 May 2013, the ISP was advised that two different assessments are required, to be completed by September 2013. The first will be a review of the institutional research capacity of individual HPN members and the second will be a review of the current structure, function and role of the HPN. This will allow AusAID to make decisions about further funding.

Current Status: The ISP has prepared ToRs for the assessments which have been submitted to AusAID and has identified two appropriate consultants.

#### *Civil Society Challenge Fund*

An analytical paper on the Civil Society Challenge Fund was submitted to AusAID as part of the ISP Implementation Strategy. Issues relating to the size of the fund and the number and capacity of CSOs operating in AIPHSS areas need to be resolved before implementation of the Challenge Fund can proceed. AusAID accepted the CSO analytical paper without condition.

Current Status: The ISP was advised on 31 May that AusAID were tabling a paper at the PSC to recommend that the Civil Society Challenge Fund be dropped from the ISP activities. This was accepted by the PSC.

See Annex 2 for summary table of activities under each component and summary table of initial Tasking Notes.

# 4 Progress in development of M&E of AIPHSS

### 4.1 Performance Framework

During the Inception Phase the ISP M&E Adviser and PMU M&E Consultant were tasked with finalising the Performance Framework (PF). This work was done in conjunction with advancing the

completion of the Program work plans. The PMU M&E Consultant and the ISP M&E Adviser consulted with all SRs and SSRs and discussed both work plan activities and performance indicators. The indicators in the September 2012 framework were used as the basis of these discussions. All SRs and SSRs were consulted on a minimum of two occasions, in addition to which, progress was reported at various coordination meetings where specific issues, such as incorporation of outreach services, were explored.

The Performance Framework went through a number of iterations with feedback from various stakeholders including the PMU, the AusAID Senior Health Analyst, the PTS and the National Institute for Health Research Development (NIHRD) who are responsible for baseline data collection. It was submitted to the TWG on 17 May and to the PSC on 3 June, 2013.

## 4.2 M&E Plan

Feedback received from AusAID on the M&E plan submitted with the Implementation Strategy in March 2013 required a substantial revision. The plan was been revised and re-submitted to AusAID on 25 May 2013.

### *M&E Roles and Responsibilities*

The M&E of AIPHSS requires that PMU, ISP, SRs and SSRs perform specific roles and responsibilities. These functions are presented in the table 3 below.

**Table 2. Roles and Responsibilities for M&E of AIPHSS**

| Position | M&E Roles and Responsibility |
|---|---|
| PMU | Overall direction, integration and coordination of the M&E system; allocation of responsibilities to Planning and MONEV officers; oversight and implementation of M&E activities; coordination of data collection and analysis for the Performance Framework; quality assurance; coordination of M&E dissemination activities; and preparation of reports to the TWG and PSC. |
| Central level SRs (PPJK, PPSDM, BUKD) | Compilation and reporting on workforce data, health finance data, and service delivery data, including revision of minimum service standards; reporting on policy and planning documents. Contribution to assessment of reporting from provinces and districts. |
| Litbangkes (NIHRD) | Collation of baseline data including analysis of Susenas and Riskesdas data; support for the development of research agendas; potential coordination role in the formulation of evidence based policy advice and tracking policy outcomes. |
| Provincial level SSRs (Jatim, NTT) | Compilation and reporting on district coverage and workforce data; reporting on provincial budget and finance; reporting on provincial policies and plans. |
| District level SSRs (8 Districts) | Reporting on district APBD and finance; reporting on district workforce data; reporting on district policies and plans; compilation of Puskesmas level financial, workforce and service delivery data. |
| PMU Planning and | Monitoring of SR and SSR work plans and activities; support for GOI units in |

| Position | M&E Roles and Responsibility |
|---|---|
| MONEV officers | the compilation of Performance Framework data for specific indicators; validation of results and participation in evaluations on interventions; participation in data analysis activities; reporting to the PMU. |
| ISP | Support for the PMU and PMU Planning and MONEV Officers; detailed design and support for M&E activities; support to ensuring data quality; capacity development; recruitment of additional technical assistance to support data collection, analysis, and capacity development as required. |

***Capacity Development for M&E***

In order to prepare the M&E staff at all levels to conduct M&E activities the ISP M&E Adviser has prepared a capacity development approach for the Planning and MONEV Officers in AIPHSS to improve the performance of the AIPHSS M&E system. The capacity building will focus on ensuring common frameworks, understanding and approaches in the discharge of their duties to ensure that all implementing units can provide the standard of data, analysis and reporting required by the Partnership.

# 5 Progress in Program Communications

The ISP Communications has achieved the following progress:

- The preparation of the Communication Plan which includes supporting knowledge management of AIPHSS activities, media engagement, raising public awareness and visibility of AIPHSS, developing the communication capacity of SRs and SSRs and sharing knowledge and experience.
- Established a reporting system that results in regular monthly bulletins. To date three bulletins have been produced.
- The design and production of AIPHSS Information packages.
- Established a website with an intranet system which provide access to PMU staff and partners and will include management tools and guidelines to provide a web based interactive tool for management and coordination.

# 6 Progress in technical direction and management

The PTS joined the AIPHSS program in February 2013. The immediate challenges faced by the PTS were to provide an overarching health systems strengthening framework, undertake a critical analysis of the current work plans and provide a technical strategy for a program which had already initiated work plans and a performance framework.

The PTS has delivered on these requirements in preparation for the TWG and the PSC. The progression in technical direction and the development of a technical management approach is a much needed and important point of progress for AIPHSS.

PTS Strategic Issues to be addressed by AIPHSS:

- Strengthened PHC;
- Regulatory Reform and Decentralisation;
- Evidence informed policy making;
- Preparation for Universal Health Coverage (UHC).

In order to guide the technical direction of the program towards meeting the strategic issues, the PTS has recommended the following technical strategy:

- Managing the conceptual approach of AIPHSS;
- Horizontal and vertical linkages of work plans;
- Regular technical coordination;
- Knowledge management (uptake and utilisation of results).

The ISP has supported the PTS to apply the technical strategy by:

- Preparing the log frame in consultation with the PTS, this is presented in the M&E plan submitted to AusAID on 25 May 2013;
- Preparing a Quality Assurance process to be included in the PIM;
- Contracting and assisting the management of five technical advisers to support the PTS for six months. These technical advisers will assist the preparation and review of ToRs, review of outputs produced from AIPHSS activities and assist in the knowledge management by writing policy briefs and assisting uptake.

# 7 Managing Risks-Lessons Learned from Last six Months

The initial six months of the program has been an intense period of implementation. The ISP has established strong working relationships as well as its role and functions within the PMU. It has undertaken the preparation and submission of ten large reports to AusAID, responded to the emerging requests from AusAID and the PMU for support, carried out the recruitment of 66 PMU staff, and implemented 12 Tasking Notes (including seven sub-activities). There have been many lessons learned in implementation to date and the main areas are detailed below.

### *Coordination*

The coordination between AusAID, ISP and PMU has strengthened and weekly meetings have been established. To ensure constructive coordination, meetings that follow a relevant agenda which addresses current issues and lead to conclusions must be established. All three parties must make increased efforts to maintain a disciplined approach to coordination which is purposive and structured. The issue of coordination will become increasingly complex with the implementation at the provincial and district levels.

Recommendations for improving coordination:

- PMU: Provide stronger leadership in coordination between the SRs and SSRs. With the recruitment of a strategic Liaison Officer, coordination and attendance of SRs should improve;
- AusAID: ~~Take a more disciplined approach during~~ To ensure coordination meetings ~~,~~ follow~~ing~~ a fixed agenda wirth~~and~~ ~~making~~ clear decisions which are documented and filed;

- ISP: Support the PMU and AusAID in the development of a coordination plan, assist in documentation and follow up of action points.

### *Communications and documentation*

To date, many important communication exchanges occur on text messages which can lead to different interpretations and improper documentation of decisions. In addition, documentation of coordination meetings is ad hoc. This should follow a standard procedure where notes are written, circulated amongst participants and filed on a regular basis.

Recommendations for improving communications and documentation:

- All parties to ensure that important decision and information exchange is conducted via emails;
- Documentation of all coordination meetings (ISP as secretariat);
- ISP to provide a weekly progress update to AusAID and the PMU.

### *Clear decision making and planning processes*

During the initial six months clarity in decisions have been unclear. The ISP has frequently been requested to commence, then halt activities, and then commence again. An example of this was the Pusrengun TA which was initially considered a very high priority then suspended for a period of six weeks, and then started again without any change but an increased urgency to implement. Some activities are decided without consultation with the PMU, ISP or the PTS and requested to be implemented at a rapid pace. This fluctuating decision making leads to frustration amongst the stakeholders and diversion of resources, often resulting in an unplanned approach to activities.

Recommendations for improved decision processes:

- Partners to take a more disciplined approach to activity planning and ensure there is clarity in the ToR prior to the request for support from the ISP. There are a set of criteria for activity selection and a QA process which must be applied in all cases. Any activities outside the work plans must have a strong justification and be agreed to by the TWG;
- Implementation of agreed work plans should be the main focus for all partners;
- Clear decision making should be resolved through good coordination and fixed agendas and clear information exchange between the partners.

### *Application of QA processes*

The screening of work plans against the quality assurance criteria is essential to ensure that the activities will deliver against the planned outcomes. Many activities in the current work plans are not clear and need further scrutiny.

Recommendations for the QA of activities:

- The PMU, PTS, ISP and AusAID management team need to ensure that the QA process that has been developed by the ISP is refined and included as a key management tool which is included in the induction of all new PMU staff.

### *Fulfilling the Roles in the Subsidiary Agreement*

The partners have a signed agreement which states the roles that each partner must perform in the implementation of the AIPHSS program. Examination of these roles (see annex 4) reveals that the PMU and SRs are partially meeting their obligations. As implementation commences it is essential that these roles are reviewed to assess the extent to which each agent is meeting their obligations.

Recommendation

- Include this as part of the planning and management retreat with the PMU and induction of new PMU staff.

### *Conclusion*

The initial six months has been an intense phase of establishing the program management and operational systems, finalising the performance framework and ensuring that work plans comply with the criteria and an HSS framework. The PTS has made a valuable contribution and technical direction of the program has improved. However, further work is needed to ensure the strict application of the criteria.

With the recruitment of new staff and setting up of new offices the program infrastructure and organisational capacity is ready for implementation. Coordination and information systems between the national, provincial and district levels must be confidently led by the central PMU.

It is essential that the lessons learned are shared with and agreed by all partners and the improvements implemented. Key is the management team (including the PTS) and their ability to coordinate effectively, ensure technical integrity, and provide robust management and operational systems and guidance for all partners towards effective delivery and uptake of work plan activities.

# 8 Priorities for the next 6 months

Further to the PSC, revisions are required of the PIM and work plans. The PTS is taking an active role in ensuring these documents will be complete and ready for review by a representative group from the TWG at the soonest opportunity. Once the current work plans, performance framework and PIM have been endorsed a new phase in the implementation of AIPHSS will commence.

Main priorities for the ISP

- Finalise recruitment of all 66 PMU staff and commence contracts by early July;
- Conduct a planning and management retreat with the PMU and AusAID to prepare for implementation of AIPHSS at all levels;
- Ensure all provincial and district PMU offices are fully equipped for operations;
- Support the PTS and PTS advisers to assist in the preparation of ToRs for all activities. Evidence to date has revealed that most activities require further adjustment, clarification, refinement and focus for the ToRs and work plans. Following the PSC and endorsement of the work plans, all ToRs and activities should be subjected to the QA process;
- Design and conduct an induction of all new PMU staff;
- Fund all approved work plan activities;
- Initiate the M&E system, including capacity building for the Planning MONEV officers and staff;

- Support PTS to prepare a knowledge management plan;
- Implement a communications capacity assessment and implement recommendations;
- Procure all TA as requested by SRs and SSRs;
- Continue with the provision of management and operational support to the PMU.

# 9 Financial Report

Expenditure estimates are provided in Annex 5 for the planned activities for end of program budget. The cost estimate covers:

- ISP Personnel;
- STA costs;
- Adviser Support Costs;
- PMU Staff until end of 2014;
- Program Acitivity Support Costs;
- Operational Costs;
- Grant Costs;
- Communications costs;
- Milestones.

**Table 3. Summary Estimated Expenditure June 2013**

| Account | Estimated Expenditure June 13 |
|---|---|
| Milestones | 859,521 |
| Long Term Adviser Costs | 474,877 |
| Short Term Adviser Costs | 3,534 |
| Additional Reimbursable Costs - personnel | 148,447 |
| Additional Reimbursable Costs – non-personnel | 1,022,322 |
| **Total** | **2,508,411** |

# Annex 1

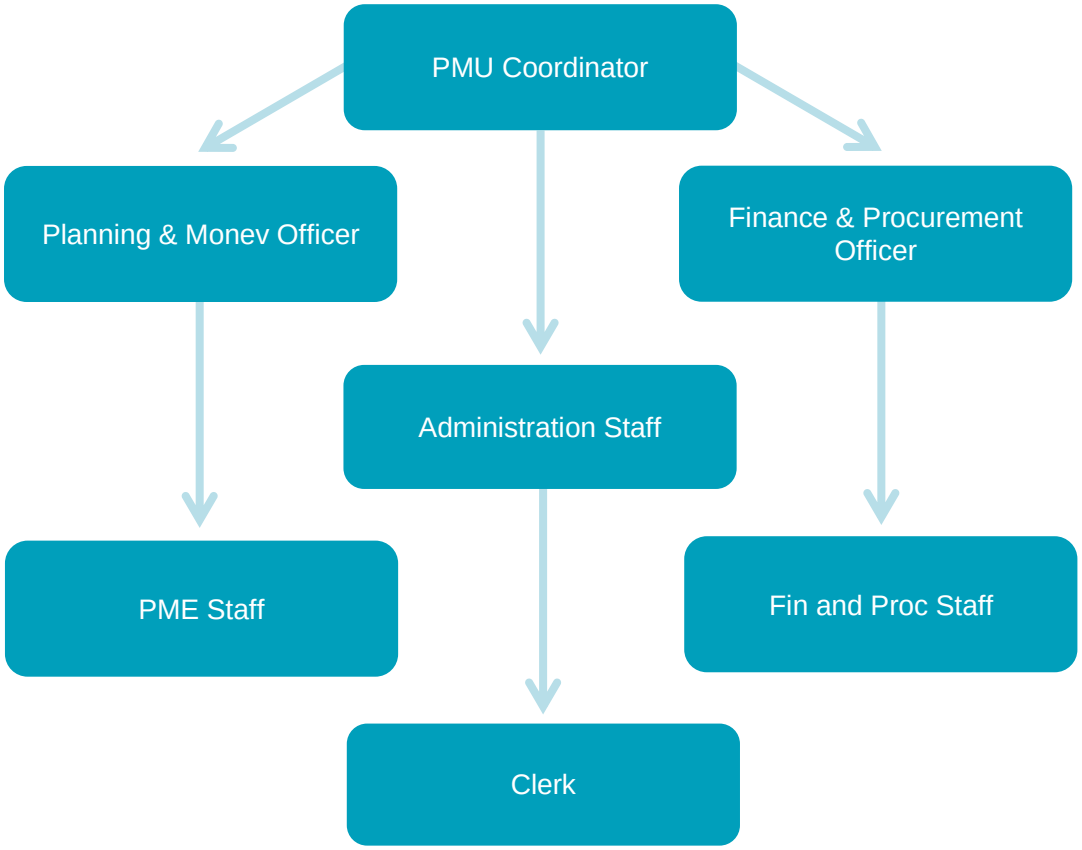
**Program Management Unit Staffing Structure**

**Program Management Unit Staffing Structure**

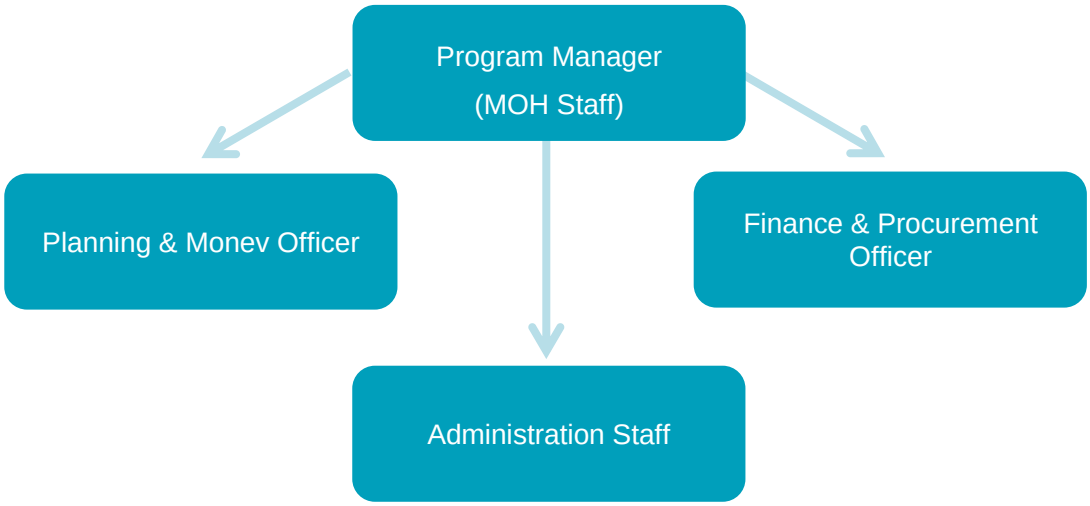
| Description | Number of Required Staff/Consultant | Number of Staff/Consultant Recruited | Number of Staff/Consultant to be Recruited |
|---|---|---|---|
| Central PMU | 7 | 6 | 1 |
| **Sub Recipient:** | | | |
| SR – BUKD | 3 | 3 | - |
| SR-P2JK | 3 | 3 | - |
| SR - BPPSDM | 3 | 3 | - |
| **Sub-sub Recipient:** | | | |
| SSR – JATIM | 5 | 4 | 1 |
| SSR - NTT | 5 | 5 | - |
| **Implementing Unit – JATIM:** | | | |
| Situbondo | 5 | 2 | 3 |
| Bondowoso | 5 | 3 | 2 |
| Sampang | 5 | - | 5 |
| Bangkalan | 5 | 2 | 3 |
| **Implementing Unit – NTT:** | | | |
| Ngada | 5 | 3 | 2 |
| TTU | 5 | 4 | 1 |
| East Flores | 5 | 4 | 1 |
| Sumba Barat Daya | 5 | 3 | 2 |
| **Total Staff required/ recruited/to be recruited for PMU** | **66** | **45** | **21** |
| **Other TA currently under recruitment by the ISP** | | | |
| **PPSDM :** | | | |
| Pusrenggun | 4 | 3 | 1 |
| PJJ | 4 | 4 | - |
| **P2JK:** | | | |
| Review of INA CBG | 1 | 1 | - |
| **PTS:** | | | |
| TAs to support PTS | 5 | 5 | - |

**NEW STAFFING MODEL for PMU**

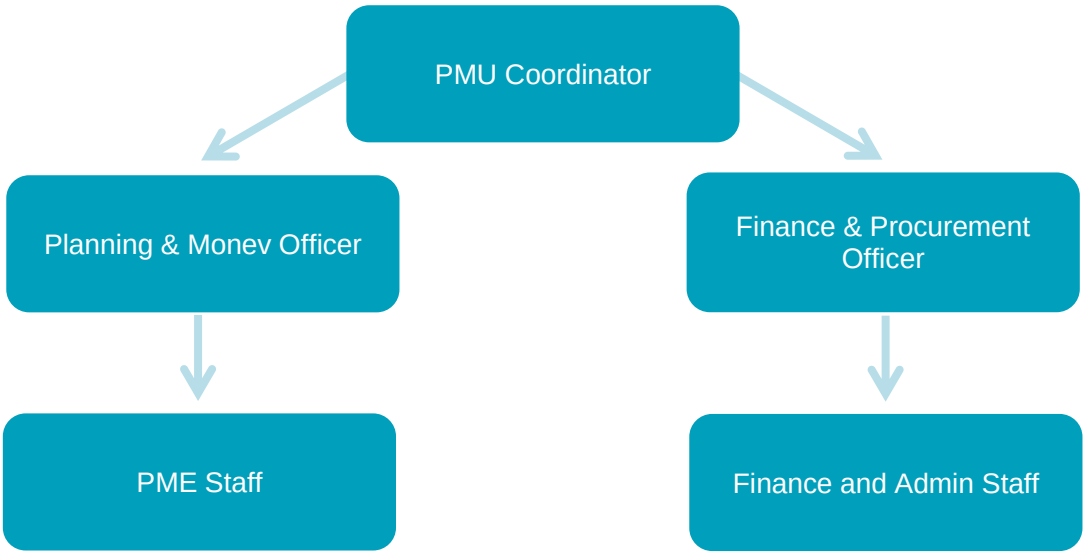
**NATIONAL LEVEL: PRINCIPAL RECIPIENT**



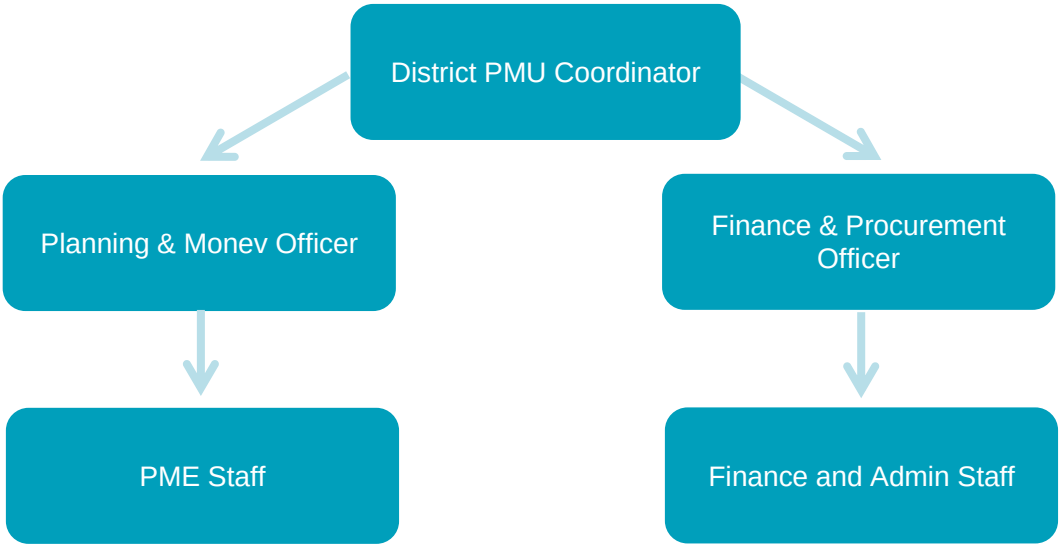

**NATIONAL LEVEL SUB RECIPIENTS: Three positions**



**PROVINCIAL LEVEL: SUB-SUB RECIPIENT (SSR): Five positions**




**DISTRICT LEVEL: SUB-SUB RECIPIENT (SSR): Five positions**



# Annex 2

**Update on Tasking Notes**

**Summary of Tasking Notes**

| ID | Activity | Component | Work plan or Tasking Note | Domain | Requesting Body | Fund Channel | Status |
|---|---|---|---|---|---|---|---|
| 1001 | Booth for Rakerkesnas | 1 | Tasking Note | Evidence to Policy | Roren | ISP | Completed |
| 301 | National Health Account (NHA) Workshop 2013 | 6 | Tasking Note | Program Management | Roren | ISP | Completed |
| 101 | Support to BJPS1 Secretariat - Jack Langenbrunner | 1 | Tasking Note | Health Financing | AusAID | ISP | In Progress |
| 102 | TA Support to BPJS1 Secretariat | 1 | Tasking Note | Health Financing | AusAID | ISP | In Progress |
| 201 | To undertake independent mid-term Review of Support to Development of INA CBGs | 1 | Tasking Note | Health Systems | PPJK | ISP | In Progress |
| 601 | Revision of Distribution of Local Government Function and Roles | 2 | Tasking Note | Health Systems | Roren | ISP | In Progress |
| 602 | Development of Standard Competency for Local Health Officer | 2 | Tasking Note | Health Systems | Roren | ISP | In Progress |
| 801 | Support Pusrengun Rencana Aksi SDMK 2015-2019 (Health Workforce Strategic Plan) | 2 | Tasking Note | Health Workforce | PPSDM | ISP | In Progress |
| 1101 | Support to BPJS Secretariat (Activities) | 2 | Tasking Note | Health Workforce | PPJK | ISP | In Progress |

| ID | Activity | Component | Work plan or Tasking Note | Domain | Requesting Body | Fund Channel | Status |
|---|---|---|---|---|---|---|---|
| 1201 | Health System Rapid Assessment (HSRA) | 2 | Tasking Note | Health Systems | PMU | ISP | In Progress |
| 603 | Directorate Primary Health Services/ Puskesmas Strengthening through Program Integration | 3 | Tasking Note | Health Service Delivery | Roren | ISP | In Progress |
| 701 | Long Distance Study Program (PJJ) - Planning | 3 | Tasking Note | Health Workforce | PPSDM | ISP | In Progress |
| 103 | PMU Transition Team | 6 | Tasking Note | Program Management | AusAID | ISP | In Progress |
| 104 | Technical Assistance Pool for PTS | 6 | Tasking Note | Program Management | AusAID | ISP | In Progress |
| 105 | AIPHSS Strategic Liaison Officer | 6 | Tasking Note | Program Management | Roren | ISP | In Progress |
| 1401 | Renovation of Project Management Unit (PMU) Office | 6 | Tasking Note | Program Management | Roren | ISP | In Progress |
| 1301 | Gender based planning and budgeting | 6 | Tasking Note | Program Management | PMU | ISP | In Progress |

**Summary Activities Implemented Under each Component Objective**

| Component Objectives | Activities Implemented | Current Status | Outputs and Expected results |
|---|---|---|---|
| Component 1: | Contracting NIHRD to implement the HSRA | Contract prepared NIHRD to sign | Contextual Health Systems Analysis of AIPHSS districts |
| Component 2: | BPJS | Ongoing financial support | Technical inputs to Universal Health Coverage |
| | NHA Workshop | Ongoing | Institutionalisation of NHA analysis |
| | PHC Capitation Workshop | Completed | Informed decision on calculations for PHC capitations |
| | Gender Responsive PHC | Poor quality ToRs, currently being revised | Modules and training for PHC staff on gender responsive services |
| Component 3: | GIS training for Pusdiklatnakes | Completed | Strengthened capacity to use GIS for HR monitoring and planning |
| | TA Recruitment for Health Workforce Strategy and Operational Plan | TA procurement underway by ISP, including international consultants | Operational Plan for the National Health Workforce Strategy |
| | Developing the long distance training system for nurses and midwives | TA procurement undertaken by ISP of | By September 2013, all modules and IT systems will be prepared and NTT will implement the system |
| Component 4: | No activities | | |
| Component 5: | Reviews of HPN | ToRs, prepared the consultants will be recruited following AusAID approval. | AusAID to make further decisions about funding for the HPN |
| | Design of CSO Challenge fund | Waiting for AusAID decision | Waiting for AusAID decision. |

# Annex 3

**Fund Channelling Diagram and Flowchart**

# FUND CHANNELLING, ACTIVITY FUNDING AND FINANCIAL REPORTING PROVINCIAL AND DISTRICT LEVEL

## A. INTRODUCTION

During the 18 months of AIPHSS funding to the PR Central level, SSR Provincial level and IU District level goes through different funding channels. Funding to PR Central level is channelled through the government DIPA funding mechanism, and funding to SSR Provincial level and IU District level goes through ISP funding mechanism which will disburse funds to the PMU at the provincial and district levels.

This guideline provides exclusive policies and procedures on how funds will be channelled for work plan execution at the Provincial and District levels.

Discussion topics in this guideline are:

1 Funding mechanism to Province and District through ISP

2 Funding activities in Province and District

3 Petty cash

4 Recording transactions and acquittal report of fund

5 Monitoring and audit of fund disbursement and usage

6 Bank account PMU in Provincial and District

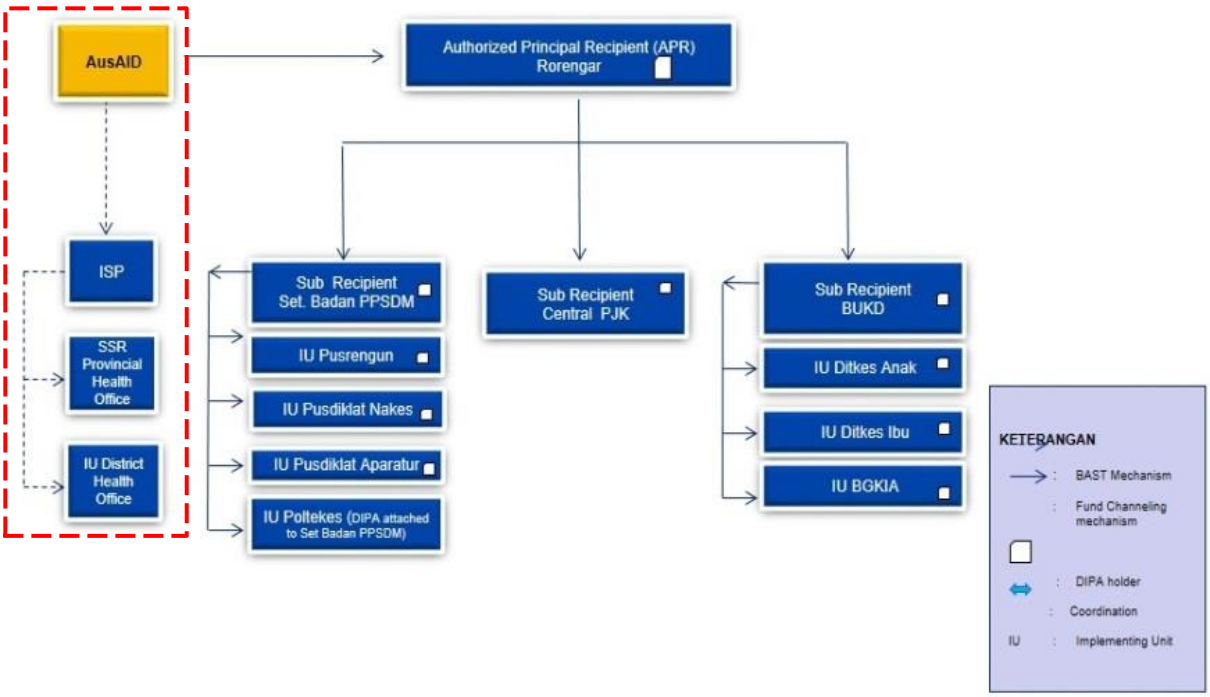
## B. FUNDING MECHANISM TO PROVINCE AND DISTRICT THROUGH ISP

There are two ways to disburse funds to the 3 (three) recipients (PMU - Central level / CPMU, PMU - Provincial level and PMU - District level). The ways of disbursing fund are:

1 At PR Central level, fund is disbursed through MoH (APBN) funding mechanism

2 At SSR Provincial and IU District level, fund is disbursed through ISP funding mechanism

The Diagram below is quoted from chapter 4 of the PIM – Financial Management, describing how the fund will be channelled to in the Central, Provincial and District levels:




The red dotted area in the diagram above is detailed in the flowchart below:

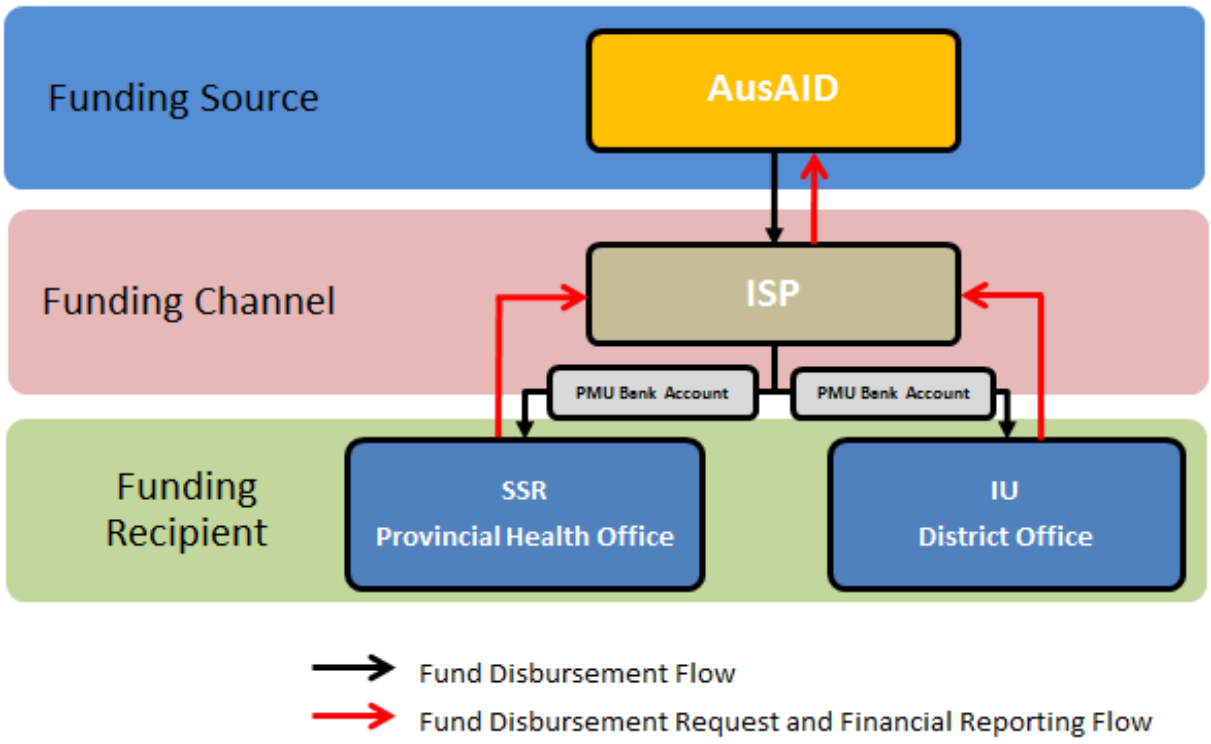


Table below gives a summary on the funding mechanism and disbursement time:

<table>
<tr><th>Fund Recipient</th><th>Funding Mechanism</th><th>Disbursement Request</th><th>Disbursement Time</th></tr>
<tr><td>PR - Central</td><td>APBN</td><td rowspan="3">Quarterly</td><td>Quarterly</td></tr>
<tr><td>SSR - Provincial</td><td rowspan="2">ISP</td><td rowspan="2">Monthly</td></tr>
<tr><td>IU - District</td></tr>
</table>

Funds to the SSR Province and IU District levels will be disbursed through PMU bank accounts in the Province and District that are being established specifically for the purpose.

The general policy on mechanism of funding through ISP to Province and District levels can be described as follows:

1 Disbursement Request (DR) prepared by PMU Provincial and District should be based to the approved work plan. Activity that is not according to the work plan must be approved by TWG and PSC prior to the disbursement request.

2 PMU Coordinator and ISP Finance Officer (Province and District) must ensure that the DR complies with the work plan before giving approval. After the approval, the DR is then submitted to ISP Jakarta office with copy of acknowledgement to CPMU, by the 5th of the month prior the beginning of the next quarter.

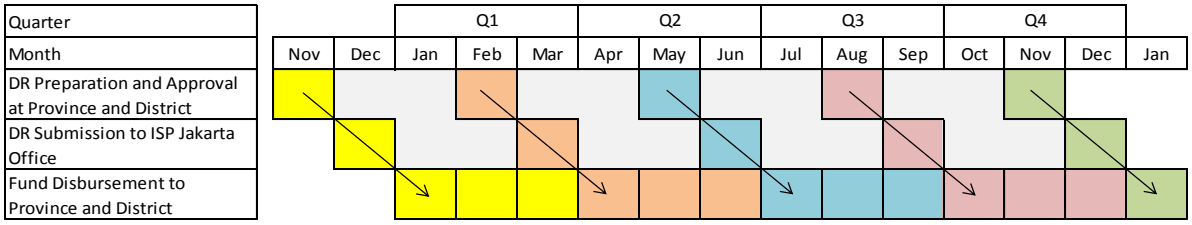
3 ISP Jakarta office verifies again the DR with CPMU for final confirmation, then start preparing the fund disbursement execution.

4 ISP Jakarta office disburses the fund to PMU Provincial and District on a monthly basis on the 5th of the month. If the 5th of the month happens to be on the weekend or public holiday, then the fund will be disbursed before the 5th.

The funding mechanism to Province and District is detailed in the steps in the table below:

| Step No | Description | Key Role | Deadline |
|---|---|---|---|
| 1 | Disbursement Request (DR) preparation | 1. PMU PME Officer (Province / District)<br>2. PMU Finance & Procurement Officer (Province / District)<br>3. Related TA | 20th of the second month of the current quarter<br>(e.g. 20 May 2013) |
| 2 | Approval at Province / District Level | 1. PMU Coordinator (Province / District)<br>2. ISP Finance Officer (Province / District) | 30th / 31st of the second month of the current quarter<br>(e.g. 31 May 2013) |
| 3 | Submission to ISP Jakarta Office (cc to PMU Central Jakarta) | PMU Finance & Procurement Officer (Province / District) | 5th of the third month of the current quarter<br>(e.g. 5 June 2013) |
| 4 | Verification of disbursement plan in the DR | 1. Finance Manager - ISP Jakarta Office<br>2. Finance & Procurement Officer (CPMU) | 20th of the third month of the current quarter<br>(e.g. 20 June 2013) |
| 5 | Approval at Central Level | 1. PMU Coordinator (CPMU)<br>2. ISP Manager - ISP Jakarta Office | 25th of the third month of the current quarter<br>(e.g. 25 June 2013) |
| 6 | Disbursement for month - 1 | 1. ISP Finance Manager - ISP Jakarta Office<br>2. ISP Manager - ISP Jakarta Office | 5th of the first month of the next quarter<br>(e.g. 5 July 2013) |
| 7 | Disbursement for month - 2 | 1. ISP Finance Manager - ISP Jakarta Office<br>2. ISP Manager - ISP Jakarta Office | 5th of the second month of the next quarter<br>(e.g. 5 August 2013) |
| 8 | Disbursement for month - 3 | 1. ISP Finance Manager - ISP Jakarta Office<br>2. ISP Manager - ISP Jakarta Office | 5th of the third month of the next quarter<br>(e.g. 5 September 2013) |

Diagram below gives a summary picture of the above steps in a one-year period cycle:




## C. FUNDING ON ACTIVITIES IN PROVINCIAL AND DISTRICT

The activities are conducted based on the work plan, approved by TWG and PSC. If there is an activity not according to work plan, it should be approved first by TWG and CPMU prior being requested for funding and executed.

Activities conducted according to the work plan in the Provincial and Districts can be categorized into 3 (three) types:

1 Meeting / Training / Workshop / Seminar

2 Travel for monitoring, coordinating and reporting purpose

3 Technical advisers which being recruited to support the execution of the activities

Of the three activities above, only the first two are being funded through PMU Province and District; the last activity is being funded directly by ISP AIPHSS.

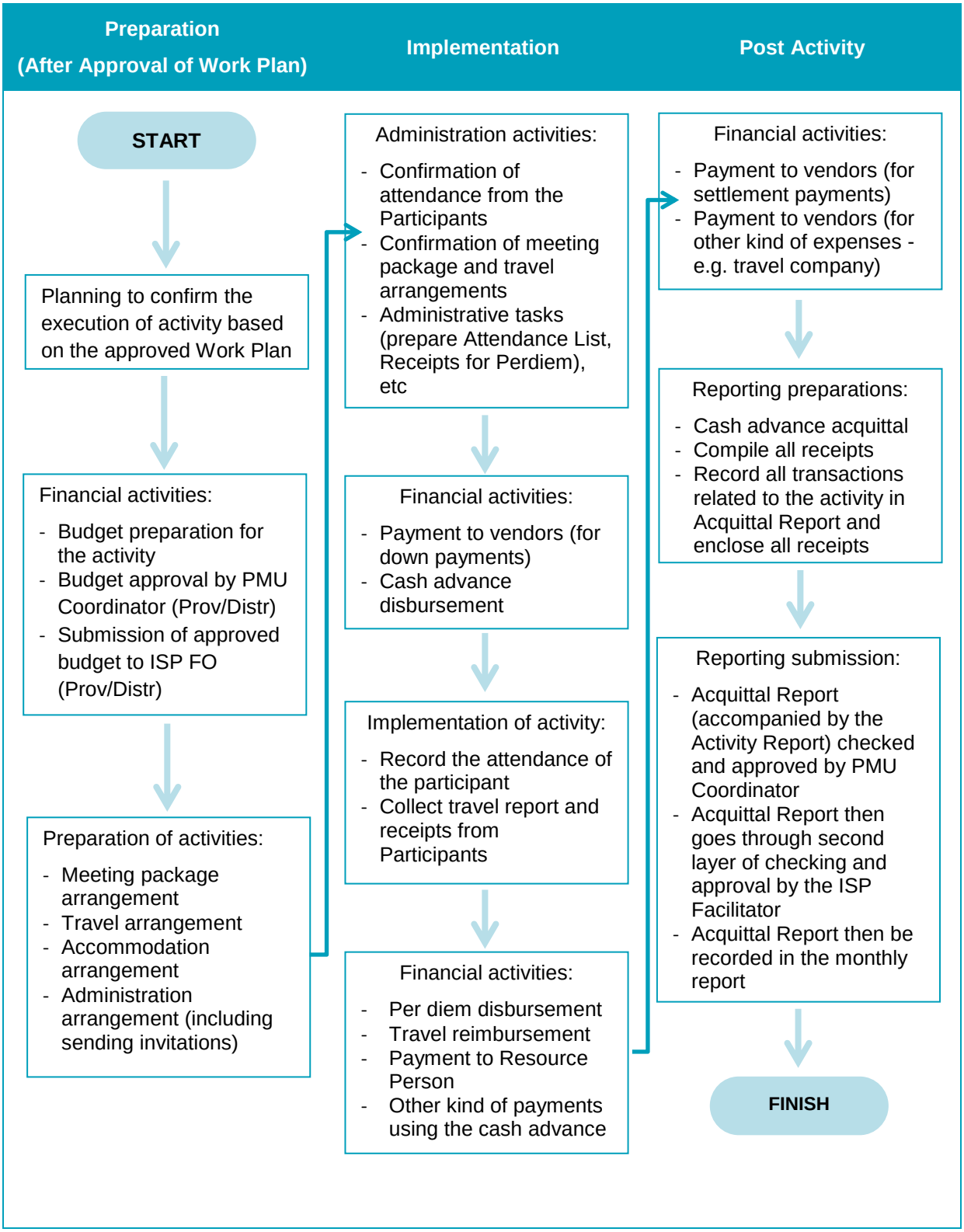
Activities for meetings / training / workshop / seminar and travels have the same implementation steps for execution, which are:

1 Preparation

2 Implementation

3 Post activity

Each step has its own activity details. A description of the steps is presented in the work flow diagram below:




For each step, there are template forms prepared specifically to support the execution of activities. All forms are presented in the Standard Operating Procedure (SOP) in a separate section from this guideline.

## D. PETTY CASH

A petty cash will be also established in the PMU Province and District to pay for daily expenses.

Policies applied for petty cash established in the PMU Province and District offices are:

1 Petty cash limit in set up to be IDR 10,000,000 (Ten Million Rupiah)

2 Petty cash holder should not be involved in the day-to-day financial / accounting operations to appropriate segregation of duties. Petty Cash holder (custodian) must be personnel that can be accessible any time when the need of payment arises.

3 Petty Cash is used to pay expenses related to AIPHSS activities according to the work plan. Any other form of payment besides its purpose is strictly forbidden.

4 Petty Cash physically must always be kept in locked petty cash box. The petty cash box itself must always be kept secured and monitored

5 Petty cash is not allowed to pay expenses such as:

- CONSUMABLE purchase such as soft drink, instant food / drink, snacks and candies
- PERSONAL expenses that not related to BPJS and AIPHSS activities
- PERSONAL LOAN, in any kind of form

6 Petty Cash forms must always be completed and fully signed, and filed in order and accessible for checking anytime

Procedure of the Petty Cash implementation and template forms are presented in the Standard Operating Procedure (SOP) in a separate section from this guideline.

## E. RECORDING TRANSACTIONS AND ACQUITTAL REPORT OF FUND

Procedures of the recording of transactions and acquittal report of fund disbursement are as follows:

1 PMU Provincial and Districts disburse the fund for activities, and record all transactions into the financial report.

2 Record of acquittal of the fund should be reported in the monthly financial report. Period of the monthly reporting is on 1st – 30th/31st of the month.

3 Monthly report should be submitted to ISP Jakarta office the latest on the 5th of the following month. If the 5th of the following month happens to be on the weekend of public holiday, then the report should be submitted before the 5th. Late submission of report will affect the execution of the following month’s fund disbursement.

4 Acquittal of the fund will be recorded by ISP Jakarta office after receives and verifies the report.

Steps of the procedures can be found in the timeline table below:

| No | Financial Activity | Timeline Date | Key Role |
|---|---|---|---|
| 1 | Financial transaction recording | 1st – 30th / 31st in the current month | Finance & Procurement Officer - PMU Province / District |
| 2 | End month bank reconciliation | 1st of the following month | Finance & Procurement Officer - PMU Province / District |
| 3 | Monthly closure of financial report | 1st – 3rd of the following month | Finance & Procurement Officer - PMU Province / District |
| 4 | Monthly financial report check and approval | 4th of the following month | ISP Finance Officer, PMU Coordinator - PMU Province / District |
| 5 | Monthly financial report submission to ISP Jakarta office | 5th of the following month | Finance & Procurement Officer - PMU Province / District |
| 6 | Verification & acquittal by ISP Jakarta office | 5th – 10th of the following month | Finance Manager - ISP Jakarta office |

## F. MONITORING AND AUDIT OF FUND DISBURSEMENT AND USAGE

Fund disbursed to the PMU Provincial and District level should be monitored in regular basis and audited when the need arises.

Purposes of the monitoring and auditing are:

1 Ensuring the fund is disbursed according to the Work plan

2 Ensuring the fund is disbursed following the financial procedure and policy

3 Ensuring the funds are utilised to its intended purposes

4 Ensuring all activities have been acquitted

5 Identifying early indication of fraud

6 Identifying weakness in the financial procedure and policy

Table below gives summary of the implementer, subject and object of the monitoring and auditing activity:

| Implementer | Subject | Object |
|---|---|---|
| ISP Jakarta office, in coordination with CPMU | 1. PMU Provincial & District level | 1. Financial report & receipts |
| | 2. ISP Facilitator | 2. Program report |
| | 3. Other party in the Provincial & District level as required | 3. Other object as required |

## G. BANK ACCOUNT PMU IN PROVINCIAL AND DISTRICT

During the interim period a bank account is established for PMU Province and Districts to receive funds from ISP Jakarta office and to be used to support the execution of activities according to the work plan.

Policy related to the bank account can be found as follows:

1 Bank account to receive fund from ISP and to be used to fund activities should opened in the provinces and districts where AIPHSS operates.

2 Currency used for the bank account is Rupiah (IDR).

3 Bank account should be opened in a government bank, NOT in a private bank.

4 Type of bank account should be a corporate account (Giro).

5 The bank where the account to be opened should at least has basic service such as Cash Cheque, Bank Cheque (Giro), and internet banking for corporate service.

6 Authorised signatories should be 3 (three), two signatories from PMU and one signatory from ISP.

7 All cheques issued should have 2 (two) of 3 (three) authorized signatures. Internet banking transactions should also gain approval from the two authorised personnel.

8 Any interest received during the placement of fund in the bank account may be used to fund activities.

9 Monthly bank reconciliation should be made and reported together with the monthly financial report.

10 By the end of the interim period, the bank account should be reconciled for the last time and be closed. Any remaining funds should be transferred back to ISP Jakarta office bank account.

# Annex 4

**Roles and responsibilities of the Subsidiary Agreement members**

| Role | Person in Charge | Task and/or responsible |
|---|---|---|
| Authorised person in delegating power | Minster of Health | Authorised to determine the usage of MoH goods and funds as well as usage if AusAID funds |
| Program Steering Committee (PSC) | Echelon 1 + head of Bureau of Planning& Budgeting+ head of centre for International Cooperation +head of AusAID | Endorse annual work plan<br>Approve evaluation reports every six months<br>Provide direction and input to the AIPHSS program implementation<br>Report directly to the Minster of Health |
| Chief principal recipient | Sec. Gen as chair of the PSC | Responsible for the technical and administration of funds usage<br>Responsible for monitoring sub recipients |
| Technical Working Group | Focal point from each sub recipient(related echelon II and/or echelon III) AusAID health Policy Adviser | Provide technical inputs to the PR and PSC in terms of program planning and implementation<br>Provide technical inputs to the proposed work plan from sub recipients and MOH/PMU<br>Assess annual workpants, evaluation and review reports and advise the PSC |
| AusAID AIPHSS Team | AusAID AIPHSS team | AusAID's role will include management of the program including fulfilling its role in program governance, management and administration, and engagement with the MoH and key constituencies in policy discussions and continuous program improvement |
| Program technical Specialist (PTS) | Third party contracted by AusAID | Provide technical inputs to the ISP and PMU on program planning and implementation<br>Coordinate with AusAID AIPHSS partners team<br>Report to PM and AusAID |
| Implementing Service Provider (ISP) | Third Party contracted AusAID | Coordinate with PMU<br>Facilitate technical units needs for program implementation, in terms of technical assistance, training and capacity building<br>Coordinate with universities and NGO approved by the PR for program implementation technical assistance<br>Coordinate technically with the PTS<br>Report to the AusAID AIPHSS team and PMU |

| Role | Person in Charge | Task and/or responsible |
|---|---|---|
| Principal recipient(PR) | Echelon 2 (appointed by the PSC) | Manage AusAID fund channelling through the PM<br>Report to the chief PR<br>Authorize sub recipients fund usage<br>Coordinate with AusAID via the TWG |
| Program manager(PM) | Echelon 3 (appointed by PR) | Report to the chief PR via PR<br>Take part as the officer accountable for the commitment<br>Coordinate the development of annual work plans and reports for the TWG and PSC<br>Review the proposed programs from sub recipients and MoH PMU |
| Sub Recipients (SRs) | MoH technical unit | Plan the AIPHSS program<br>Report to the PMU<br>Coordinate technically with the PM and PR<br>Give technical assistance to the PHO and DHO<br>Responsible for administratively and financially to PM and PR |
| Program management Unit Coordinator-central level | Bureau of Planning & Budgeting staff/civil servant, working full time, appointed by the PR | Organise the AusAID fund<br>Reports to the PR via PM<br>Assisted by related units such as human resources, logistics, finance and monitoring and evaluation |
| Provincial health office (PHO) program management unit coordinator | PHO coordinator normally staff/civil servant working full time appointed by the chief PR | Perform provincial program planning<br>Monitor program implementation at the province<br>Report to MoH PMU Coordinator assisted by 2-3 staff to perform tasks related to human resources, logistics, finance and planning |
| District Health Office (DHO) Program management unit coordinator | DHO coordinator normally staff/civil servant working full time appointed by the chief PR. | Perform district program planning<br>Report to the PHO Coordinator assisted by 2-3 staff to perform tasks related to human resources, logistics, finance and planning |

# Annex 5

**Financial Report**