

DEPARTMENT OF HEALTH

PROPOSAL TO REVIEW THE FINANCIAL ADMINISTRATION
OF THE EASTERN HEALTH BOARD

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DRA/JC/JG

Mr. D. Cronin,
Organisation Unit,
Department of Health,
Hawkins House,
DUBLIN 2.

23 September 1981

PROPOSAL TO REVIEW THE FINANCIAL ADMINISTRATION
OF THE EASTERN HEALTH BOARD

Dear Mr. Cronin,

INTRODUCTION

1. We are pleased to submit this proposal to review the financial administration of the Eastern Health Board. This proposal has been prepared following various meetings and discussions involving ourselves and personnel from the Department of Health and the Eastern Health Board.

2. The Board has its origin in the Dublin Health Authority, which in turn was an amalgam of bodies, all charged with some aspect of health in the community. Since its foundation, the Board's activities have grown considerably due to:

a marked increase in the population served,
a continual expansion in the limits of eligibility for services,
increased range of services being provided.

There is a general consensus that the Board has now evolved to a stage where it is appropriate to review the financial administration. This is apparent from the fact that the Board controls expenditure in excess of £115 million, employs in excess of 7,000 people, and is responsible for the delivery of a very wide range of services to approximately one-third of the Irish population. The need for effective financial administration within the Board is further reinforced by the need to ensure that available public funds are used to the best possible advantage.

3. Against this background we are confident that a review of the financial administration of the Board can be expected to provide worthwhile benefits. The review will result in identifying actions required to provide prompt, accurate, and relevant management information and to ensure that the underlying accounting and control systems are functioning effectively. This will include:

- (1) Defining the accounting responsibilities of and relationships between the finance department, the programmes and other functions of the Board that are necessary to achieve effective financial administration.
- (2) Clarifying the operation of the existing accounting and control procedures and recommending amendments to those procedures where appropriate.
- (3) Specifying the management information required by the officers of the Board and of the Department of Health to enable them to make decisions with increased confidence;
- (4) Identifying the means whereby the effectiveness of the computer installation can be improved;
- (5) Evaluating staff development and training needs;
- (6) Developing an implementation plan to give effect to our recommendations.

4. The assignment represents the first phase in a major undertaking by the Eastern Health Board. On its completion the Board will have available a clear basis upon which to approach the detailed implementation of the recommendations and a clear understanding of the broad direction of future developments* We assume that you wish to see significant progress in terms of implemented and working improvements within a period of about 18 months. We are concerned that, because of the present state of development and extent of the Board's systems, it could take a considerable amount of time to implement recommendations and hence to achieve the benefits outlined above. With this in mind we have structured our work programme in a manner designed to provide benefits at an early date. Their actual achievement will be very dependent on the commitment of the officers of the Board to the assignment and to implementing our recommendations.

5. A key element in our proposal is the extent of the commitment which we at Craig Gardner will make to this project. It will be apparent from reading the proposal that we have:

carefully considered the needs of the Board and recommended an assignment which can meet them effectively, the range and depth of knowledge and experience necessary to undertake the project and the capacity to complete the project within a timescale consistent with the Board's requirements.

6. We have already identified (in paragraph 3) above the key outputs of the assignment. In the remainder of the proposal we describe the assignment which we recommend as being necessary to produce those outputs. This discussion is followed by a description of the consulting team which we propose. Finally, we provide an estimate of the time and fees which will be necessary to complete the assignment.

7. We enclose at Appendix 1 a brief description of Craig Gardner and our Management Consultancy Services.

PROPOSED ASSIGNMENT

8. The assignment which we recommend involves a number of tasks. These are:

- (1) Review the operation and organisation of the present accounting and control systems and produce the structure and outline of a standards manual which will specify the organisation, procedures and controls required. The systems which we understand to be within the scope of the review are:

financial reporting and budgeting,
payroll,
commitments and payments,
capital projects,
stores and central pharmacy,
engineering and maintenance,
ambulances and transport.

Our review of the last three items will include consideration of the method of charging for these services to the programmes.

- (2) Determine the information requirements of officers of the Board and of the Department of Health and the systems needed to provide them with that information.
- (3) Review the effectiveness of the data processing installation.

9. We have scheduled these tasks so that the assignment will be completed in about 5 months (see Exhibit 1). Appendix 2 contains greater detail about each task. Our phased approach will enable us to provide the Board with interim reports relating to key areas. The purpose of the interim reports is to facilitate the implementation of priority recommendations at an early date and to facilitate the development within the Board of an understanding and consensus as to the appropriate approach to adopt to the implementation of our overall recommendations.

10. The following paragraphs discuss in greater detail how the proposed assignment will meet the needs of the Board. Firstly, we discuss our recommended approach to the examination of the

financial administration of the Eastern Health Board. Separately, we discuss our approach to reviewing the effectiveness of the computer installation. We have provided for a review of those applications which are computerised within the scope of our review of financial administration,

Review of the Financial Administration

11. Our review of the financial administration of the Eastern Health Board will consider:

- (1) The organisation of the financial administration function;
- (2) The operation of the existing accounting and control systems;
- (3) The information requirements of the Eastern Health Board and of the Department of Health.

It is necessary to evaluate each of these three areas in order to be able to produce the various outputs defined in the statement of objectives for the assignment as attached to your letter of 28 August 1981 (see Appendix 4).

The Organisation of the Financial Administration Function

12. Financial administration involves not only personnel within the finance department but also many individuals in the programmes and other functions of the Board. The manner in which the responsibilities for financial administration are allocated has a significant bearing on the operation of the accounting and control systems. We will therefore review the organisation of the financial administration function both within the finance department and within the programmes and other functions of the Board. Our review will include consideration of:

The financial administration functions carried out and the responsibilities for ensuring each is performed effectively;
The executive responsibilities of each senior officer of the Board and the information required to fulfil those responsibilities;

The division of financial administration duties between the programmes, the finance department and other functions of the Board, and the division of duties within each;

The reporting relationships, scope of authority and accountability regarding the operation of the accounting and control systems, and the control of expenditure which exists between the finance department and the programmes and other functions of the Board;

The staffing and level of skill appropriate to each aspect of the financial administration of the Board and, in broad terms, the training necessary to ensure that the Board's present staff can perform their functions effectively.

13. We will discuss our findings regarding current organisation and personnel most carefully with senior officers of the Board as our findings in this area will significantly impact upon the scope and extent of changes which we recommend to the accounting and control systems.

14. This aspect of our review will enable us advise the Board regarding accounting responsibilities and other relationships between the finance function and the programmes and other functions. Our recommendations in this regard will also be influenced by the findings of the other aspects of our review.

The Operation of the Existing Accounting and Control Systems

15. Our evaluation of the existing accounting and control systems will form a major part of our review and will follow a structured approach. Firstly, we will document the information flows of each system included within the scope of the assignment. Then we will evaluate the effectiveness of the internal and accounting controls applying. Finally, we will assess the relevance of the information produced by each system to the needs of users. Our review of existing systems will include consideration of:

The current information flows within the Board;

The source documents, files, reports and other documents processed by each system;

Controls exercised over the operation of each system;

Segregation of duties;

Volumes of information processed;

Relationships with other systems;
Various other matters which are specific to each system.
Examples are given in Exhibit 2.

16. Where an application system is processed in all or in part on the computer we will include within the scope of our review an evaluation of the relevant computer controls and of the general effectiveness of the computer installation in processing the application.

17. Our review of the existing accounting and control systems will identify the strengths and weaknesses of the systems reviewed. This will enable us to recommend to the Board appropriate short-term action if a material weakness is encountered and to identify those areas where significant benefits could be obtained (in terms of/ say, improved information) relatively quickly by minor modifications to existing systems. This aspect of our review can be expected to have a significant impact on our recommendations regarding each of the matters upon which we have been asked to report. In particular, it will recommend amendments to the existing accounting and control procedures and enable us to construct an outline standards manual and indicate amendments to the financial regulations.

The Information Requirements of the Eastern Health Board

18. Responsibilities for planning, budgeting and controlling the activities of the Board are allocated to the various managers employed by the Board. In order to enable them effectively perform their duties it is necessary that they have available accurate, timely and relevant information. The information required by managers also has a significant impact on the design of the underlying accounting and control systems. We therefore propose to review with senior officers of the Board and with officers of the Department of Health their information requirements. In doing so we will discuss with them:

The approach to planning and budgeting;
Methods of control of actual performance against budget;

Their job responsibilities, authorities, reporting relationships, etc.;

Information needed to perform their function effectively and to ensure the cost of providing services is reasonable in relation to their use and benefit to the community;

Distribution of reports;

Presentation and consistency of reports;

The need for statistical information to support financial information,

19. This aspect of our review will enable us to assess management information requirements and, in conjunction with the other matters reviewed, recommend means whereby these requirements can be met.

Summary of Our Recommended **Approach to Reviewing the Financial Administration of the Eastern Health Board**

20. We have identified three matters which must be considered as a prerequisite to advising the Board on the various matters specified in the statement of objectives for the assignment. As the organisation of the function, the operation of the existing systems, and the management information requirements are so interwoven, we recommend approaching the review in a manner which will deal with each topic but minimise disruption to the Board's personnel. In order to achieve this we have identified two major tasks:

Review Management Information Requirements;

Review Operation of Existing Accounting and Control Systems.

You will see from Appendix 2 that the first of these tasks involves meeting with senior officers of the Eastern Health Board and with officers of the Department of Health. The scope of the task is such as to cover each of the three topics identified previously. Similarly, the review of the operation of existing accounting and control systems will involve our meeting with individuals responsible for the operation of each system, but the scope of the task has been specified to cover each of the three topics.

21. In summary, our review of the financial administration of the Board, as described in paragraphs 11 to 20 above, will enable us to produce:

the structure and outline of a standard procedures manual;
an outline of revised financial regulations;
an assessment of management information requirements, with
recommendations on how these requirements are met; ^{y^}
recommendations regarding accounting responsibilities and
reporting relationships between the finance function and the
programmes and other functions of the Board;
an evaluation of staff development and training needs.

The remaining items included in the objectives are dealt with in the following paragraphs.

Review of the Effectiveness of the Computer Installation

22. In our review of the effectiveness of the computer installation we will examine five areas that are fundamental to effective data processing:

the organisation and administration of data processing,
personnel policies,
computer operations,
data capture,
hardware and software.

Appendix 2 contains greater detail regarding the matters to be considered under each of the above headings. You will notice that we have not provided for the evaluation of the effectiveness of the application systems within the scope of the computer installation effectiveness review as this will be considered as part of our review of the accounting systems.

23. In our experience computer installation effectiveness reviews can be expected to recommend actions which, when implemented, provide benefits in the following areas:

Ensuring that the installation operates in harmony with the priorities of senior officers and is responsive to user needs;
Improved morale and reduced staff turnover;
Staff skills better matched to the needs of the organisation, leading to an improved ability to meet user needs in a cost effective manner;

Improved operations workflow and equipment utilisation;
Improved processing reliability and adherence to schedules;
Improved reliability and accuracy in data preparation;
Improved control over computer hardware and software procurement;
Improved data processing throughput.

Develop Implementation Plan

24. The final task of the assignment will involve the preparation of a detailed programme of work which identifies the activities necessary to implement the recommendations. The implementation plan will provide for activities such as:

Developing detailed accounting procedures as indicated by the outline of the standard procedures manual, so as to improve the effectiveness of the financial administration function of the Board and lay the foundations for the provision of improved management information;

Developing computer systems where necessary in order to effectively implement accounting and control procedures;
Implement ijjg such organisational changes as may be decided upon by the Board following consideration of our recommendations;

Training personnel in the operation and use of revised procedures;

Planning and controlling the implementation of new procedures;

Improving the effectiveness of the computer installation;

Preparing a staff development and training programme which is designed to bridge the gap between current available skills and the future needs of the Board as identified by our review.

25. The resulting implementation plan will provide the Board with the capability to determine priorities, assess the resources required and hence schedule activities and agree implementation dates for each new and/or improved procedure. This will also provide the Board with a realistic estimate as to when improved management information will become available.

PROJECT ORGANISATION AND CONTROL

26. The overall responsibility for the assignment should rest with a Steering Committee. The membership of this Committee should include senior officers of the Board, including the Finance Officer and representatives of the Department of Health. A liaison officer should also be appointed who will be responsible for co-ordinating the consultants¹ activities with those of the Board's personnel on a day-to-day basis. It would be desirable for the liaison officer to be a member of the Steering Committee. This organisation is illustrated in Exhibit 3, which also includes an overview of the structure of our consulting team.

27. We would envisage the role of the Steering Committee as:

- co-ordinating liaison between the consultancy team and the Board's departments and programmes;
- facilitating the extensive consulting process required to ensure commitment and understanding;
- evaluating recommendations and suggestions arising from the review;
- contributing to the development of the implementation plan.

28. We are pleased to be able to make available to the Eastern Health Board a most experienced consulting team. The team includes personnel with experience in:

- developing accounting systems and procedures for many different kinds of organisation;
- conducting computer installation effectiveness reviews;
- designing, developing and installing accounting systems in a wide range of business and government organisations, many of which involve the use of computers;
- reviewing organisational effectiveness;
- advising on staff training and development needs in both the private and public sector.
- undertaking a variety of activities in the public sector.

29. You will see from Exhibit 3 that David Algeo will be the partner with responsibility for overall project management. As well as this overall responsibility he will have a close

involvement with the Steering Committee and with the definition of management information requirements. His previous consultancy experience has included responsibility for and involvement in assignments such as:

- reviewing information processing requirements;
- specifying accounting procedures;
- data processing installation reviews;
- organisation design and development.

He will be working closely with Roy Hanan and John Casey together with other specialists in accounting and data processing. Personal profiles are included in Appendix 3 of these individuals and of the consultants from among whom we expect to assign personnel to the assignment. We will confirm with you the personnel assigned to the project when we receive your instructions to proceed and have discussed with you commencement dates for the assignment in the context of the availability of each consultant at that time.

30. Roy Hanan will have as his main responsibility the review of accounting systems and procedures. Among his many consultancy assignments have been reviews of administrative systems for all business functions and the design and implementation of management information systems, including budgetary control and financial accounting, in a wide variety of industries.

31. John Casey has extensive experience in training and development both in the public and private sector, together with line management experience gained in one of the country's largest public sector computer installations. This latter experience included staff management, work scheduling, monitoring production, effective machine utilisation, and liaison with other data processing functional areas. Particular consultancy assignments have included analysing training and development needs, reviewing organisational effectiveness, and developing performance appraisal systems.

32. Our financial planning and control consultants have been involved with a wide range of assignments including:

review and development of accounting and control systems, in many organisations including hospitals; developing and installing management information systems. developing accounting procedures manuals.

33. Our data processing consultants have been involved in assignments including:

reviewing the effectiveness and security of existing computer installations;
reviewing the information processing requirements of various organisations;
developing and implementing operating standards and procedures;
evaluating and selecting hardware and software;
developing and implementing computer systems.

A j34. We also have available a significant number of other / consultants, systems analysts and programmers whom we can draw on / should their skills be required.

35. The attainment of the objectives of this assignment within a reasonable timescale requires that a number of tasks be undertaken concurrently. This is reflected in the proposed team structure. We will use our normal project management systems to ensure control of the project. In this way we are able to exercise budgetary control of the assignment, identify problems quickly if they occur, and agree, in consultation with the Steering Committee, what action is appropriate.

ESTIMATED COSTS

36. Our fees for consultancy work are based on the seniority of the personnel assigned and on the amount of time committed to the assignment. In addition, we pass on to clients any out-of-pocket expenses incurred by us in connection with the assignment. Appendix 2 describes the work programme which we consider necessary to advise the Eastern Health Board.

37. The scope of the work defined in Appendix 2 is designed to lead to the attainment of the objectives specified in Appendix 4.

38. You will see from Appendix 2 that we estimate our fees will be as follows:

Refine and agree assignment plan	£2,140	
Review management information requirements	£16,620	^ .£ j
Review operation of existing accounting and control systems	£21,535	
Prepare outline standard procedures manual and review financial regulations	£3,910	
Review the effectiveness of the computer installation	£3,845	
Develop implementation plan	£1,700	
Prepare final report	£4,775	
Assignment management	<u>£6,340</u>	
TOTAL	<u>£60,865</u>	

This fee estimate is based on the resources which we currently estimate as necessary to complete the assignment successfully. The rates quoted are based on our assumption that it will be possible to assign two consultants to the review on a full-time basis for an extended period. Other personnel will be assigned for shorter periods of time. Our total fee quote is based on the efficiencies inherent in this team structure. Our fees are furnished monthly in respect of work completed to the end of each month and are payable on receipt.

39. As we have already discussed, we will monitor progress of the assignment closely. We will review progress reports with the Steering Committee on a regular basis. One of the benefits of these regular reviews will be that we will be able to assess and agree what action should be taken in respect of any deviations from the work plan contained in Appendix 2 and to review their possible impact on implementation dates and/or fees before proceeding with changes to the work plan.

CONCLUSION

40. We are confident that the Craig Gardner approach to advising the Eastern Health Board, as described in this proposal, will effectively meet the requirements specified in your letter of 28 August 1981. The assignment has been designed to provide the Board with:

- (1) Recommendations as to the actions necessary to ensure that the accounting and control systems operate effectively including clarification of organisational responsibilities;
- (2) A specification of management information requirements;
- (3) Recommendations as to the actions necessary to improve the effectiveness of the computer installation;
- (4) An understanding of the areas where staff development and training are necessary in order to provide the Board with an effective financial administration function;
- (5) An implementation plan which will define the work to be undertaken to give effect to our recommendations and estimate the timescale and resources required for implementation.

41. We have proposed sufficiently experienced personnel to ensure that the objectives of the assignment will be achieved in a reasonable timescale. We are pleased to be able to make available to the Eastern Health Board consultants with such a breadth and depth of relevant experience, supported by the wide range of back-up personnel and facilities available in our Dublin office.

42. We trust that this proposal has conveyed to you the enthusiasm with which we would undertake this assignment. We would be most pleased to work closely with you and your colleagues in the Department of Health and with the officers and staff of the Eastern Health Board on this important assignment.

43. We would like to thank you and your colleagues in the Department of Health and the Eastern Health Board for their help and assistance in preparing this proposal.

44. We look forward to discussing it with you early in October. In the meantime, please call us if we can be of any further assistance.

Yours sincerely,

DEPARTMENT OF HEALTHPROPOSAL FOR REVIEW OF THE FINANCIAL ADMINISTRATION
OF THE EASTERN HEALTH BOARDGENERAL DESCRIPTION OF CRAIG GARDNER
MANAGEMENT CONSULTANCY SERVICES

Craig Gardner is a modern Irish professional firm providing management consultancy and other professional services to clients. It traces its origin back to the 1860's in Dublin. It now comprises 37 partners and employs of the order of 550 people of whom approximately 425 are professional staff.

We now form a financially independent part of Price Waterhouse International. The Price Waterhouse organisation comprises some 30 firms practising in over 80 countries. The Irish firm is of significant size within Price Waterhouse International. In Europe, the Dublin office is second in size to the London office. Worldwide, it is the sixth largest office after New York, Chicago, Los Angeles, London and Sydney. Our size has enabled us to develop a wide range of specialist professional services.

We take great pride in our commitment to provide both our public and private sector clients with services of the highest quality. Craig Gardner is privileged to provide the full range of its resources to serve the needs of our nation's businesses and government.

MANAGEMENT CONSULTANCY SERVICES

The Price Waterhouse Management Consultancy Services (MCS) include 120 partners and more than 1,200 staff members. Of these, 4 partners and over 30 professional consultants are located in Dublin. The main objective of our consulting service is to provide client management with the information and assistance necessary to enable them to set an organisation's direction, shape policies, guide operations and evaluate progress. To this end, our approach to problem solving seeks to incorporate new and innovative concepts to complement demonstrably workable ideas and to provide fresh options and well supported, specific recommendations.

Co-Ordinated Services

In Ireland consultancy assistance is provided primarily from our Dublin office. Exceptionally, where specialised knowledge is not readily available in Ireland, we draw on the resources of other Price Waterhouse offices. Thus, our clients have local access to the expertise of the worldwide Price Waterhouse consulting organisation. This approach has been successfully applied in a number of major assignments, providing to our clients a level of service which otherwise would not be available economically.

We also contribute personnel from time to time to Price Waterhouse assignments in other countries; these are often carried out on a trans-national basis on behalf of international agencies.

Our consulting personnel take part in training programmes with personnel from other Price Waterhouse offices. This provides a valuable method of pooling knowledge and experience and assists in developing personal relationships between our consultants and their colleagues in other countries.

SPECIALIST SERVICES

The services provided from MCS can conveniently be divided into four main areas:

- (1) Financial Planning and Control,
- (2) Information Processing,
- (3) Personnel and Organisation,
- (4) Operations Planning and Control.

Many assignments are staffed by personnel from more than one area. The balance of the team depends on the client's needs and capacity to take an active part in the assignments.

Financial Planning and Control

In this area we assist clients in a number of ways, for example:

Developing and introducing management information systems. This involves a considerable variety of activity, ranging from budgetary control systems, perhaps with an emphasis on management development, to reporting systems which may often be linked with the introduction of computer technology. We particularly emphasise the importance of implementing systems appropriate to the clients' organisational environment and to the activities in which they are engaged.

Analysing and evaluating proposed new projects or developments. This particularly applies where a client facing a major investment decision requires additional resource or specialist expertise to undertake the evaluation. On occasions the client's need is for an independent appraisal. Evaluation studies may involve relocation or rationalisation proposals, new technology or business ventures.

Advising on pricing policies for products or services where different approaches may be required. The approach to pricing for competitive markets, for example, is totally different to that involved in cost-based rate setting in monopoly situations.

Information Processing

The Information Processing consulting service which we provide to clients includes:

Software selection and installation;

Assisting with the selection of computer equipment. Over the years we have developed and refined an economical and effective approach to equipment selection which is aimed at ensuring that our clients select equipment which is cost-effective and reliable;

Advice and assistance with the use of micro-computers;

Designing, developing and implementing computer-based information systems. Usually, unless the client has in-depth experience, we use a team of EDP specialists and personnel with management experience of the application on these assignments, in order to ensure that the systems meet requirements both from an information and a technical viewpoint;

Reviewing the effectiveness of computer based systems;

Financial modelling assistance. We have developed a level of expertise in financial modelling as an aid to planning which is outstanding in Ireland. Such models are used by many clients on an ongoing basis for budgeting, planning and forecasting;

Word processing advice. Evaluating the opportunities to use word processing, selecting appropriate facilities and advising on the new office procedures required to make effective use of the equipment.

Personnel and Organisation

The need for advice and assistance in this human resources area is increasing with the enhanced awareness of the importance of the personnel function and also with the volume and complexity of employment related legislation.

The Personnel and Organisation services which we provide include:

Assisting with the design or review of management organisation structures, including analyses of organisation climate and management styles;

Auditing the personnel function and advising on the implementation of improvements.

Advising on the formulation and development of personnel policies and practices, e.g. management manpower planning, appraising development potential of senior executives and counselling on individual problem cases;

Assisting with the recruitment of senior executive personnel in all functions;

Advising on employment terms and conditions, including remuneration levels and fringe benefits.

Operations Planning and Control

Our Operations Planning and Control consultants assist clients plan and control the operating functions of their organisations. The services provided include:

Reviewing inventory management policies and advising on improved procedures and methods.

Undertaking a wide range of operations research studies designed to improve the overall efficiency of an organisation's operations.

Designing, developing and implementing production planning and control systems for manufacturing companies;

CONCLUSION

MCS advice and assistance is availed of by a large range of diverse clients. In in this way we have built up a broad base of experience in meeting the needs of and working with the senior executives of those clients.

During the last two years we have provided management consulting services to each of the following state or state-sponsored bodies:

- An Bord GaiS/
- An Bord Telecom
- Department of Economic Planning,
- Industrial Credit Company,
- Industrial Development Authority,
- National Board for Science & Technology,
- National Prices Commission.
- Oslanna Iompair Eireann,
- Pigs and Bacon Commission,
- Udaras Na Gaeltacht,

The firm has also provided services for the following:

- Adelaide Hospital,
- Barringtons Hospital,
- City of Dublin Skin and Cancer Hospital,
- Dr. Steeven's Hospital,

- Dublin Dental Hospital,
- Dublin Fever Hospital,
- Hospitals Joint Services Board,
- Jervis Street Hospital,
- Peamount Hospital,
- Rehabilitation Institute,
- Rotunda Hospital,
- Royal City of Dublin Hospital.
- Royal Victoria Eye and Ear Hospital,
- Sir Patrick Dun's Hospital,
- Stewarts Hospital,
- The Coombe Hospital,

DEPARTMENT OF HEALTH

PROPOSAL TO REVIEW THE FINANCIAL ADMINISTRATION
OF THE EASTERN HEALTH BOARD

PRELIMINARY OUTLINE OF WORK PROGRAMME

TASK DESCRIPTION	Ptr	EST <u>Mgr</u>
1. REFINE AND AGREE ASSIGNMENT PLAN		
1.01 Review assignment plan with the Steering Committee and agree such modifications as may be required.	1.5	
1.02 Exchange letters setting the terms of reference of the assignment and agreeing to proceed in accordance with the assignment plan as amended.	0.5	0.
SUB-TOTAL	2.0	1.
2. REVIEW MANAGEMENT INFORMATION REQUIREMENT		
2.01 Meet with the Chief Executive Officer, the three Programme Managers, the Planning and Evaluation Officer, the Personnel Officer, the Technical Services Officer, the Finance Officer, and other officers of the Board as listed on the last page of this appendix, and two officers from the Department of Health to discuss: the approach to planning and budgeting; methods of control of actual performance against budget; their job responsibilities, authorities, reporting relationships, etc. ; information needed to perform their function effectively; distribution of reports; presentation and consistency of reports; the need for statistical information to support financial information.		
2.02 Prepare a report on the Management Information Requirements of the Eastern Health Board. Review and discuss our conclusions and recommendations with the Steering Committee.		
SUB-TOTAL		

TASK DESCRIPTION

ESTI
Ptr. M^£.

REVIEW OPERATION OF PRESENT ACCOUNTING AND CONTROL SYSTEMS

3.01 Review the operation of the Financial Reporting and Budgeting, Payroll, Commitment^ and Payments_f
CapitajMProiects, Stores and Central Pharmacy/ Engineering and Maintenance/ and Ambulances and Transport. For each of these systems:

Document the organisation of personnel responsible for its operation;

Prepare a description of the system including:

Information Flowchart/

- Source Documents/ Files, Reports and Documentation Produced,
- Controls in use including computer controls where relevant,
- Segregation of Duties,
- Processing Volumes,
- Relationships with other systems,
- Distribution of Reports;

Evaluate the internal processing controls and the information generated by each system;

- Evaluate the efficiency of the system as currently operating.

3.02 For each system prepare a document which reports upon our findings. This document will include a description of the present system and our conclusions and recommendations. These will have recommended priorities associated with them. 3

3.03 Review and discuss our conclusions and recommendations with the Steering Committee. 3.5 -

SUB-TOTAL 10.5 -

TASK DESCRIPTION

ESTIM
Ptr. Mgr. _____

Review computer operations:

- Physical arrangement of data processing facilities;
- Approach to data control;
- Approach to job-scheduling;
- Distribution of reports;
- Management of program libraries and program maintenance activities;
- Machine room operations,

Review of data capture:

- Suitability of data entry equipment for the tasks on hand;
- Scheduling and monitoring of work;
- Productivity of operators and standards of performance;
- Controls over the movement of data.

Review of hardware and software:

- Suitability for the job;
- Capacity to handle peak workloads;
- Capacity to handle normal workloads;
- Adequacy of performance/utilisation reporting;
- Technical efficiency;
- Compliance with proven structured development standards and program coding conventions.

5.02	Prepare a document which reports upon our findings. This document will discuss the present situation in the installation under each of the five headings covered by tasks 5.01. It will include our conclusions and recommendations.	0.5	1
5.03	Review and discuss our conclusions and recommendations with the Computer Services Manager, the Finance Officer, and the Steering Committee, with a view to agreeing and finalising the document.	1	-

SUB-TOTAL

2__ __2_

<u>TASK DESCRIPTION</u>		<u>Ptr.</u>	<u>EST Mgr</u>
6.	DEVELOP IMPLEMENTATION PLAN		
6.01	Establish and agree implementation priorities and timing objectives.	0.5	
6.02	Identify all implementation activities.		
6.03	Prepare, discuss and agree schedules.	<u>0.5</u>	
	SUB-TOTAL	1	
7.	PREPARE FINAL REPORT		
7.01	Prepare final report which summarises our main findings and recommendations and highlights the principal features of our recommended implementation plan. This report will be supported by more detailed reports, many of which were prepared as part of the earlier tasks. The supporting reports will be: Management Information Requirements; - Review of Present Accounting and Control Systems (One per system reviewed); Outline of Standard Procedures Manual, with notes regarding modifications to financial regulations; Data Processing Installation Effectiveness Review; Review of Staff Development and Training Requirements; Implementation Plan.		
8.	ASSIGNMENT MANAGEMENT		
8.01	Prepare for and attend Steering Committee and other meetings to review the progress of the assignment, conclusions and recommendations, and to agree any changes in emphasis which are required. Assume one Steering Committee meeting per month and one weekly assignment review meeting.		
	TOTAL	37.5	10.

PRELIMINARY LIST OF EXECUTIVES WITH WHOM REQUIREMENTS
FOR MANAGEMENT INFORMATION WILL BE DISCUSSED (TASK 2)

	No. of Executives	No. of Meetings/ Executive
Chief Executive Officer		
Finance Officer		
Department of Health Officers		
3 Programme Managers		
Planning & Evaluation Officer		
Personnel Officer		
Technical Services Officer		
Finance Executives	3	
Community Care Area Directors	3	
Sub-Programme Section Officers	10	
Special Hospital Area Directors	2	
Special Hospitals (3) by 3 people each		
General Hospitals (3) by 3 people each		
External Hospitals (2)		
Engineering Supervisor		
Stores Supervisor		
Pharmacy Supervisor		
Transport Supervisor		
TOTAL	52	

CRAIG GARDNER

PERSONAL PROFILE

NAME: David R M Algeo

POSITION: Partner

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES: BA. BAI. M.Sc. MICS. MIEI.

Lectures at the Irish Management Institute and for the Institute of Chartered Accountants in Ireland. Partner responsible for Manpower Development and Training for Management Consultancy Services of Price Waterhouse in Europe.

PROFESSIONAL &
BUSINESS HISTORY:

English Electric
Computers 1968-1969

Trinity College Dublin 1969-1970

Coras Iompair Eireann 1970-1973

Craig Gardner
Management Consultants 1973-date

PROFESSIONAL &
BUSINESS EXPERIENCE

Prior to joining Craig Gardner he was a manager in the transportation field, covering a wide range of functions including economic studies, computer management and corporate planning.

Since joining Craig Gardner he has been involved with many sectors of the economy including banking, energy, food processing, health care, construction, semi-state, chemical manufacture, clothing and retailing.

Many of the assignments he has undertaken involved consideration of the use of modern computer systems paying particular attention to the broader implications which would follow the introduction of new technology.

His work in the hospital field has involved the supervision of a study of the administrative systems with a view to advising on new systems and to assist with the implementation of our recommendations.

David R M Algeo (Contd.)

He has been responsible for managing and/or advising on the management of a number of computer installations which were in difficulties and for their return to normal operation performance.

A number of assignments involved the preparation of computer feasibility reports, system requirement specifications, selection of computer equipment and the design and implementation of computer systems,

He has undertaken operations research assignments which analysed the effect on a major organisation in the drink industry of the introduction of more efficient production methods on the overall production and distribution system, personnel requirements and economic consequences,

He has extensive experience in the use of models for decision taking both at the detailed company level and at the broader project evaluation level. Significant assignments in this area have been undertaken in the semi-state sector.

Provided support to the collation and analysis of survey data for organisations in various sectors from time to time.

CRAIG GARDNER

PERSONAL PROFILE

NAME: W Roy Hanan

POSITION: Partner

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES

Fellow of the Institute of Chartered Accountants in Ireland

Awarded the Certificate in Management Information by the Accountancy Bodies Joint Diploma Board.

Lectures at Irish Management Institute and Institute of Chartered Accountants (Professional Development).

PROFESSIONAL &
BUSINESS HISTORY:

Craig Gardner
Chartered Accountants 1967-1969
Management Consultants 1969-date

PROFESSIONAL &
BUSINESS EXPERIENCE

Financial and accounting consultancy including rescue work in cases of accounting failure, secondment as financial controller and advising on financial planning.

Design and implementation of management information systems, including budgetary control, costing, management and financial accounting, in a wide variety of industries using modern computer techniques.

Review and development of administrative systems for all business functions, particularly sales, distribution and production, including computer based implementation.

Analysis and revision of management organisation structures including the review of corporate objectives.

W Roy Hanan (Contd.)

Business and management appraisals and company investigations for the purposes of development, acquisition or merger and advising on implementation.

Planning and evaluation of new industrial projects for location in Ireland on behalf of promoters/ investors and financial agencies.

CRAIG GARDNER

PERSONAL PROFILE

NAME : John Casey

POSITION: Manager

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES

Diploma in Public Administration, University College Dublin.

B. Sc. (Econ.), London

MBA, University College Dublin.

Associate of Institute of Personnel Management.

Lectured to School of Public Administration, Civil Service Training Centre and Irish Management Institute.

Co-editor of first edition of Personnel and Industrial Relations Directory, published by the Institute of Public Administration.

PROFESSIONAL &
BUSINESS HISTORY:

Aer Lingus 1964-1977

Institute of Public Administration 1977-1979

Craig Gardner Management Consultants 1979-date

PROFESSIONAL &
BUSINESS EXPERIENCE

Following eleven years¹ experience in the operations department of one of the largest data processing installations in the country, he has spent the past three years as a personnel specialist and consultant.

The main features of his experience in computer operations were:

- Efficient management of an installation containing large mainframe computers with teleprocessing facilities, and a wide range of peripheral devices;
- The smooth introduction of, jaew maahines into the installation and training staff in the use of these;

John Casey (Contd.)

- Acting as a liaison for communication between software developers and operational staff, user departments and computer manufacturer to ensure that the computer installation met the needs of its users and served the best interests of the organisation.

As a personnel specialist and consultant he has been involved in assignments including;

- Design, organisation and presentation of training courses;
- Design and implementation of job evaluation systems for administrative organisations;
- Design and introduction of performance appraisal schemes;
- Executive recruitment including advice to top management on salary and remuneration packages;
- Development of training plans for implementation of new systems,

A major theme of all these personnel activities has been the impact of change on organisations and individuals.

Work as co-editor of Personnel and Industrial Relations Directory entailed extensive gathering of information via questionnaire and interview, followed by classification of same.

CRAIG GARDNER

PERSONAL PROFILE

NAME: Frank E Bannister

POSITION: Senior Consultant

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES; M.A. M.Sc. Mus.B. C.Dip.AF

External lecturer Trinity College
Dublin on Financial Modelling

Occasionally lectures on Statistics and
Sampling

Treasurer of the Operations Research
Society of Ireland.

PROFESSIONAL &
BUSINESS HISTORY: National Science Council 1974

Department of the Public
Service 1975-1978

Craig Gardner
Management Consultants 1978-date

PROFESSIONAL &
BUSINESS EXPERIENCE: Computer selection including require-
ment specification, interviewing
suppliers, analysing financial options,
etc.

Design of the computer system for an
extensive four year planning financial
model for a major English local
authority, for use in calculating the
rates to be charged.

Experience of a wide range of
mathematical and computer analysis
techniques including:

Development of computer simulation
models of physical systems.

Design and implementation of a personal
income tax analysis package and a
standard of living analysis model for
use in the Public Sector.

Development of a detailed manpower
planning model which simulated all
aspects of manpower structures
including recruitment, promotion,
wastage, etc.

Frank E Bannister (Contd.)

Commercial systems for economic analysis including forecasting.

Analyses of demand patterns and their implications for pricing decisions for a major state body.

Financial modelling systems including:

Analysis of leasing proposals including variable rental lease analysis. Design and implementation of an interactive leasing model.

Design and implementation of a major project evaluation financial model involving use of advanced return on investment estimation techniques.

Design and implementation, as project leader of a team of 8 people, of a major computer based budgeting system which included:

- Costing of the production plan,
- Cost of sales analysis comprising unit costing, pricing, gross contribution forecasting and sales analysis,
- Materials usage forecasting,
- Overheads,
- Budget consolidation and linking to management reporting systems.

Design of a physical/financial model of an agricultural business which converts physical and financial inputs into forecasting profitability.

CRAIG GARDNER

PERSONAL PROFILE

NAME: Jimmy Brett

POSITION: Senior Consultant

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES ACMA
Diploma in Applied Finance (IMI)

PROFESSIONAL &
BUSINESS HISTORY:

Irish Shell & BP Ltd.	1968-1972
Chivers & Sons Ltd.	1972-1974
Linson Ltd.	1974-1979
Group 4 Total Security Ltd.	1979-1980
Price Waterhouse	1980-date

PROFESSIONAL &
BUSINESS EXPERIENCE

As a line manager he has been responsible for all aspects of the accounting function including budget preparation, financial and cost reporting and cash management.

He was responsible for the computerisation of accounting systems on a large computer and more recently has installed a mini-computer for the total accounting function.

He has extensive experience in the design and development of planning and control systems.

As a consultant he has been involved in a major corporate planning assignment and has undertaken a review of the accounting function of a major finance house.

CRAIG GARDNER

PERSONAL PROFILE

NAME: Ralph G McKinney

POSITION: Senior Consultant

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES BA, University of Florida,
USA.
MBA_f University of Dublin.

PROFESSIONAL &
BUSINESS HISTORY: Rich's Department

Store	1968-1970
Delta Airlines	1970-1973
Unitote - Regitel	1974-1976
Software Development Service	1976-1977
Craig Gardner Management Consultants	1978-date

PROFESSIONAL &

EDP experience has spanned approximately ten years of systems development and management. Responsibilities have included:

- project management
- staff management and training
- consultancy
- systems analysis and design
- programming

Applications have ranged from large to small on-line systems plus some batch and have included:

- airline reservations and operations management systems
- retail point of sales and on-line credit authorisation systems
- graphics systems

Ralph G McKinney (Contd.)

- financial management and accounting systems

In three years experience in management consultancy, involvement has been in assignments as follows:

Development of business information systems plans

Review of EDP installation effectiveness, performance, security and control

Design of organisation structures for DP departments

Development of feasibility and business requirement studies

Selection of computer hardware and application packages to meet business requirements

Installation of software packages

Design and implementation of an incomplete records accounting system

Clients have included banks, wholesale distributors, manufacturers, shipping agencies, pension services, and retailing.

Other activities have included lecturing on systems development, and computer appreciation.

CRAIG GARDNER

PERSONAL PROFILE

NAME: Antoinette Ferrari

POSITION: Consultant

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES Associate Member^ of the Association
of Certified Accountants (ACCA).

PROFESSIONAL &
BUSINESS HISTORY Industrial Development
Authority 1972-1980
Craig Gardner
Management Consultants 1980-date

PROFESSIONAL &
BUSINESS EXPERIENCE Five years in a large accounting
department gaining experience in the
following areas: financial account-
ing, monitoring cash flow and cash
planning, budgeting and control
systems, and other accounting and
administrative procedures.

While an Administrative Officer, she
was responsible for administering the
New Industry Capital Grant Scheme to
new overseas and existing Irish
industries.

As a Project Executive, was respons-
ible for evaluating industrial pro-
jects and formulating recommendations
thereon, liaison with banks in con-
nection with finance, various
marketing assignments and sectoral
research work.

Since joining Craig Gardner she has
been involved in studies into the food
and office sectors and has undertaken
a systems review engagement for a
Dublin hospital. She has also carried
out assignments to establish manage-
ment information needs with a view to
computerisation.

CRAIG GARDNER

PERSONAL PROFILE

NAME: Clive H Charlesworth

POSITION Consultant

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES HND, Pure Mathematics, Mathematical
Statistics and Computer Studies.

PROFESSIONAL &
BUSINESS HISTORY: British Oxygen Company,
London 1972-1974

Monsanto (Europe) SA,
Brussels 1974-1978

Polysar (International) SA,
Switzerland 1978-1979

Craig Gardner 1980-date

PROFESSIONAL &
BUSINESS EXPERIENCE: Prior to joining Craig Gardner he was
involved in the development of a variety
of accounting systems including
supporting the European general ledger,
payables and receivables systems for
Monsanto (Europe) SA. These systems
run on a large IBM 370 linked to remote
terminals throughout Europe.

As a consultant he has designed and
project managed the development of a
suite of financial programs written for
Datapoint equipment.

He has acted as data processing manager
for a Univac 90/30 site which involved
the resolution of a number of problems
in the computer operations area. More
recently he has designed an information
system for following up overdue accounts
to be used by a merchant bank. The
system is designed to operate on an IBM
4300 computer.

CRAIG GARDNER

PERSONAL PROFILE

NAME: Michael J. McCarthy

POSITION Consultant

QUALIFICATIONS &
PROFESSIONAL ACTIVITIES Honours Graduate in Applied
Agricultural Economics, U.C.D.

Associate of the Institute of
Chartered Accountants in Ireland,

Council Member of the Agricultural
Science Association.

PROFESSIONAL &
BUSINESS HISTORY: Farm Development Co-Op.

- Area Manager 1975-1977

Craig Gardner Company

- Consultant 1977-date

PROFESSIONAL &
BUSINESS EXPERIENCE As a consultant he has been responsible
for:

Financial

- Implementation of financial reporting systems and general project management;
- Systems audits in a wide range of organisations;
- Investigation of management information systems in large public service organisation;
- Preparation of management reports for manufacturing companies;
- Investigations for financial rescue operations;
- Negotiations for project finance and project implementation;
- Staff placement.

Agricultural

- Farm business advice to clients;
- Farm management advice;
- Agricultural systems development;
- Agribusiness audit management of implementation.

Michael J. McCarthy (Contd.)

As area manager with Farm Development Co-Op., his duties included:

- Farm planning;
- Farm development and reclamation;
- Farm accountancy and tax consultancy;
- Farm purchases and sales.

OBJECTIVES

1. To examine the financial administration of the Eastern Health Board and to evaluate the organisation and the accounting and control systems in operation in order to identify significant weaknesses.

2. On the basis of this evaluation to produce:

the structure and outline of a standard procedures manual,
revised and/or extended financial regulations,
a review of data processing effectiveness,
an assessment of management information requirements, with
recommendations on how these requirements could be met,
recommendations regarding accounting responsibilities and
reporting relationships between the finance function and
the programmes and other functions of the Board,
an evaluation of staff development and training needs.

3. To develop an implementation plan for giving effect to these
conclusions setting out the staff and other resources required
and the likely practical timescales involved.