

# Assessing Operational and Administrative Challenges in Cebu Provincial Hospital

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## Abstract

*This study aims to assess the operational and administrative challenges faced by Cebu Provincial Hospitals, specifically focusing on the hospitals in Bogo City, Carcar City, Danao City, and Balamban. The research examines key challenges and constraints related to implementation of Internal Control System under the Control Environment Component; implementation of Internal Control System under the Risk Assessment Component, implementation of Internal Control System under the Control Activity Component; implementation of Internal Control System under the Information and Communication Component; and implementation of Internal Control System under the Monitoring Component. Furthermore, excerpts from the interviews were quoted to further support the identified problems and constraints. A mixed-methods approach was used, combining surveys, interviews, and document analysis to gather data from hospital administrators, medical staff, and patients. The findings revealed several critical key challenges such as slow processing of payments, insufficient drugs and medical supplies, and a lack of automated information systems. Additionally, the absence of an Internal Audit Unit contributed to a weak monitoring framework, increasing the risk of fraud. The lack of proper information systems and bureaucratic delays further compounded these issues, hindering the hospitals' ability to provide timely and quality healthcare. Additionally, inadequate infrastructure and limited financial resources were identified as major constraints in improving service delivery. The study concludes that addressing these operational and administrative challenges is essential for enhancing the efficiency of Cebu Provincial Hospitals. Recommendations include strengthening internal processes, improving resource allocation, and implementing technology-driven solutions to optimize hospital management and healthcare outcomes.*

**Keywords:** Cebu Provincial Hospitals, Operational Challenges, Administrative Challenges, Healthcare Management, Resource Allocation, Healthcare Service Delivery, Internal Control Systems

## I. INTRODUCTION

Provincial hospitals play a crucial role in delivering healthcare services, particularly in rural areas where access to medical facilities is limited. In the Philippines, public hospitals are essential for providing care to underserved populations, but they often face significant operational and administrative challenges. These challenges can hinder the quality, efficiency, and accessibility of healthcare services. In the case of the Cebu Provincial Hospitals, understanding the nature of these challenges is essential to improving healthcare delivery and ensuring that the needs of patients are met.

Several studies highlight the common challenges faced by provincial hospitals in low- and middle-income countries like the Philippines. Aiken et al. (2012) emphasize that staffing shortages, particularly of nurses and physicians, are one of the key operational issues in public hospitals. The shortage of healthcare professionals results in overworked staff, leading to burnout and reduced quality of care. Similarly, Kruk et al. (2018) highlight the importance of hospital infrastructure and the availability of essential medicines and medical supplies, both of which are often lacking in rural hospitals. These issues can delay treatment and negatively affect patient outcomes.

Administrative challenges also contribute significantly to the operational inefficiencies in provincial hospitals. Brinkerhoff and Bossert (2008) argue that weak governance structures and bureaucratic bottlenecks in public health systems lead to inefficient resource allocation, further exacerbating the lack of medical supplies and equipment. Moreover, the complex procurement processes in public hospitals delay the acquisition of essential medicines and equipment, as noted by Olson et al. (2011). These administrative hurdles are compounded by limited financial resources, which restrict the hospitals' ability to improve facilities, hire additional staff, and expand services. According to Hastarini, Sudiarditha and Wolor (2024), it is important to consider work culture, leadership, and job promotion since these factors significantly affect the services performance. Monsale, and Martir (2024) emphasized that awareness programs, sharing best practices among departments, providing ongoing education and training, reviewing recruitment processes for transparency, offering career development



opportunities with ethics training, and establishing an ethics committee is very important to improve the services to be provided.

In the context of Cebu Provincial Hospitals, it is important to assess how these operational and administrative challenges manifest in the local healthcare system. With a growing population and increased demand for healthcare services, the ability of these hospitals to manage resources efficiently and maintain service quality is critical. This study aims to identify and evaluate the key operational and administrative challenges faced by Cebu Provincial Hospitals, drawing on both primary data from these institutions and insights from existing literature on healthcare management.

The general objective of the study is to assess the operational and administrative challenges faced by Cebu Provincial Hospitals. Specifically, the study aims to identify key challenges and constraints affecting the overall service delivery in these hospitals and answered the following research questions:

- 1) What are the challenges and constraints encountered in implementing the National Guidelines on Internal Control System?
- 2) From the findings of the study, what Internal Control mechanism/framework shall be designed

By evaluating these challenges, the study seeks to provide insights and recommendations that will contribute to the improvement of hospital operations and the quality of healthcare services provided to the public. Understanding these challenges, policymakers and hospital administrators can develop targeted interventions to address inefficiencies, improve hospital operations, and enhance the quality of care provided to patients. Furthermore, the findings of this study are expected to contribute to the broader discourse on healthcare system strengthening, particularly in provincial hospitals across the Philippines. It will also help in the modification and improvement of Internal Control System of the four Cebu Provincial Hospitals-Bogo City, Carcar City, Danao City and Balamban.

## II – Methodology

### Research Design

This study is a mixed-methods approach, combining both quantitative and qualitative research techniques to comprehensively assess the operational and administrative challenges in Cebu Provincial Hospitals. The descriptive research design systematically identifies and analyzes the specific operational and administrative challenges faced by the hospitals. This design allows the researchers to describe the current conditions and trends within the healthcare institutions while providing a foundation for potential solutions.

### Population and Sampling

The study focuses on the four Cebu Provincial Hospitals, namely: 1) Cebu Provincial Hospital–Carcar; 2) Cebu Provincial Hospital–Danao; 3) Cebu Provincial Hospital–Bogo; 4) Cebu Provincial Hospital–Balamban. From the total population, A purposive sampling method was used to select respondents who are directly involved with or affected by the hospitals' operations and administration. A total sample size of 72 respondents involves in the study.

### Instruments and Data Collection Methods

#### a. Surveys (Quantitative Data)

Structured questionnaires were administered to hospital staff to gather quantitative data on the challenges and constraints they experienced or encountered. Likert scale-based surveys will be used to measure perceptions of staff on issues such as workload, job satisfaction, and resource adequacy.

#### b. Interviews (Qualitative Data)

Semi-structured interviews were conducted with hospital administrators, department heads, select medical staff and patient to gather in-depth qualitative insights into the specific challenges they face. These interviews explore themes such as challenges in budget allocation, procurement processes, staff shortages, and governance issues.

#### c. Document Review

Internal hospital documents such as annual reports, staffing schedules, inventory reports, and budget allocations will be reviewed to complement survey and interview data. Relevant policies and government reports on healthcare service delivery in provincial hospitals will also be examined.

### Data Analysis

#### a. Quantitative Data Analysis

Data from the structured surveys was analyzed using descriptive statistics (mean, frequency, percentage) to identify common challenges across the hospitals. Cross-tabulation will be used to compare operational challenges across different hospital departments or staff categories. Statistical software such as SPSS or Microsoft Excel will be used for data analysis.

#### b. Qualitative Data Analysis

An interview transcript was analyzed using thematic analysis and quoted excerpts were incorporated in the discussion of findings. A coding framework was developed to categorize challenges such as: a) Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Control Environment Component; b) Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Risk Assessment Component. c) Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Control Activity Component; d) Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Information and Communication Component; and e) Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Monitoring Component. Furthermore, excerpts from the interviews were quoted to further support the identified problems and constraints.

### Ethical Considerations

Informed consent was obtained from all participants, ensuring that they are fully aware of the purpose of the study, their rights as participants, and the confidentiality of their responses. Ethical clearance will be sought from relevant authorities, such as the hospital ethics committees and institutional review boards.

### Limitations of the Study

The study was limited to Cebu Provincial Hospitals and may not fully represent the challenges faced by other provincial hospitals in the Philippines. Additionally, the reliance on self-reported data from surveys and interviews may introduce biases related to personal perceptions. This mixed-methods approach ensures that both the numerical trends (through surveys) and deeper insights (through interviews and FGDs) are captured to provide a holistic understanding of the operational and administrative challenges in the hospitals studied.

## II. RESULTS AND DISCUSSION

### Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System

The challenges and constraints encountered that hinder the Cebu Provincial Hospitals in the implementation of Internal Control System were identified based on the guide questions used by the researcher. The results are presented quantitatively and qualitatively.

#### Theme 1: Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Control Environment Component

As shown in Table 1, the least among the problems and constraints encountered in the implementation of Internal Control System under the Control Environment are no security of tenure because most of the employ are hired under Job Orders and Contract of Service and delayed salary because processing is centralized both ranked 5<sup>th</sup> in the problem. Lack of incentive benefit because magna carta for health is not implemented ranked 4<sup>th</sup> unable to provide 24/7 because of lack of medical and hospital staff ranked 3<sup>rd</sup>. Working overload because of Multi-tasking ranked 2<sup>nd</sup> in the problem.

The most leading problem leading problem in the control environment component is the slow processing of payment of medicines and other medical supplies because there is no BAC created at the hospital level. This implied for the delay in the restocking of medicine resulting for the hospitals not to completely give responsive and quality health care.

**Table 1**  
Problems and Constraints Control Environment

Control Environment	CPH A	CPH B	CPH C	CPH D	Total	Rank
Unable to provide 24/7 service	5	5	4	4	18	3
Lack of incentive benefits	4	4	4	3	15	4
No security of tenure	4	4	3	3	14	5
Delayed salary	3	3	4	4	14	5
Payment of medicines and other medical supplies is slow	5	5	5	5	20	1
Working overload	5	5	5	4	19	2
<b>Average</b>	<b>4.33</b>	<b>4.33</b>	<b>4.17</b>	<b>3.84</b>	<b>16.67</b>	

This is supported by Angara (2009) that our constitution has recognized the right of health of every Filipinos. It is a challenge for health department to uphold their mission to guarantee equitable, sustainable and quality health care for all Filipinos especially the poor and to lead the quest for excellence in health. It is true, the right of all Filipinos including those belonging under vulnerable groups to have access to competitive, responsive and quality health care. This is also contrary to the provisions of Local Government of 1991 R.A. 7160 in transferring the power and authority from the central institution to lower or local level of a government system. This meant to transform LGUs into self-reliant community and achieve partners in nation building by giving more power, authority and responsibility and resources.

The basic principle of internal control relates to the physical custody of assets, the separation of custody and accounting, the subdivision of function and assignment and accountability and responsibility. These principles set forth that no person should have the complete control of transactions. There should be separation of custodianship from record keeping, function should be divided and subdivided, as much as reasonable and practicable to provide internal check, and authority must accompany responsibility (page 605, State Audit Code of the Philippines)

## Theme 2: Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Risk Assessment Component

In the Risk Assessment shown in Table 2, referrals most often because some laboratory procedures are not available in the hospital ranked 6<sup>th</sup> in the problem. Prone to accidents because patients' beds have no side rails ranked 5<sup>th</sup> compromised quality health care service due to excess number of patients' number of admissions for insufficient facilities ranked 4<sup>th</sup> and unable to provide 24/7 service due to lack of medical specialists, medical officers, surgeon, anaesthesiologist, and hospital ancillary service staff ranked 3<sup>rd</sup> in the problem. The most leading problem under the risk assessment of Internal Control System is insufficient drugs, insufficient facilities and minimal hospital equipment due to limited budget ranked 1. 5.. This implied that the quality health care service are compromised for the hospitals.

**Table 2**  
Problems and Constraints Risk Assessment

Risk Assessment	CPH A	CPH B	CPH C	CPH D	Total	Rank
Unable to provide 24/7 service.	4	5	5	5	19	3
Compromised quality health care service due to excess number of patients.	4	4	5	5	18	4
Referrals most often.	4	4	4	4	16	6
Minimal hospital equipment.	5	5	5	5	20	1.5
Insufficient drugs and medicines	5	5	5	5	20	1.5
Prone to Accidents	5	4	4	4	17	5
<b>Average</b>	<b>4.5</b>	<b>4.5</b>	<b>4.67</b>	<b>4.67</b>	<b>18.33</b>	

Shim, (2011) believed that control is an enterprise. The needs such as, food, shelter, clothing and medicines are the most basic and instinctive in hierarchy because all needs become secondary until these physiological needs are met. If the needs of the healthcare industry are addressed appropriately, like building more state-run hospital and upgrading equipment facilities, patients from remote region can avail of high medical services without having to go to the urban areas (Morris, 2011). World Bank (2011) the hospital bed to population ratio in the Philippines is 1 bed per 1,000 people. In accordance with the 2012 Phil Health Services Delivery Profile which is a partnership between the WHO and the DOH only 4 of the country 17 regions met the acceptable bed to population ratio (Bernal, 2013).

### Theme 3: Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Control Activity Component

As to Control Activity component in Table 3, the least in the problem is that taxes not regularly remitted because no assistant to prepare the remittances ranked 6<sup>th</sup>. Collecting officers not bonded because they are hired as JOs that cannot be bonded, cash book not updated because no appointed cashier and bank reconciliation not regularly prepared because of no assistant to assist the recording of cash receipts and disbursements are in the rank 4.0 and collections not regularly deposited because there is no alternate cashier ranked 2<sup>nd</sup>. The most leading problem under the control activities of Internal Control System is that duties and functions of finance staff is not segregated because of multi tasking scheme adopted by the hospital ranked 1<sup>st</sup>.

This implied that there are possible chances in the manipulation of accounts that will commission to irregularities. Sheckells (2007) says in her study "Effective Ways to Prevent Fraud" that one of the most effective ways to prevent fraud is the implementation of strong internal controls including an effective segregation of duties. The structure of a management hierarchy followed the creation of multi unit and enabled it to function through delegation of responsibility (Jensen and Payne.(2003).

Table 3  
Problems and Constraints  
Control Activity

Control Activity	CPH A	CPH B	CPH C	CPH D	Total	Rank
Duties and functions of finance staff not segregated	5	5	5	5	20	1
Collecting officers not bonded	4	4	4	4	16	4
Cash book not updated.	4	4	4	4	16	4
Collections not regularly deposited.	4	4	5	4	17	2
Bank reconciliation not regularly prepared	4	4	4	4	16	4
Taxes not regularly remitted.	3	3	3	3	12	6
<b>Average</b>	<b>4.0</b>	<b>4.0</b>	<b>4.17</b>	<b>4.0</b>	<b>16.17</b>	

Internal Audit Report dated October 6, 2015 disclosed that the hospitals have their bank accounts reconciled by a person who have access to cash receipts. The Books of the Cash are being maintained by a person responsible in preparing the bank reconciliation statement. Further, the check disbursements and checks stubs and cash in bank book of CPH – B, C, and D are being prepared and kept by the accounting. As a rule of internal control, an accountant who also prepares the Bank Reconciliation Statement should have no access to nor responsibility over the records related to disbursements.

The operating, accounting and cashiering functions should be kept separate to avoid possible manipulation of accounts and commission of irregularities (page 607 of the State Audit Code of the Philippines). The basic principle of internal control relate to the physical custody of assets, the separation of custody and accounting, the subdivision of function and assignment and accountability and responsibility. These principle set forth that no person should have the complete control of transactions. There should be separation of custodianship from

record keeping, function should be divided and subdivided, as much as reasonable and practicable to provide internal check, and authority must accompany responsibility (page 605, State Audit Code of the Philippines).

#### **Theme 4: Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Information and Communication Component**

For the Information and Communication component in Table 4, medical records are not properly maintained because medical records officers are not trained on records management, case rate are not properly coded because of lack of training on ICD – 10 for medical and Philhealth officer and there is no accurate time and standardized reports because the e-NGAS is not installed in the hospital are ranked 5.0 in the problem. Data collections and reports are done manually because there is lacks computer ranked and Absence of full disclosure on the Sale of good Local Governance where contracts awarded, budget, expenditures and other information are not posted ranked 2.5.

The most leading problem under the information and communication component of Internal Control System Computerized is that information system for health is not installed in the hospital due to no internet connection ranked 1<sup>st</sup>.

This implied that doing documentation manually just worsen the situation while the IT group may be commissioned to do computerization or automation.

Table 4  
Problems and Constraints  
Information and Communication

<b>Information and Communication</b>	<b>CPH A</b>	<b>CPH B</b>	<b>CPH C</b>	<b>CPH D</b>	<b>Total</b>	<b>Rank</b>
Data collections and reports are done manually.	4	4	4	5	17	2.5
Computerized information system not installed.	5	5	5	5	20	1
Medical records not properly maintained.	4	4	4	4	16	5
Case rate not properly coded	4	4	4	4	16	5
Absence of full disclosure on the Sale of good Local Governance	5	4	4	4	17	2,5
Accurate time and standardized reports not installed	4	4	4	4	16	5
<b>Average</b>	<b>4.33</b>	<b>4.17</b>	<b>4.17</b>	<b>4.33</b>	<b>17.0</b>	

Chandler refers to a strategy on how communication channels between the manager and sub units. The nature of technology used in the organization to create its product or which the methods by which its offers its services influences the information technology set up. Frederick Winslow Taylor's one of the most recent contribution of scientific management theory and its emphasis on efficiency techniques has been the advent of automation.

#### **Theme 5: Challenges and Constraints Encountered by the Cebu Provincial Hospitals in the implementation of Internal Control System under the Monitoring Component**

The least problems encountered in Table 5, for Monitoring component are that no quality control of diagnostic examination of equipment because there is no monitoring policy on the quality control of diagnostic examination of equipment, no committee on infection control programs and therapeutics for infection Control and no monitoring policy on the safety and efficient use of medical equipment ranked 5.0. The hospital has no patient's satisfactory survey and not properly established Quality Assurance Program on policy standard and regulations ranked 2.5.

The most leading problem under the monitoring component of Internal Control System is a weak internal control system because the hospital has not created the Internal Audit Unit as prescribed by DBM Circular Letter No. 2008 dated April 14, 2008 ranked 1<sup>st</sup>. This implied that there is no assurance that fraud can be prevented in order to safeguard assets and reliability of accounting data. Sheckells (2007) in her study "Effective Ways to Prevent Fraud" says that one of the most effective ways to prevent fraud is the implementation of strong internal controls. Internal controls as related to fraud are the measures, policies, and procedures a company puts in place to safeguard assets and ensure the reliability of accounting data.

Table 5  
Problems and Constraints  
Monitoring

Monitoring	CPH A	CPH B	CPH C	CPH D	Total	Rank
Quality control of diagnostic examination of equipment	4	4	4	4	16	5
Satisfaction of the patients on the services of the hospital.	5	4	4	4	17	2.5
Quality Assurance Program.	4	4	4	5	17	2.5
Infection Control.	4	4	4	4	16	5
Safe and efficient use of equipment	4	4	4	4	16	5
Weak internal control system	4	5	5	5	19	1
<b>Average</b>	<b>4.17</b>	<b>4.17</b>	<b>4.16</b>	<b>4.33</b>	<b>16.83</b>	

It is noted in Table 5 that there are constraints in the implementation Internal Control System in the Cebu Provincial Hospitals. Among the five components, Risk Assessment is ranked 1<sup>st</sup> in the problem. This means that the hospitals should identify and analyse relevant risks to achieve the objective that form the basis to determine how risks should be managed and assessed. The Information and Communication ranked 2<sup>nd</sup> in the problem. There should be a need to capture and communicate information to the right people to enable them to carry out their responsibilities.

Monitoring is ranked 3<sup>rd</sup> in a problem. And there should be framework element that is associated with the internal audit function in the company, as well as other means of monitoring. Control Environment is 4<sup>th</sup> in the problem. This also mean that the Cebu Provincial Hospitals should organize and develop its people, directs for all other components of internal control, and provide discipline and structure. The least is Control Activity which ranked 5<sup>th</sup> in a problem. This mean that the hospitals should have the policies and procedures such as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.

Table 6  
Summary of Problems and Constraints

Components	CPH A	CPH B	CPH C	CPH D	Total	Rank
Control Environment	4.33	4.33	4.17	3.84	16.67	4 <sup>th</sup>
Risk Assessment	4.50	4.50	4.67	4.67	18.33	1 <sup>st</sup>
Control Activity	4.00	4.00	4.17	4.00	16.17	5 <sup>th</sup>
Information & Communication	4.33	4.17	4.17	4.33	17.00	2 <sup>nd</sup>
Monitoring	4.17	4.17	4.16	4.33	16.83	3 <sup>rd</sup>
<b>Average</b>	<b>4.27</b>	<b>4.23</b>	<b>4.27</b>	<b>4.23</b>	<b>17.00</b>	

**Responses of Patient Clients Interviewed**

Table 7  
Results on Responses of Patient Clients Interviewed

Internal Control System Components	CPH – A		CPH – B		CPH – C		CPH – D		Total	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>Control Environment</b>										
1. Are you immediately attended by the physician and other hospital personnel?	4	1	2	3	2	3	4	1	12	8
2. Are they customer friendly?	5		3	2	3	2	5		16	4
<b>Risk Assessment</b>										
1. Are you comfortable with the room where you stay?	4	1	2	3	2	3	4	1	12	8
2. Are you comfortable with the bed used for you to sleep?	3	2	2	3	2	3	3	2	10	10
3. Is the neatness of the sleeping bed maintained?	3	2	3	2	3	2	3	2	12	8
4. Are the facilities of hospital complete?	4	1	1	4	3	2	4	1	12	8
5. Are you satisfied with the services of the hospital?	4	1	2	3	3	2	4	1	13	7
<b>Control Activity</b>										
1. Do you feel convenience in settling your bills?	5		3	2	1	4	5		14	6
2. Do you feel safe and secured in settling your bills?	5		4	1	1	4	5		15	5
3. Did you receive Official Receipt after settling your bills?	5		4	1	4	1	5		18	2
<b>Information and Communication</b>										
1. Have you completely filled up the information sheet for admission?	2	3	2	3	2	3	2	3	8	12
2. Are you given the exact instruction?	4	1	3	2	3	2	4	1	14	6
3. Are you given the exact medication?	5		3	2	3	2	5		16	4
<b>Monitoring</b>										
1. Are you given the exact and timely medication?	4	1	3	2	3	2	4	1	14	6
2. Are the food served, of good quality?	4	1	2	3	2	3	4	1	12	8
3. Are food served on time?	4	1	3	2	4	1	4	1	15	5
4. Have you accomplished the patient's satisfactory survey?	2	3	2	3	2	3	2	3	8	12

**Control Environment**

Table 7 shows that majority or 60% of respondent patients answered that they are immediately attended by the physician and also 80% responded that the staff are customer friendly. However, there were respondent clients who commented that they do not feel the genuine care of the hospital because sometimes due to excessive number of patients in wards nurses and doctors are not able to attend their needs and the nurses were too strict and do not smile.

**Interview Transcript:**

Patient 1 (CPH – C); *Dili mi kayo maatiman sa mga doctor ug nurse tungod kay daghan man god and naadmit.*

Patient 2 (CPH – B); *Istriko kaayo sila (ang mga staff) ug dili man mo pahiyom sa amoa.*





### Risk Assessment

Majority or 60% of the patients positively answered that they are comfortable with the room they stay, 50% answered that they are comfortable with the bed used, 60% responded that the neatness of the sleeping bed are well maintained, 60% responded that the facilities of hospital are complete and 65% are satisfied with the services of the hospital. However, some patients commented that here were more than one patients assigned in one bed. Some beds have no railings and no bed covers. Everyday more than hundred patients are scattered in the hospital and some of those patients are placed in the hallway.

#### Interview Transcript:

Patient 1 (CPH – C); *Duha mi kabook natulog sa usa ka katre kay kulang ang ilang higdaanan. Naa na ang uban natulog sa agianan.*

Patient 2 (CPH – B); *Ang uban nga katre walay ali ug gamay sad ang sukod ug kuyaw kaayo nga mangahulog mi.*

Patient 3 (CPH – B); *Nagdala nalang mi ug kaugalingon nga hapin kay wala nila butangi ang katre.*

### Control Activities

Majority patients or 70% responded that they are convenient and 75% responded that they are safe and secured in settling bills. 90% of respondent patients receive Official Receipt after settling bills. However, there are respondents commented that settling bills is not customer-friendly because hospitals have no good physical layout for billing; not safe in settling bills because traffic is heavy and security guard cannot secure the place because he is only situated in the main entrance.

#### Interview Transcript:

Patient 1 (CPH – C); *Hasolan mi kon mobayad kay layo kaayo ang ilang billing section kay sa cashier.*

Patient 2 (CPH – C); *Usahay mahadlok mi inig bayad kay daghang mangagi ug usa ra ang nagbantay nga guardia ug tua pa gyod pundo sa atunangan nga agianan.*

### Information and Communication

Only 40% respondent patients have completely filled up the information sheet for admission. This means that in-charge in the admission should carefully review for billing purposes particularly in Philhealth reimbursement. Majority or 70% responded that they are given the exact instruction and 80% exact medication. However, there is a comment that sometimes medications are delayed because the prescribed medicines were not available in hospital pharmacy.

#### Interview Transcript:

Patient 1 (CPH – A); *Madugay ang tambal nga ikadapat sa pasente kay wala man sa ilang botika.*

### Monitoring

Seventy percent (70%) of respondent patients responded that they are given the exact and timely medication, 60% of the respondent patients responded that the food served are of good quality and 75% respondent patients responded that foods are served on time. Only 40% of the respondent patients accomplished the patient's satisfactory survey. This means that the satisfaction of the clients cannot be measured accurately. There are comments that they have limited meal because we were told that food has a budget of only 50 pesos per person per day.

#### Interview Transcript:

Patient 1 (CPH – B); *Kulang ra ang amo nga kaon.*

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Patient 2 (CPH – D); *Giingnan mi nga ang gigahin sa amoa nga kaon 50 pesos ra ang adlaw.*

In summary, the results indicate that while Cebu Provincial Hospitals have partially complied with the components of the Internal Control System, significant challenges remain in risk assessment, resource management, and administrative efficiency. These issues highlight the need for improvements in staffing, procurement processes, and internal controls to enhance overall hospital operations and service delivery.

### Proposed Internal Control Mechanism/Framework

## INTERNAL CONTROL SYSTEM MECHANISM FOR CEBU PROVINCIAL HOSPITALS

### I. RATIONALE

The Cebu Provincial Government aims to ensure that everyone receives adequate health services in the community. Its agenda emphasizes a comprehensive and holistic well – being for individual, families and community by increasing the provisions of basic services especially to the poor and more vulnerable sector- the children, women and mothers and the elderly. The upgrading of facilities and improvement of infrastructures in the different provincial and district hospitals will ensure that full and easy access to high quality and professional health care services is delivered. It is push to install capacity building and training development to fully professionalize the health care industry services in Cebu. Together with Philhealth, the introduction of Point of care enrolment program provides easier access to health care service to the poor and indigent members of the society.

The researcher believes that the quality health care services of these hospitals may be compromised if there is no proper observance of the principle of Internal Control System implemented by the hospitals. It was the desire of the researcher to determine the degree of compliance of the four provincial hospitals to the New Guidelines on Internal Control System.

### II. OBJECTIVES

Generally, the Cebu Provincial Hospitals aims to have a government hospital that is globally recognized “Center of Excellence”, committed, compassionate, competitive and responsive to the needs of the community.

Specifically, the following are the objectives:

1. To ensure that the health care institution is managed by highly professional, ethical, and well-trained hospital staff.
2. To provide adequate medicines and supplies, modernized facilities and infrastructure improved systems and procedure.
3. To provide a safe, affordable, sustainable and high standard patient care in an integrated health care delivery system
4. To fully equipped healthcare institution with vital health equipment facilities.
5. To strengthen information and communication and monitoring of the hospitals.
6. To install the Internal Audit in order that the Internal Control System of the Cebu Provincial Hospital will be strengthened.

### III. METHODOLOGY AND PROCEDURE

The Degree of Compliance of the Provincial Hospitals to the National Guidelines of the Internal Control System has been measured. In view of the findings, researcher concluded that the degree of compliance of the four (4) Cebu Provincial Hospitals to the components of the Internal Control System is partially complied. The highest and the strongest compliance among the components is Control Activity (1<sup>st</sup>), followed by Control Environment (2<sup>nd</sup>), Monitoring (3<sup>rd</sup>) Information and Communication (4<sup>th</sup>) and the least complying is the Risk Assessment component (5<sup>th</sup>).

Although, it is partially implemented, there are challenges to strengthen the risk component of internal control. The researcher recommends to strengthen the Internal Control System for proper implementation of health care services of the Cebu Provincial Hospitals to wit:

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- a. Management theorist Alfred D. Chandler said that people involved in the organization's activities effect the work environment and the strategy is for the hospital to hire qualified medical allied medical administrative personnel headed by a physician duly licensed by PRC and can provide 24 hours services.
  - b. According to Mamo (2015), for effective provision of quality health care, diagnostic procedure and medical laboratory services should be excellent wherein results should be valid, reliable and timely. Therefore, hospitals should have a well maintained: authorized bed capacity in accordance with DOH guidelines; operating room with standard equipment and supplies in accordance with DOH Reference Plan; post operative recovery room; maternity facilities consisting of wards, rooms, delivery rooms exclusively for maternity patients; separate and good dental clinic; blood station; isolation facilities for proper procedure and control of infectious and communicable disease.
  - c. Cherry, (2010) believed that needs such as, food, shelter, clothing and medicines are the most basic and instinctive in hierarchy because all needs becomes secondary until these physiological needs are met (Maslow 1943). Also Sarah Cabahug-Oriol ("Enforcement of Senior Citizens Law, R.A. 9994 in Cebu Province: Policy Recommendation", 2016) also implied that money can buy people's key necessities for food and their health needs. The hospitals should have enough budget, sufficient drugs and medicines and medical supplies.
  - d. According to Dagooc (2014) if the needs of the healthcare are addressed appropriately, like building more state-run hospital and upgrading equipment facilities, patients from remote region can avail of high medical services without having to go to the urban areas. There should have adequate equipment and facilities.
  - e. Frederick Winslow Taylor's one of the most recent contributions of scientific management theory emphasized that the efficiency techniques has been the advent of automation. Chandler refers to a strategy on how communication channels between the manager and sub units. The nature of technology used in the organization to create its product or which the methods by which its offers its services influences the information technology set up. Now is the time for the hospitals to commission the IT group to do computerization or automation of information for health.
  - f. Anita M. Sheckells (2007) in her study "Effective Ways to Prevent Fraud" says that one of the most effective ways to prevent fraud is the implementation of strong internal controls.. Internal controls as related to fraud are the measures, policies, and procedures a company puts in place to safeguard assets and ensure the reliability of accounting data. Lastly, there shall be an Executive Order creating the Internal Audit to strengthen the Internal Control System of the Cebu Provincial Hospitals.

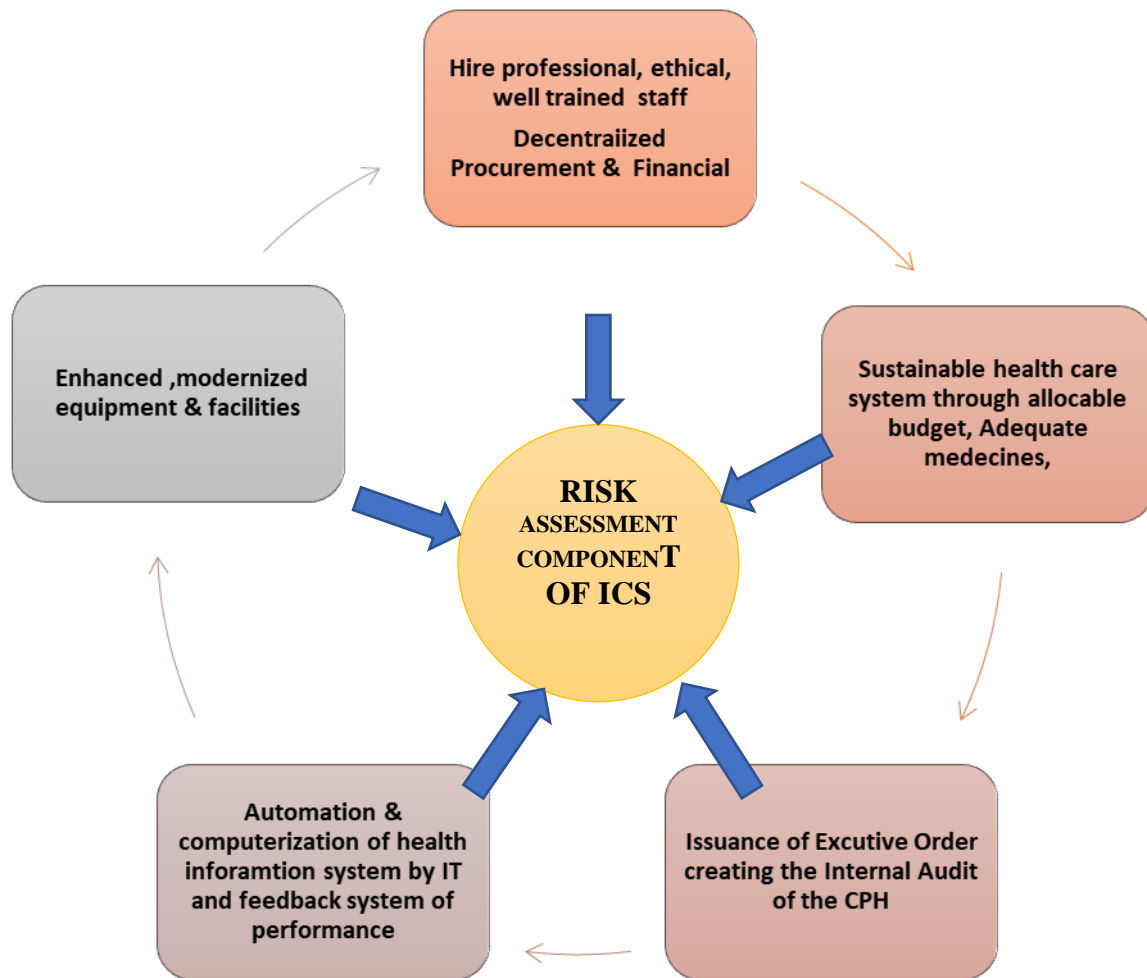


Figure 3:

INTERNAL CONTROL SYSTEM MECHANISM

III. TIMETABLE OF IMPLEMENTATION

General Mechanism	Time	Expected Results	Indicators
Comply fully the required number of personnel to accredit a Level – 1 hospitals by the Department of Health.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	The health care institution is managed by highly professional, ethical, and well-trained hospital staff.	Hired experienced Chief of Hospital, Head Nurse, Admin. Officer with master’s degree and licensed physicians, nurses, midwives, pharmacists and trained staff.
Provide sufficient medicines and other medical supplies.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	Adequate medicines and supplies.	Pharmacy provides 24/7 service because medicine is adequate.
Provide modernized facilities and improved infrastructure	Within the year Starting 4 <sup>th</sup> Quarter of 2017	Modernized facilities and infrastructure improved systems and procedure	Provided 24/7 services in laboratory X-ray.

Improve service delivery in a more allocation of budget for the hospitals.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	provide a safe, affordable, sustainable and high standard patient care in an integrated health care delivery system	Lessened the referral to other health facility in spite of the increased number of admission of patients.
Have adequate facilities and equipment.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	fully equipped healthcare institution with vital health equipment facilities.	Availability of authorized bed space capacity, modernized operating room, surgical instruments, and machineries.
Develop computerization or automation of health information. .	Within the year Starting 4 <sup>th</sup> Quarter of 2017	strengthen the Information and Communication.	Computerized data and statistical reports and easy access of health information.
Benchmarking of standard time and cost.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	strengthen the Monitoring and Evaluation.	Increased clients' satisfaction on the hospital performance evidenced by the satisfactory survey
Decentralize procurement and financial management activities.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	In consonance with the implementation of the Local Government Code the complete activities on procurement and financial management decentralized.	Fiscal autonomy in managing hospital funds.
Creation of an independent Internal Audit Service for the hospitals.	Within the year Starting 4 <sup>th</sup> Quarter of 2017	Internal Control Unit of the four Provincial Hospitals established	Established Internal Audit Service. Suspensions and disallowances are minimized if not eliminated

### Conclusion

The study aims to identify key challenges and constraints affecting the efficiency, resource management, staffing, and overall service delivery in these hospitals. Findings showed that Cebu Provincial Hospitals face significant operational and administrative challenges that hinder their ability to provide efficient and high-quality healthcare services. Key issues include staff shortages, insufficient medical supplies, outdated equipment, and inefficient administrative processes, particularly in procurement and resource allocation. The lack of robust information systems and bureaucratic delays further exacerbate these problems, impacting service delivery. Although the hospitals demonstrate some strengths in control activities and organizational integrity, major gaps exist in risk assessment, monitoring, and communication, which need immediate attention to improve overall performance.

### Recommendations

1. Strengthen Resource Management: Hospitals should streamline procurement processes, ensuring timely acquisition of medicines and equipment. Creating a procurement unit at the hospital level may help address delays.
2. Address Staffing Shortages: Recruitment of additional healthcare professionals should be prioritized to alleviate the burden on existing staff and improve patient care. A focus on staff training and retention strategies is also recommended.
3. Enhance Information Systems: Hospitals should invest in modern healthcare information systems to improve documentation, communication, and operational efficiency. Internet connectivity and IT support should be established to facilitate automation.

4. **Improve Risk Assessment Mechanisms:** Hospitals should develop a more proactive approach to risk management by identifying, assessing, and addressing potential risks. This can be supported through regular internal audits and creating an Internal Audit Unit as prescribed by national guidelines.
5. **Increase Budget Allocation:** Local government units and hospital administrators should work together to secure additional funding for facility improvements, staffing, and the acquisition of necessary medical supplies and equipment.
6. **Monitoring and Evaluation:** Establish a strong monitoring system to track the implementation of internal control measures and ensure compliance with national guidelines. Regular evaluations and feedback mechanisms should be in place to continuously improve hospital operations.

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