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Accountability Legislation and Framework

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1 ISSUE:

Treasury Board introduced proposed Accountability legislation to the House of Assembly, which has not been passed to date, and has also drafted an Accountability Framework Guidebook for review by the Health Boards. The Guidebook was developed within Treasury Board. A talk on accountability was given by a representative of Treasury Board at an NLHCSA Board Meeting in July 1999, but points made by the Association members at that meeting have not been included in the Guidebook. No other consultations have been proposed to date.

2 BACKGROUND:

Government has introduced proposed legislation and a draft Accountability Guidebook, without indicating a plan for consultation with the Health Boards. The Association presented a position paper to Government in March 1999, and hosted a major conference on Accountability in the Health System in October 1999. The Association has requested that strategies on accountability be developed in consultation with Health Boards in order to ensure that their concerns are taken into account and that the resulting accountability system can therefore be supported by Boards.

2.1 Proposed Legislation

The proposed legislation covers Health and Education Boards. It will not require significant changes in current reporting activities of the Health Boards to the Department of Health and Community Services. The powers and reporting responsibilities for the Minister and the Boards are set out in detail in the legislation. The Minister, within stated time periods, has new duties to consult and communicate with the Boards over decisions that concern them.

Powers (Minister): The Minister *may*

- request a strategic plan, including information on implementation, in a particular format (s.4)
- request financial and performance reports, again in a stated format (s.6)
- recommend changes where, based on evaluations of its reports, a Board fails to carry out its mandate acceptably (s.8)
- override a Board's decision in order to ensure that the Board carries out its mandate (s.8)
- dismiss a Board and appoint an administrator where affairs are mismanaged (s.9)
- acknowledge a Board for acting in an exemplary manner (s.10)
- reject the strategic plan and ask for a new one to be prepared (s.5(c))

Duties (Minister): The Minister *must*

- present a summary report required under s.6(4) to the legislature within 15 days of receipt, or within 15 days of the beginning of the next sitting (s.6)
- prepare an evaluation of any reports and provide the Board with a copy (s.7)
- consult with the Boards before issuing a directive under s.8

Duties (Boards): The Boards *must*

- provide a strategic plan (s.4) and/or reports where requested under s.6
- provide a report summarizing the information in requested reports (s.6)

2.1.1 Discussion

1. The Association was pleased that Government took into account the presentation on Accountability dated March 15, 1999, in which the Association argued that for an effective Accountability Framework, Chief Executive Officers should be appointed by and be responsible to the Trustees of the Health Boards. This is reflected in the proposed legislation.
2. Treasury Board wishes to be seen as pursuing prudent management of public funds. The accountability legislation is designed to allay any public fears that Government has lost control of public funds in its care, after the restructuring of the health system.
3. The legislation is a useful step towards the establishment of a full accountability framework, with clearly delineated responsibilities for all parties, which will enhance the ability of the Health Boards, the Government of the Province, and the health professions to commit to continuous improvement in a quality health system.

2.2 Framework Guidebook

In August 1999, a draft Accountability Framework Guidebook produced by Treasury Board was forwarded to the Health Boards by the Minister of Health and Community Services. Where the legislation laid out general powers and duties, the Guidebook goes into much more detail, presenting a particular perspective on the ways those powers should be exercised from the Government point of view. The major headings of the draft Guidebook will be reviewed below, with commentary where appropriate.

- 2.2.1 *Goals:* The Foreword states that the focus is on the “effective use of our resources by ensuring that program objectives are set, communicated, measured and achieved.” The Guidebook is presented as an “information source to assist the achievement of these goals and more particularly to outline how government and its governing bodies are accountable *to each other* in a new accountability system” (emphasis added). The introduction also draws attention to the general orientation of the framework, stating that “As implementation proceeds, line departments will have to decide levels of participation required of their affiliated boards and provide them the guidance necessary to fully engage in the process.”

Comment: these are worthy principles for an accountability framework.

- ♦ *However, firstly, even though mutual accountability is identified as the theme, the Guidebook concentrates on the accountability in one direction only, that of governing bodies to Government.*
- ♦ *Secondly, Government set clearly defined goals in its Strategic Social Plan (SSP) which should be referenced here. Although the actions suggested in the SSP to meet those goals speak to programs for prevention and early intervention, the majority of funding in the system is dedicated to crisis management. How is Government going to proceed in this area?*

2.2.2 Definition:

“being expected to answer for one’s actions. To be accountable, an organization must be clear about its objectives, explain the strategies it will use to meet those objectives, reveal the full costs of these strategies, and report on its actual results.”

Comment:

- ♦ *In light of the expectation that Health Boards and Government work together towards established goals, the definition should read “establish effective relationships for getting things done, be clear about its objectives, take responsibility, assign authority and resources for accomplishing objectives and report on actual results.”*
- ♦ *Alternatively, the Auditor General’s definition should be used: “Accountability is a relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed expectations.”*

2.2.3 Expectations:

1. In general, Ministers of the Crown or Government are responsible for setting clear expectations, allocating resources, ensuring that plans for meeting those expectations are developed, defining reporting requirements, assessing overall performance and taking action at the system level.
2. Boards are responsible for conveying information about their concerns to Government, developing strategic and operational plans, monitoring and reporting on the process of meeting goals in plans, monitoring and reporting on financial plans, updating and revising plans.
3. CEOs are responsible for creating the environment to foster bringing about change, setting reasonable milestones for progress measurement, dedicating adequate resources to process and providing appropriate training and support to staff.

Comment:

- ♦ *Omitted elements of a full accountability framework include evaluation and amendment, continuous improvement, recognition for good work.*
- ♦ *Boards’ responsibility for best management practice in their own organizations needs to be accompanied by Government’s own responsibility for best management overall and for equitable resource allocation to Boards based upon*

particular regional characteristics (e.g. service range, scale of facilities, demographics, health status and geography).

- ♦ *In addition, Boards have identified a serious shortfall in fulfillment of the Minister's role in the health system as it is defined here.*
- ♦ *CEOs are responsible for the maintenance and improvement of the delivery of health services, not only for fostering an environment to bring about change.*
- ♦ *The provision and funding of information management and technology at Department and Board level is urgently needed for evidence-based decision making in the health system in order to measure progress and implement change.*

2.2.4 *Accountability Relationships*

Comment: nothing is mentioned about the reciprocal nature of accountability relationships. Boards are accountable to Government but Government is also accountable to Boards. Health Boards and governments have dual accountabilities. Therefore, it is important that Government identify its responsibility and accountability obligations to both the public and its Health Boards for the health system.

2.2.5 *What Accountability should achieve.*

It is rightly stated that a good accountability framework will ensure that the exercise of responsibility is directed toward meeting the purpose and goals of the organization and that commitment to accountability should be thought of as a constructive tool for organizational development and renewal, enhancing management practices, and long term planning. This will lead to, among other things, "more corporate thinking throughout the organization."

Comment:

- ♦ *There are some essential elements of good business strategy missing due to the lack of Government approval or discussion of proposed budgets and lack of action over setting goals and expectations for the overall health system.*
- ♦ *The Accountability Framework should be connected to recent philosophy and policy statements based on prevention and early intervention principles.*
- ♦ *All arms of Government should be made aware of the intention that the Accountability framework should be a "constructive tool", to avoid a dichotomy between principles for practice and performance evaluations on the one hand, and principles for request by the Attorney General or Treasury Board.*

2.2.6 *What information should be reported*

A list of key questions for Government to ask Boards was provided, to most of which the Boards can provide answers right now, such as Boards' overall goals and objectives, strategies to achieve goals, measurements of progress and methods of evaluation on when goals reached. Boards have provided their estimates of what the cost will be, but have not heard a response to their suggestions on how to fund the required services.

Comment:

- ♦ *There is no equivalent list of questions for Boards to ask Government. This is a small but significant illustration of the Government perspective from which the Guidebook is written.*
- ♦ *At Board level, there is a real problem for many Boards in gathering information due to the lack of costly modern information technology and technological expertise. The majority of health professionals in the Boards do not have computers nor access to email, internal or otherwise. Each request for information in these Boards therefore requires the dedication of significant time and human resources in the absence of appropriate information technology. This is not the case within Government itself.*

2.2.7 *Why focus on performance*

- Shift away from traditional focus on financial and operational activities
- Emphasize results and performance – cycle of planning, reporting and feedback to ensure relevance, efficiency and effectiveness of government programs
- Performance measurement is a permanent data collection and reporting system for monitoring and improving results of programs and activities. Results based on performance, therefore, can serve to inform Government of a Board's objectives together with the strategies and action plans established for achieving those objectives, and to demonstrate to Government and Boards the success or failure of the strategies.
- Critical that boards and departments work closely together to develop those performance measures which can most effectively determine the degree to which specified provincial and local goals and targets are being realized.
- Recognition that some departments and boards have extensive involvement already.

Comment: Performance measurement should also apply to Government and strategies be prepared to inform Boards of Government's objectives, and whether they have been reached.

2.2.8 *How information is to be used*

Each Board will be given final approval for its plan by the Minister. The broad purpose here is to ensure that roles and responsibilities are understood, expectations are communicated, strategic plans are developed and used as management tools, performance is measured, reports about results are prepared, and feedback is provided. Information will be used to support Government's overall planning, strategic plan development, financial plan development and improved monitoring.

Comment:

- ♦ *The broad purpose outlined above can be supported by Health Boards, but only if it is reciprocal, so that information goes from Government to Boards, as well as from Boards to Government.*

- ♦ *An important second comment is that there is no mention of evaluation leading to continuous improvement at Government and Board level. This built-in system response should appear in the “Accountability Loop” profiled here.*

2.2.9 Planning

The discussion on strategic planning states that the purpose is to establish a general framework for decision-making within a Board:

- **Budget Development**

Comment: With regard to the plan for budget development, there is no adequate emphasis on Government’s role in setting overall goals and expectations. This section does not recognize or resolve the lack of timely Government decisions on service levels to balance budgets. It should be mandatory that Government meet with Boards in a timely manner over budgets.

- **Strategic Planning**

Comment: Boards already engage in strategic planning for their own regions in the health system. The outline for strategic planning is acceptable, but there is no recognition of the link between Boards’ goals and the lack of direction from Government. What is needed is a strategic plan for the entire health system, coordinated by Government and Health Boards.

- **Monitoring and Reporting**

Comment: A complex system is proposed for monitoring and reporting which will probably require dedication of human resources to fulfill. Questions include whether there will be funding available to cover any extra staff requirements, and whether existing practice in Boards currently can be adapted for the extra demands.

- **Feedback**

Comment:

- ♦ *The feedback concept refers only to Government’s reactions to Board strategic and financial plans without mentioning Board feedback/reaction on Government strategies, goals and expectations.*
- ♦ *Reference to feedback from Government on Board plans does not address the inadequacies in current Government practice which has led to Boards operating during the fiscal year without approval of their budgets or consideration of their suggested strategies to balance their budgets.*
- ♦ *The feedback section does not mandate goals and expectations to be set and clearly communicated by Government for guidance, so that boards may have to formulate their plans without any idea of Government’s goals and expectations for the health system.*
- ♦ *A proactive stance by Government is needed to set goals and expectations for the health system in consultation with the Health Boards, in addition to timely reaction to financial and strategic Board plans.*

- ♦ *Once Boards' plans are approved, the Boards should be left to carry out the plans without interference, using the best judgement of the professionals who practice in the respective regions.*

2.2.10 Discussion

It is discouraging that Treasury Board has come up with this draft Accountability Framework Guidebook without consultation with the Boards, whose operations will be directly affected, or the Association. The focus of the Guidebook reflects its source, in that Boards are assigned specific responsibilities, and Government is allowed to continue in a reactive, rather than a proactive, role, producing only commentary on material sent by the Boards.

3 RECOMMENDATIONS:

For an Accountability Framework that will achieve the desired results, we recommend:

(a) Consultation with stakeholders

The most crucial element for success is consultation, so that all parties concerned are involved in and understand the process, and are committed to the success of the initiative. The health system is the shared responsibility of Government, the Health Boards and the health professions, and requires all three parties to work together to continually improve quality. Without a clear commitment by the parties, including Government, at each stage, the process is doomed before it begins and a valuable opportunity will have been wasted. Without consultation, an accountability framework will take on the appearance of a punitive dollar-chasing irritation for the Boards, rather than a dynamic process that strengthens and assists best management practices, evidence-based decision-making and continuous improvement of the health system.

(b) Action by Government

It is also crucial that an Accountability Framework Guidebook should include action by Government to fulfill its role and responsibilities in the health system. Treasury Board states in the Guidebook that an Accountability Framework is not just about tracking dollars but “a constructive tool for organizational development and renewal, enhancing management practices, and long term planning.” However, the Guidebook as it stands places the onus for Accountability squarely on Boards to produce plans to which Government can react, and does not require Government to fulfill their responsibility of guidance in defining roles, setting guidelines, goals and expectations, and making timely policy decisions on the health system based on consultation with and evidence from Boards. The Health Boards cannot bring the health system to full performance without this action from Government, which is essential in order for Boards to be accountable for performance against the goals and expectations, using the preset guidelines for delivery of health programs and services.

(c) Annual Goal setting for the health system

Goals and expectations, both long term and short term, for the health system's programs and services should be set and reviewed by Government at the same time annually and should be flexible enough to change and develop according to feedback throughout the system.

(d) **Adequate funding**

Funding should be appropriate and adequate for boards to reach the agreed-upon goals for the health system.

(e) **Timely funding and policy decisions**

The Boards' budgets should be finalized before the beginning of each fiscal year, using the goals and expectations and provision guidelines set by Government for the system as the basis for services provided and funding requested. Budget planning for Boards would then proceed according to business principles and more corporate thinking would be possible in the health system (one of the goals identified in the draft Accountability Framework Guidebook).

4 CONCLUSION:

This is an opportunity for Boards to take a positive approach by working with Government to establish a strategy for accountability, which should include:

- defined terms (clear roles and responsibilities)
- mutually understood and accepted roles and responsibilities
- balanced expectations and capacities
- clarified reporting relationships
- clear performance expectations and goals
- agreement on monitoring and evaluation
- change elements to ensure continuous improvement.

Boards and Government in partnership should identify areas needing clarification and improvement, and outline broad responsibilities, roles and reporting relationships in the health system.