



NEWFOUNDLAND
AND LABRADOR

**HEALTH
BOARDS
ASSOCIATION**

**NLHBA REVIEW:
DRAFT ACCOUNTABILITY
DOCUMENTS**

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INTRODUCTION

The Newfoundland and Labrador Health Boards Association has just completed a review of the two draft Treasury Board documents on Accountability: *Governance Handbook for Members of Public Bodies*, and *Achieving Excellence, A Guidebook for the Improved Accountability of Public Bodies*, dated April, 2000. The purpose of this document is to provide Government with the reaction of the Association's staff to these two documents, based on previous discussions with our members since the document was considered to be confidential and not to be circulated to our membership.

I GOVERNANCE HANDBOOK FOR MEMBERS OF PUBLIC BODIES

This Handbook will be a useful review of the organizational and reporting relationships both within Government itself and between the various Government units and public bodies to which public functions are delegated which would otherwise be the responsibility of Government. In addition the Handbook lays out the process of strategic planning, which again will be useful to those Boards that have yet to undertake the strategic planning process. A Public Governance model is provided in Appendix A and a review of relevant legislation in Appendix B.

This is the first time that this type of information has been collected together for the benefit of Boards and should be helpful for experienced Board members as well as for new Board members, in guiding them through the expectations and functions of board members of public bodies.

Terminology:

- “Public bodies” needs to be clarified. In the Introduction, “members of public bodies” are also referred to as “individual board members” who serve on “bodies.” To avoid confusion, the term “public bodies” should be abandoned in favour of a more precise reference to a particular relevant type of public organization, such as Crown Corporations or Boards.

- “Crown”, on page 5, seems to exclude the elements normally considered to be the Crown, such as the Lieutenant Governor, House of Assembly, Cabinet and its committees, legislative committees, line departments and central agencies, and the boards, Crown corporations, agencies, tribunals and commissions etc. We suggest that a comprehensive legal definition of “Crown” be adopted for the document, again in order to avoid confusion with normal usage of the term.
- Crown Corporations are defined on page 7 to include service delivery boards. Service delivery boards are statutory corporations but would not be Crown Corporations, as such. To avoid confusion, it would be prudent to seek a clear legal definition of the term.

The term “hospital boards” is used in the introduction and on page 21. Since the health system has been restructured and integrated, there are no longer any hospital boards as such, the Institutional and Integrated Health Boards having taken over “hospital boards” function in the broader mandate of today’s health system. The Association therefore suggests “Health Boards” as a convenient general term. The term “health care boards” is used on page 7, but “Health Boards” is preferred since the Health and Community Services Boards and the Integrated Boards deliver a broader range of programs and services than health care services.

II GUIDEBOOK FOR THE IMPROVED ACCOUNTABILITY OF PUBLIC BODIES

The Association appreciates the intent of this Guidebook, but is disappointed that the recommendations contained in the consultation document, *Accountability Legislation and Framework* (attached for your information), presented to Government on January 18, 2000, have not been included in this version of the Guidebook, nor has the Guidebook been significantly amended in accordance with the recommendations.

Our major recommendations were:

(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).

III COMMENTARY

(a) **Consultation:** The need for consultation is seen by Health Boards as essential for an accountability framework to be the constructive tool for organizational development and renewal that would most benefit the health system. We look forward to such a meaningful consultation process, in which there is visible progress towards addressing the issues of the health system.

(b) **Strategic Plan:** A strategic planning process for the health system, led proactively by Government in consultation with the Health Boards, has been the major recommendation in 1999 – 2000 by the Association in order to enable the health system to go forward in the most effective and efficient manner. The Association has also lobbied Government for an accountability framework as an integral part of that strategic planning process. A strategic plan for the entire health system will unify and focus the separate strategic plans developed by individual Health Boards, and enable the system to develop in an integrated way along the strategic paths indicated by such a plan.

It may be that the Health Boards are ahead of other public bodies in their strategic planning initiatives. Since Health Boards have already generally completed their strategic plans, the majority of *Achieving Excellence* deals with actions already taken by the boards in the health system. It will be useful to have a coordinated approach to such

structural issues as reporting to Government. However, the major need in the health system at this point is for the Department of Health and Community Services to embark on an overall strategic planning process to coordinate the strategies identified separately by Health Boards and to tie in such a strategic plan with the plans of other Government Departments, such as Human Resources and Employment, Education and Justice. There is not enough strategic planning being undertaken at this level and communicated widely throughout the province. Health Boards need to know what concrete goals and expectations the Department of Health has for the system in each year, so that their actions and energy can be focussed and unified towards the chosen goals.

This crucial component should be a fundamental part of any accountability/strategic planning process. Without it, *Achieving Excellence* presents only half of the strategic planning process, a half that has been largely addressed within the health system already.

(c) **Supportive Evidence:** The Newfoundland and Labrador Health Boards Association is not alone in identifying the need for strategic planning by Government and its Departments as an essential basis for all other strategic planning in a public system.

i) **Newfoundland and Labrador:** the Auditor General for Newfoundland stated in the *Report of the Auditor General for the Year Ended March 31, 1999*, page 16:

To ensure that Government, its departments, agencies of the Crown and the University are held accountable for their programs and use of public resources, in my previous Reports I have recommended the development of an accountability framework for all public sector entities in the province. This should include Government, its central agencies, departments, agencies of the Crown and the University. I have recommended that the framework include a strategic and operational planning process, clearly defined objectives, measurement criteria, a financial budget and a reporting system which provides appropriate information at various levels. The reporting process should include a report to the House of Assembly on the financial and performance results of each entity compared with its approved plan.

ii) **Nova Scotia:** In the Auditor General's Report for 1999 the Auditor General of Nova Scotia also had similar comments in connection with the health system in that province:

We believe that there is an urgent need for the Department of Health to complete a strategic direction for the health system, and to clarify how the business and strategic planning processes should occur in the health sector. This is important to ensure that all *partners in health* are directing their efforts towards achievement of the same strategic directions. (p. 96)

The Department of Health has not completed a strategic plan for the health system so the planning process is not functioning as described above. The need for a strategic direction for the health sector is urgent. (p. 104)

- iii) **Alberta:** The Governance Handbook offers a selection of titles for further reading. First on the list is *Alberta Health. Achieving Accountability in Alberta's Health System*, published by the Government of Alberta in November, 1998. The "overall process and mechanisms needed to ensure accountability and support continuous improvement" include business plans (which are defined as outlining an organization's vision, overall direction and goals) by all parties in the health system:

The Ministry of Health business plan provides the vision and direction for the health system, identifies core businesses, business goals and key performance measures for the Ministry, and outlines the strategies that Alberta Health will implement to achieve its goals. Information about performance, progress toward the goals and areas for improvement is provided in the Ministry of Health annual report.

Using the Ministry business plan as a guide, the Minister provides overall direction to the 17 regional health authorities and two provincial health authorities on preparation of their business plans. The Minister of Health defines business plan goals for all health authorities. These shared goals link the strategies and operations of health authorities with the Ministry plan.

It is clear that this calls for a comprehensive strategic plan for the health system involving all parties in the system.

IV CONCLUSION

The Newfoundland and Labrador Health Boards Association feels strongly that the health system would benefit significantly if the strategic planning process and

accountability were to be a comprehensive and constructive process, involving all parties, of goal setting, monitoring and evaluation, leading to continuous improvement, with Government taking a proactive role. This is the best, and perhaps the only, way of ensuring that all the components of the health system are moving in the same direction.

In the current draft of *Achieving Excellence*, the Government and its Departments still retain the reactive role in the strategic planning and accountability process referenced at page 8 in *Accountability Legislation and Framework*, presented to Government on January 18, 2000 by the Association. We look forward to a consultation with all parties leading to a proactive strategic plan and accountability framework for excellence in the health system.

Please let us know when you would like to begin this process.

Attachments:

Accountability Legislation and Framework, NLHBA, January 18, 2000

Governance Handbook (annotated by John Peddle, Executive Director, NLHBA)

Achieving Excellence (annotated by John Peddle, Executive Director, NLHBA)