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BUSINESS PLANNING AND MANAGEMENT DIRECTORATE (BPMD)
CAPACITY DEVELOPMENT UNIT (CDU)
FIRST NATIONS AND INUIT HEALTH BRANCH (FNIHB)
HEALTH CANADA

CAPACITY DEVELOPMENT STRATEGY
*ADDRESSING CAPACITY
IN THE MANAGEMENT AND ADMINISTRATION
OF FUNDING AGREEMENTS*

June 17, 2003

Canada

**CAPACITY DEVELOPMENT STRATEGY -
ADDRESSING CAPACITY
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Background

A significant percentage of the First Nations and Inuit Health Branch (FNIHB) total budget flows through contribution agreements for the delivery of health programs and services. Funding accountability between FNIHB and First Nations and Inuit communities has been demonstrated through cash input, and the reporting of outputs or activities undertaken throughout the year.

Over the past decade the Department has forged new relationships with First Nations and Inuit communities, working to develop, sustain, and enhance good health care and well-being by promoting self-reliance. Fostering relationships of mutual support and shared responsibility with communities, and facilitating information exchange, have been a primary focus.

Since 1998, FNIHB has focussed its attention on the development and implementation of strengthened accountability mechanisms with respect to the delivery of health programs and services, both internally and externally, to ensure the integrity of funds and program management. Along with providing greater transparency with respect to the use of public funds, these mechanisms are intended to encourage communities to move towards greater emphasis on reporting and accountability.

In 2002-03, \$2.5 million was allocated to develop regional capacity for accountability. The regions accessed these funds to reinforce capacity in planning, agreement management, and audit capacity. Activities included holding workshops and hiring accountability and capacity officers/coordinators.

In the Standing Committee on Public Accounts Tenth Report on the Auditor General's Report, October 2000: Health Canada - First Nations Health: Follow-up, a need to enhance capacity with respect to administrative and management practices such as reporting, monitoring and tracking results both within FNIHB and within First Nations and Inuit communities was identified. In the Government Response to the Standing Committee on Public Accounts Tenth Report on the Auditor General's Report October 2000: Health Canada - First Nations Health: Follow-up, FNIHB committed to conducting a review of its capacity development activities to determine how the services and support provided by FNIHB contribute to internal and external capacity to manage and administer funding agreements.

Capacity Assessment and Gap Identification

Identifying the existing strengths and the capacity needs with respect to the management and administration of funding agreements within FNIHB and First Nations and Inuit communities is the main goal of the capacity assessment and gap identification. Included in the assessment is an analysis of FNIHB's capacity with respect to reporting, and to data collection, interpretation

and analysis related to agreement management.

Due to the volume of financial and program reporting required by First Nations and Inuit in the management of their health funding agreements, FNIHB is undertaking efforts to lessen the reporting burden, by streamlining and consolidating reports, examining the frequency of reporting requirements, and eliminating duplication.

Compilation of strategic priorities and current practices

A compilation of FNIHB's capacity building activities and implementation of accountability practices in the FNIHB regional offices has been undertaken by the Branch. The information compiled will enable the Branch to build a management capacity profile, and to share information on best practices and lessons learned in the area of management and administration of funding agreements.

Agreement Management:

In relation to agreement management, capacity building has revolved around basic administration techniques, risk assessment and tracking information for reporting purposes. The implementation of accountability measures has also focussed on activities such as: workshops on and implementation of standard agreements and routing systems; information sessions on roles and responsibilities with respect to the management of contribution agreements; training on the tracking and monitoring of reports through the Management of Contracts and Contributions System (MCCS); assessment of First Nations capacities and capacity needs in the event of default and/or program quality concerns; and development of policies and guidelines related to the funding agreements.

Audit:

Capacity activities related to audit and quality assurance include implementing risk management and audit functions through the development of audit guidelines, providing training on analysis and interpretation of financial statements, as well as on the development of audit plans and financial advisory services.

The Capacity Development Strategy

FNIHB committed to taking the lead in coordinating federal capacity development efforts by developing a Capacity Development Strategy to ensure that funds are strategically spent in the delivery of health programs and services. The Strategy was developed in collaboration with key stakeholders and First Nations and Inuit health representatives. The Branch has initiated work on assessing federal capacity initiatives and has taken the lead in coordinating a federal capacity review and a government-wide gap analysis with respect to management and administration of funding agreements. Initial discussions have been held with the Department of Justice, the Office of the Solicitor-General, Indian and Northern Affairs Canada, Human Resources Development Canada, and the Canadian International Development Agency. Further discussions will be held once the strategy is approved.

Various government departments will work together to:

- 1) complete a capacity assessment and finalize an action plan;
- 2) consult on modern comptrollership as it relates to accountability, and to management and administration of funding agreements
- 3) adopt a common results-based management framework.

This project will serve as a basis for greater cooperation and coordination between government departments and First Nations and Inuit to assess, develop and explore existing strengths, and to facilitate capacity development in the management and administration of funding agreements within First Nations and Inuit communities.

Purpose

The purpose of the Capacity Development Strategy is to ensure the effective and sustainable implementation of FNIHB accountability mechanisms, thereby providing greater transparency with respect to the use of public funds, as well as providing communities with the skills and management practices necessary for greater emphasis on reporting and accountability for health outcomes. The Strategy will enhance administrative capacity and facilitate and enhance agreement management.

Objectives

The objectives of this Capacity Development Strategy are:

- To guide FNIHB in enhancing capacity in order to demonstrate results on investments in management and administration of funding agreements.
- To ensure that regions and First Nations and Inuit communities have sufficient capacity to comply with federal reporting requirements.
- To promote a better understanding of FNIHB accountability mechanisms and components related to management and administration of funding agreements.

Community Health Plan

The successful implementation of the Branch's accountability mechanisms is dependant on the capacity of First Nations and Inuit authorities to lead the process of designing and implementing a community health plan (CHP). It is important to note that the concept of health plans for all communities is a long term goal that will largely depend on First Nations and Inuit support, current administrative capacity, and the influx of resources and retention. The Capacity Development Strategy will identify the required capacity needs in order to properly manage health programs, to comply with reporting requirements, to measure, track and monitor results and to demonstrate value for investments in community health programs, as per the Program Compendium.

Feedback from the regions indicated that immediate capacity needs and priorities centre primarily around: 1) funding arrangements; 2) financial and program reporting requirements; 3) work plan development for program implementation, which include financial costs, and 4) the implementation of MCCS.

MULTI- YEAR ACTION PLAN

The goals of the multi-year action plan are threefold and involve enhancing and reinforcing the capacity of the following three components related to accountability: 1) planning; 2) administrative capacity; and 3) reporting, evaluation and audit.

1. Planning Capacity - to assess current practices and identify actions in terms of capacity to administer agreements, both at the Branch and community levels;
2. Implementation Capacity - to assess current practices and identify actions in terms of capacity to manage agreements, both within the Branch and community levels ; and
3. Reporting, learning and adjusting - to assess current practices and identify actions at the community level in terms of capacity to manage and report on health programs and services.