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**BUSINESS PLANNING AND MANAGEMENT DIRECTORATE**  
**ACCOUNTABILITY AND CAPACITY DEVELOPMENT DIVISION**  
**FIRST NATIONS AND INUIT HEALTH BRANCH (FNIHB)**

**CONTRIBUTION AGREEMENT**  
**MANAGEMENT AND ADMINISTRATION:**  
**CAPACITY DEVELOPMENT**  
**GAP ANALYSIS**

Canada 

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## EXECUTIVE SUMMARY

**Purpose:** TO ENSURE THAT FNIHB AND FIRST NATION AND INUIT COMMUNITIES HAVE THE ABILITY TO EFFECTIVELY AND EFFICIENTLY MANAGE AND ADMINISTER HEALTH FUNDING AGREEMENTS WHICH WILL STRENGTHEN OVERALL ACCOUNTABILITY.

In response to the Auditor General's October 2000 Follow-up Report and as committed in the Government Response in May 2002, to the Standing Committee on Public Accounts, the Branch undertook a review of its approaches, tools and performance in supporting the development of capacity for its employees and First Nation and Inuit recipients in relation to the management and administration of funding agreements.

The results from the research was compiled in several managerial functions which are administration, technology, human resources, planning and evaluation, program and financial reporting and communication.

FNIHB will need to coordinate its resources to provide continuous learning and improve the level of skills in these particular areas to ensure stronger accountability and greater transparency. In 2002, FNIHB reallocated resources to the Regional Offices in order to reinforce their capacity in planning, funding agreement management and audit activities. There were numerous initiatives performed to tighten the Branch's accountability and some activities are underway to address the identified gaps under the management and administration of funding agreements.

First Nation and Inuit communities deal with numerous challenges where knowledge, expertise and resources are not easily accessible due to limited human resources at the community level. Furthermore, the isolation of their community and their geographic location also create gaps in the management of funding agreements and health services delivery.

In order to achieve some of the objectives and activities in the Action Plan, FNIHB will need to continue to work closely with other departments and Aboriginal organizations to develop joint initiatives. The capacity development activities will have a positive impact at all levels and will improve the management and administration of funding agreements.

## GAP ANALYSIS

In June 2003, First Nations and Inuit Health Branch - Branch Executive Committee approved the Capacity Development Strategy which included the development of a gap analysis and action plan. This Gap Analysis was researched through numerous discussions, surveys, questionnaires and other documents that highlighted the key emerging issues in the regions and First Nation and Inuit communities in relation to capacity development. There were several major areas regarding contribution agreement management and administration identified which we grouped in the following categories:

1. **Administration of the contribution agreement** - includes policies, practices, reporting and audit guidelines, risk management, complaints and allegations, and intervention
2. **Technology** - relates to computer or internet based systems or tools used to administer the contribution agreement (for example, the Management of Contracts and Contribution System (MCCS), Community Profile Management System (CPMS), the internet, health information systems, the new Home Care and Diabetes information systems and the electronic Medical Transportation Record System)
3. **Planning and evaluation** - relates to identifying needs, setting priorities, creating plans, implementing activities, and evaluating program quality, effectiveness and efficiency for both FNIHB and First Nation and Inuit communities (for example, needs assessments, community health or work plans and program evaluation)
4. **Human resources** - relates to general human resource policies and practices (for example, recruitment and retention strategies, personnel policy, work descriptions, and appeal processes)
5. **Financial planning and reporting** - relates to roles and responsibilities, managing financial information and activities (ie: planning, budgeting, forecasting, accounting, auditing)
6. **Program reporting**- relates to the management and quality of the information on programs and services (ie: record management, data analysis, and collection)
7. **Communication** - relates to the dissemination of information (ie: what to say, how to say it!)

### Administration of the contribution agreement

#### *FNIHB:*

1. As the Branch moved forward in the implementation of its accountability and management practices, some FNIHB staff have changed and some needed additional training. The employees will require training or information sessions on related policies and practices governing the administration of funding agreements. The Capacity Development Review identified the need for a training program for new employees and a background information package. The Branch will need to develop tools to support its daily activities and to provide continuity in its training.

The Corporate Services Branch-Quality Assurance Activity Report demonstrated that FNIHB did make progress in its accountability practices. Further control mechanisms are required in order to strengthen policies related to the management of FNIHB funding agreements. As part of the newly introduced funding agreements templates, FNIHB developed and implemented “Financial Reporting and Auditing Requirements for Funding Agreements”, an “Audit and Quality Assurance Framework” which also includes a risk-based decision tool, “FNIHB Funding Agreement Discussion, Approval and Signature Procedure” and “FNIHB Monitoring, Payment Process and Amendment Procedures.” From the different reports on accountability, it was noted that the Branch will need to focus on Intervention, Third Party/Co-Management, and Complaints and Allegations. The staff involved will require training and support to implement these new procedures and guidelines.

#### *FNI communities:*

In First Nations and Inuit communities, similar issues are being raised. First Nation and Inuit are requesting information on federal government policies/guidelines as referred in the funding agreements to effectively manage their health programs. Lack of knowledge regarding these policies/guidelines impedes First Nations and Inuit ability to adhere to the Terms and Conditions of the funding agreements. First Nation and Inuit communities will require information sessions to implement the new procedures and practices. The Complaints and Allegations Memorandum of Understanding will have a significant impact on FNIHB staff and First Nations and Inuit communities. An information session explaining the difference between complaints and allegations and the FNIHB process will be required.

#### **Technology**

##### *FNIHB:*

2. Technology was another category identified in the research. FNIHB developed new software programs to better facilitate daily tasks and to manage the information. The Branch is actively trying to find ways of making the systems interactive and user friendly. For example, Management of Contracts and Contributions System (MCCS), HotDocs, Community Profile Management System (CPMS), and the Framework for Integrated Resources Management Systems (FIRMS) are not interactive. The same information needs to be re-entered and there is a lot of duplication. The regional Learning Centres delivered some of the training, however, FNIHB needs to continue to support staff in their continuous learning environment.

To facilitate the management of information, the program divisions are developing electronic reporting forms. These electronic forms are being sent out to the regions without any reference material or formal training packages such as electronic learning programs. There is minimal support regarding new software programs and staff do not always have access to the reference material.

*FN/I communities:*

Within FN/I communities, often there are few computer specialists and technicians available to provide training on computerized systems. These specialists are not trained on all software and therefore cannot provide the required support to their clients. Other federal departments use different computer software programs and systems which reproduce the same information. Learning resources should be provided to First Nation and Inuit communities to familiarize themselves or to assist in the training of new employees on software provided by First Nations and Inuit Health Branch. Some First Nation and Inuit communities don't have access to the internet or the newest technology.

**Planning and evaluation**

*FNIHB:*

3. FNIHB is not able to prioritize its capacity development efforts when it has limited reliable and valid information. The Regions need further internal capacity in order to increase their planning activities and to develop efficient program outcomes. The Branch needs to develop the internal capacity to assess, analyse, and evaluate program progress or evaluation reports. Also, the ability to link the lessons learned from this information back to the planning process and to develop good assessment criteria is essential. FNIHB will need to increase its practices by including a formal capacity review process.

FNIHB adopted the logic model for the development and evaluation of its programs. Internal staff do not fully comprehend the process, therefore, the support to First Nation and Inuit communities is very limited. It is also noted that the Program Compendium and the Compendium of Authorities will need to be maintained to facilitate the program planning process.

*FN/I communities:*

Within FN/I communities, the findings are generally the same as above. First Nation and Inuit react to similar issues. Expertise in planning and/or access to it may be the problem in strategic planning activities at the community level. Some communities do not have a good understanding of the terms and conditions of the programs, or they have very few culturally appropriate strategic and program planning tools to use. Especially in the isolated or remote communities, the expertise is almost nonexistent and there is limited support from FNIHB. The communities have difficulty defining program or service outcomes and their results.

**Human resources:**

*FNIHB:*

4. Internally, FNIHB has policies and procedures to deal with its management of human resources. FNIHB has developed and implemented programs to attract and to retain new employees. Health Canada has many opportunities and existing programs for employees to improve their skills.

*FN/I communities:*

The Capacity Development Review mentioned the need for a human resources component for First Nations and Inuit communities. Human resources administration needs improvement in personnel policy, work descriptions, appeal processes, conflict resolution and plans to attract and retain employees. The communities have difficulty in recruiting a qualified workforce. It is important to health staff to have a clear picture regarding his/her roles, responsibilities and contributions. First Nations have new challenges when dealing with unions. The Review mentioned that communities are dealing with some of these issues only when they are going through the health transfer process.

**Financial:**

*FN/IB:*

5. The findings related to the financial category revolve around the roles and responsibilities of the people involved with the funding agreements and an understanding of the implication of Sections 32, 33 and 34 of the Financial Administration Act. The Review also mentioned the need to strengthen knowledge and skills regarding the interpretation of financial and/or year-end audited reports. The Branch will need to develop a set of criteria to guide FN/IB staff in assisting FN/I communities who are experiencing difficulties in the financial management of their contribution agreements.

*FN/I communities:*

The Capacity Development Review, the discussions and meetings with the Assembly of First Nations (AFN) and Inuit Tapiriit Kanatami (ITK), and the interviews with regional staff emphasized the need to improve the skills related to financial information such as accounting (budgeting and forecasts) and year-end audited reports. To adequately plan, the First Nation and Inuit communities require skills enhancement of their understanding of financial information on how to link the identified health needs and priorities with funding received.

**Reporting Requirements**

*FN/IB:*

6. The new funding agreement templates increased the number of reports for First Nations and Inuit. The ability to track the information has become a challenge. “Collecting the right data” is becoming an important question. Another issue is to be able to provide written, focussed feedback to communities in a timely manner. During this fiscal year, the Branch has been working on streamlining the reporting requirements / decreasing the amount of data elements required.

*FN/I communities:*

Getting meaningful information has been an issue. First Nations and Inuit do not receive enough feedback in order to improve the quality of their reports. More attention is needed regarding the *quality* of community programs and services reports and the capacity to assist First Nations and Inuit to analyse community health data collected, recognize changes and trends in health status and to revise their programs and services

accordingly. It will increase capacity in each First Nations and Inuit community if they are provided with their health statistical information directly or given the knowledge and tools on how to obtain the information.

**Communication:**

*FNIHB:*

7. Effective communication skills are key and recognized as fundamental. The method of disseminating information is not always costly or complicated. FNIHB needs to expand its communication activities to provide as much information as possible to its employees and clients/stakeholders/partners in order to reduce stressful situations and to build a better relationship of trust, transparency and accountability.

As an example, warning signs of financial or management problems may be detected through ongoing monitoring activities. The challenge becomes working in partnership to find solutions. These solutions will enable First Nations and Inuit to fulfill the terms and conditions of their funding agreements and assist them to obtain and report relevant and meaningful information to their members and to the Department.

*FN/I communities:*

First Nations and Inuit have the same issues with regards to divulging information to its membership and to the Department. A clear communication plan could remedy the situation and increase accountability.

**The next steps:**

The Branch is presently undertaking many projects which will affect the work of both FNIHB and FN/I communities. For example, FNIHB is in the process of updating and renewing its Treasury Board Authorities. The streamlining of reporting requirements initiative will have a direct impact on health programs and services and the administration of contribution agreements. The Business Planning and Management Directorate (BPMD) is presently working on the development of business planning tools.

In response to the Auditor General of Canada's 1997 Report, FNIHB initiated the Health Plan Demonstration Project as another step toward increasing First Nation and Inuit community capacity to meet the health needs of their members. The seven demonstration projects have provided valuable information to the communities and staff involved. To date, there have been three workshops provided to the seven First Nations communities on specific issues that will help them develop their Health Plans. The issues include prioritizing health needs, planning responsive programs and services, identifying indicators, outputs and outcomes, etc.

The evaluation of Health Transfer is underway. This will provide FNIHB with useful recommendations on the strengths and weaknesses of the Health Transfer initiative. The objectives of the evaluation include assessing the relevance of the policy, evaluating results and impacts, and cost effectiveness.



The Primary Health Care Division is considering a formal process of accreditation for interested First Nation or Inuit health service providers across Canada (some communities may not be able to achieve accreditation in the shorter term). This initiative is part of setting acceptable standards and expectations of service delivery and protecting the public interest. To achieve all accreditation requirements, the process will provide on-going, culturally appropriate capacity development at the community level.

FNIHB continues to invest in order to strengthen its accountability, improve program delivery and the management and administration of funding agreements.

In conclusion, we are living with constant change. The Department is required to comply and adapt to new situations. Parliament passes new Legislation and Treasury Board develops new policies. The Branch is developing an action plan to deal with these changes and facilitate a smoother transition. The plan is intended to create a sense of vision and direction in these challenging times for both the Branch and First Nations and Inuit communities alike.

## **Resource Material**

The sources below were used in the process of developing the Gap Analysis and Action Plan. Each of the organizations / groups and documents was a valuable resource and provided vital information.

### **The Auditor General's Report (2000)**

Coming out of the AG's report, the Standing Committee on Public Accounts recommended the Branch undertake on-going reporting on its capacity development activities. In response, the First Nations and Inuit Health Branch (FNIHB) committed to conduct a review of its approaches, tools and performance in supporting the development of capacity of First Nation and Inuit recipients on its funding agreements.

### **Other Government Departments (OGDs)**

In January 2002, the Accountability and Capacity Development Division (ACDD) initiated an Interdepartmental Working Group to determine what other departments were doing in the area of capacity development, in relation to First Nations and Inuit. The Working Group met twice in 2002 to discuss and share information for the development of our Capacity Development Strategy - Gap Analysis and Action Plan. A presentation was given by the Canadian International Development Agency (CIDA) on Capacity Development, which provided the Working Group with additional information in the area of capacity building.

The Interdepartmental Working Group on Capacity Development met in September 2003 to share FNIHB's Capacity Development Strategy, gather feedback on the Gap Analysis - Action Plan, as well as to collaborate on joint initiatives.

### **Joint (AFN-FNIHB) Strategic Planning Workshop (June 2002)**

This was a two-day joint planning workshop to discuss the development of the Capacity Development Strategy and Action Plan. In this meeting the participants provided information on "lessons learned", "First Nation needs/gaps", as well as shared information and best practices in the area of capacity.

The participants included representatives of the Assembly of First Nations (AFN), the FNIHB Regional Capacities Working Group, the First Nation Health Technicians Network (FNHTN), the Accountability and Capacity Development Division (ACDD) staff, and other FNIHB staff. The Inuit Tapiriit Kanatami (ITK) representative attended the meeting as an observer.

The outcome of this two-day meeting was a "Facilitator's Report", which is included in our resource material for this Action Plan. The Facilitator's Report outlines the gaps, needs and discussions from this two-day meeting, as well as a presentation by the Institute on Governance on Capacity.

### **The Assembly of First Nations (AFN)**

The AFN, including the health technicians for the AFN Health Secretariat, brought forward capacity development issues related to the administration of the new standard agreements referred to in this document as funding agreements. Discussions were held throughout the year with the Accountability and Capacity Development Division and the Assembly of First Nations Health Secretariat. AFN also worked jointly with the Accountability and Capacity Development Division staff in the planning of the Joint Strategic Planning Session and involved with reviewing and providing feedback on the Capacity Development Strategy.

### **Inuit Tapiriit Kanatami (ITK)**

A representative from ITK attended the meeting as an observer in the Joint Strategic Planning Session. The Director of ACDD met with ITK over the past year to discuss capacity issues. ITK was also involved in providing feedback in the development of the Capacity Development Strategy.

### **FNIHB Regional Capacities Working Group**

The “Regional Capacities Working Group”, which was created in early 2002, became the main contact for our capacity development initiatives. This Working Group provided valuable insight and information throughout the year on the needs of the regions and First Nation and Inuit communities. This involvement included monthly conference calls, presentations, video conferencing, and meetings.

The Working Group will continue to provide feedback and information on this process and play an important part on the implementation of our Action Plan.

### **Headquarters Staff**

The Accountability and Capacity Development Division works closely with various FNIHB divisions on a regular basis to share information on mutual interests. This includes other Directorates at Headquarters including Programs. The Accountability and Capacity Development Division also works very closely with Program Managers within Health Canada.

### **Business Planning and Reporting Division (BPRD)**

#### *FNIHB Capacity Development Process Review (August 2003)*

This document is the outcome of a questionnaire and interviews conducted by BPRD in which regional staff, and program managers were involved. The outcome of this review is an assessment of current capacity development practices against the component of a standard capacity development process. This document provided information on the common gaps within the regions and First Nation and Inuit communities as well as Headquarters from the point of view of FNIHB staff.

#### *FNIHB Summary Report - Reporting Process Review (April 2003)*

The Reporting Process Review document is the outcome of on-site reviews with three regions (Saskatchewan, Ontario and Atlantic). It provided a quality assurance review of the reporting management process and provided useful background for the Gap Analysis.

**Corporate Services Branch (CSB)**

Quality Assurance June 2002 Activity Report - This report was initiated based on Corporate Services Branch - Quality Assurance work plan as a pilot Quality Assurance Review for Health Canada Grants and Contributions Management.

**The National Aboriginal Health Organization (NAHO)**

The staff in the Capacity Development and Accountability Division at Health Canada were provided with a draft discussion paper from NAHO called, "Building for the Health of Aboriginal Communities" (2003). The information in this document provided the Capacity Development staff with a closer look at the cultural side of capacity development and provided useful data in the Gap Analysis.