

STEWARDSHIP OF RESOURCES

TOPICS

Steward, Raise, and Use Resources Responsibly
Practice Ethical and Moral Integrity
Build Management Capacity
Measure Performance
Use Information, Evidence, and Technology in Governance
Eradicate Corruption

This section explores the need for and nature of the practice of stewarding scarce resources (human, financial, political, and technological), and principles and activities that will strengthen your organization's capacity for such stewardship.

THE CHALLENGE

As a physician, you are the recently appointed Director of a Provincial Health Department in Zimbabwe. You want to be a good steward of limited resources for health improvement. How can the governing body for your provincial health department develop smarter and more compelling business and financial plans to earn more money from the national government, foreign donors, and nongovernmental sources? What are the relative roles and contributions of the staff compared to the governing body members?

Stewardship is the ethical and efficient use of common resources in pursuit of financial outcomes. Policy-making that is both ethical and efficient is the defining feature of stewardship. Compiling, disseminating, and applying data on how resources are being used are essential stewardship functions.

The lack of ethical and moral integrity can occur in any area of the health sector. Issues could occur in the construction and renovation of facilities; purchase of equipment, supplies, and medicines; education of health professionals; or provision of

services by medical personnel and other health workers. A lack of integrity can manifest itself through bribes, kickbacks, poor performance, refusal to uphold institutional policies, absenteeism, informal payments, or theft.

Corruption in a health system results in higher costs and lower quality of care, affecting the poor the hardest if services become biased toward a society's elite. Poor women, for example, may be unable to receive critical health care services simply because they are unable to pay informal fees. Patients may not receive high-quality care. Risk of harm may exist due to substandard or counterfeit medicines, poor-quality equipment, inappropriate treatment, and inadequate training of personnel. Patients and citizens lose faith and trust in the health system and in the government if health service delivery is riddled with corruption. Moreover, the government loses its legitimacy.

STEWARD, RAISE, AND USE RESOURCES RESPONSIBLY

Health sector leaders who govern effectively: (1) define the scope and nature of resources required to implement their organizations' strategic plans; (2) raise the needed resources from diverse sources; and (3) ensure that the resources are carefully used by managers, clinicians, and health workers.

In the following section, we will see the actions that governing body leaders can adapt to their unique realities and take to engage stakeholders of their organization. To learn more, refer to the LMG Project's guide entitled *Stewarding Resources for Health System Strengthening*,¹ which presents a number of activities that may be implemented to achieve responsible stewardship. The guide also provides tools and resources to support these activities.

Every community's or country's health sector requires access to financial resources to support the provision of medicines and services. Most countries believe that they consistently lack enough resources to do all they would like to do to address both communicable and noncommunicable diseases. Sources of funding can be diverse. Examples include

- budget allocation from the Ministry of Health
- revenue from public health insurance agencies paid per person or per unit of service delivered
- donor contracts or grants
- philanthropy
- user fees charged at the point of service delivery

Effective governing body members learn about their organization's historical patterns and trends regarding funding sources, and then determine whether the funds are at sufficient levels and stability to ensure the economic health of the health system or organization.

1. Management Sciences for Health, *Stewarding Resources for Health System Strengthening: Series of Guides for Enhanced Governance of the Health Sector and Health Institutions in Low- and Middle-Income Countries* (Medford, MA: MSH, 2014). Available at: http://www.lmgforhealth.org/sites/default/files/LMG%20Stewarding%20Resources_online.pdf

Several activities can help to ensure stable sources and responsible use of resources for your organization. Of the activities listed below, which are the two or three most important for you to accomplish over the next year?

- Mobilize resources to accomplish your organization’s mission and plans and the vision and mission of the health ministry.
- Protect and wisely use the resources entrusted to you to serve the people.
- Collect, analyze, and use information and evidence for making decisions on the use of human, financial, and technical resources. Use technology to facilitate this decision-making.
- Use and advocate for using resources in a way that maximizes the health and well-being of the public.
- Update your strategic plan regularly so that it is always a realistic road map for the next three to five years and so that you can forecast the need for resources and also measure your organization’s performance.

PRACTICE ETHICAL AND MORAL INTEGRITY

Governing bodies need to ask their leaders and managers if the system or organization is receiving good “value for money.” Are the contracts to hire people, purchase pharmaceuticals and supplies, and invest in facilities and equipment being established in fair, competitive, and ethical terms?

Performance-based purchasing requires those who govern to work with the organization’s leaders to establish a culture that views the resources of the organization as owned by the people served by the organization. Since these resources are held in trust on behalf of the people and families of the community, district, province, or country, those who govern must have strong ethical and moral integrity.

The following activities are important for your governing body to aspire to, embrace, and accomplish. For each category of activities, identify one or two that are the most important in your situation. How can you implement them?

Act with Ethical and Moral Integrity

- Involve stakeholders and the public in the oversight of activities of your department or organization.
- Make policies, practices, expenditures, and performance information open to stakeholder scrutiny.
- Make all stages of plan and budget formulation, execution, and performance reporting fully accessible to the public and stakeholders.

- Make information about tender processes publicly available on the Internet.
- Introduce a code of conduct on ethics, conflict of interest rules, and whistleblower protections.

Begin with Yourself

- Demonstrate the highest standards of personal integrity, truthfulness, honesty, loyalty, and responsibility in all of your activities in order to inspire confidence and trust in your activities.
- Treat others equitably and respectfully in all aspects of your activities. Do not engage in any form of discrimination or harassment.
- Be loyal to the mission of your organization. Do not engage in any conduct that would undermine the public's trust in your organization.
- Do not engage in any activity or relationship that would create a potential or actual conflict of interest and that would adversely affect your ability to faithfully perform your public service duties. Make full disclosure of all potential and actual conflicts of interest. When in doubt whether to disclose or not, disclose all potential conflicts of interest.
- Do not solicit or accept a gift in return for an official act; do not accept any expensive gift such that a reasonable person is likely to conclude that the individual is using his or her position for private gain.

Maintain Oversight Responsibility

- Manage your organization's resources in a responsible manner that maximizes your ability to advance the organization's mission.
- Ensure that the financial results are reported in an accurate and timely manner.
- Be open, candid, and transparent about reporting financial results.
- Be an honest and faithful fiduciary and protect the funds entrusted to the organization.
- Provide members of the public who express an interest in the affairs of your organization with a meaningful opportunity to communicate with an appropriate representative.

BUILD MANAGEMENT CAPACITY

Management of scarce resources should be undertaken by experienced and effective managers, under the oversight of the governing body. Governing bodies need to invest not only in continuously developing the competencies of managers to perform the essential leading and managing practices, but also in the tools, systems, and working conditions for employees to flourish. As you govern to support management's capacity, there are several activities that can help ensure that the organization's resources are being used wisely.

Which two or three of the following activities are the most important in your situation?

- Invest in continuing education for the management team.
- Ensure that managers reorient processes toward concrete and measurable results.
- Ensure that managers focus on monitoring continuous quality improvement.
- Strengthen oversight of service delivery.
- Pay close attention to the quality of service and care provided by your organization.

What are the obstacles leaders who govern are likely to encounter in building management capacity? How might the governing body remove or reduce those obstacles? What are two or three practical ways to help ensure the successful accomplishment of this activity?

MEASURE PERFORMANCE

The wise stewardship of scarce resources requires that their flow and use be carefully measured and accounted for. Modern, disciplined, accurate, and ethical accounting and bookkeeping practices are essential to the infrastructure of well-governed health systems. Effective governing body members ask pertinent questions about patterns and trends in the costs and expenditures of their organization.

There are several activities that can help ensure the achievement of this essential practice. Of the following activities, which are most important in your situation?

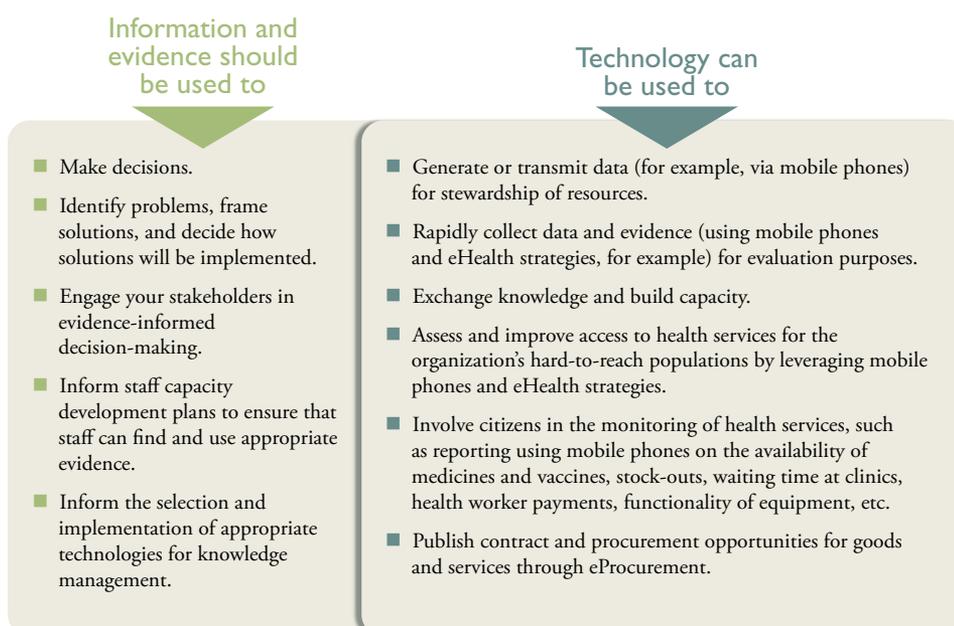
1. Ensure that managers and health providers:
 - measure performance;
 - involve stakeholders in the measurement of results;
 - consider the perspectives of users of health services when measuring results;
 - use performance information to improve services;
 - periodically review and revise the performance measures.

2. Build the skills of managers and health providers in selecting and using meaningful measures to support their decision-making.
3. Review your governance effectiveness at least annually. Regularly seek information and feedback on your own governance performance. Pause periodically for self-reflection, to diagnose your strengths and limitations and to examine your mistakes. Measure participation of stakeholders in governance decision-making; your openness, accountability, and integrity; gender responsiveness; and improvements in health system performance and health service performance.
4. Use measurement results for:
 - improving use of resources;
 - promoting your own accountability and that of your team;
 - communicating with the public;
 - evaluating, controlling, budgeting, motivating, promoting, celebrating, learning, and improving.

USE INFORMATION, EVIDENCE, AND TECHNOLOGY IN GOVERNANCE

Consider how best to support your organization's managers to use information, evidence, and technology for effective utilization of resources. Consider how these tools can best be used to facilitate governance decision-making.

FIGURE 14.1 Use of information, evidence, and technology in governance. When a governing body uses these for decision-making, quality of governance and organizational performance both improve.



What steps could you take to promote use of data, information, evidence, and technology to facilitate governance decision-making that is focused on the wise use of scarce resources?

ERADICATE CORRUPTION

Corruption is the improper use of resources for personal gain or in such a way that the achievement of the organization's mission is compromised or jeopardized. Unfortunately, corruption exists in the health sector of most nations. Good governance does not hide from this painful reality. Governing body members must ensure that they do not behave in unethical or illegal ways and should take any necessary actions to protect the organization from all forms of corruption.

Common types of corruption in the health sector include kickbacks and bribes; nontransparent tender and procurement processes; theft of drugs, supplies, and money; diversion of medicines and supplies from public facilities for resale at private facilities; abuse of public facility space; private use of time on duty; private use of resources (e.g., vehicles); and absenteeism. Corruption can be blatant, such as taking bribes, or more subtle, such as helping a relative get a job.

Fortunately, there are several activities that can help prevent corruption or mitigate its negative impact.² Which of the activities listed below are most important to reduce and eradicate corruption in your organization? What steps could your governing body take to reduce and eradicate corruption in your organization?

Ethics and Compliance Initiatives

- Train an ethics or compliance officer.
- Develop a code of conduct for governing body members and staff.
- Provide ethics training for governing body members and staff.
- Have an internal whistleblowing or ethics reporting mechanism in place.
- Make public statements by senior management.
- Conduct risk assessments.
- Offer incentives for a well-designed compliance program.

Human Resource Management

- Develop an employee performance appraisal system.
- Make changes to civil service to allow for prompt disciplinary action.
- Provide performance-based payment.
- Use a merit-based hiring and promotion system.

2. Personal communication with Professor Taryn Vian, Boston University.

Pharmaceutical Sector

- Make reforms to the drug inspection process (pay inspectors well, rotate inspectors).
- Make legal reforms to the drug registration system.
- Maintain transparency in procedures and decisions for drug registration (posting on websites, etc.).
- Maintain transparency in procedures and decisions for procurement.
- Contract out drug storage and distribution to the private sector (where there are incentives not to steal drugs).
- Invest in security systems and ways to track stolen medicines.
- Use mHealth technology to monitor stock-outs and correlate with spending on pharmaceuticals (detect anomalies).
- Use hospital-based systems to reduce theft by employees.
- Impose serious penalties for breach of ethical and legal standards.

Participation of Civil Society

- Develop social audit initiatives (citizen report cards).
- Utilize citizen complaint offices (with trained legal counselors who can solve a problem).
- Provide support for watchdog or regulatory organizations (to analyze government performance, share data, etc.).
- Encourage citizen participation in governance structures (boards, public committees).
- Provide civic training (teach people how to write a letter of complaint, etc.).
- Use satisfaction surveys (measure dissatisfaction and perceptions of corruption).
- Provide media training (development of capacity for investigative journalism; training in health policy and how to access public data for journalists).

Financial

- Use electronic cash registers (give itemized receipts, reconcile quickly with cash count, measure performance of individual fee collectors/locations).
- Use video surveillance in areas where cash transactions take place.
- Train auditors and financial staff; increase the quality and frequency of audits.
- Strengthen computerized accounting systems (including automatic payments of per diems into bank accounts of employees).

- Provide initiatives to reduce informal payments by paying staff well while concurrently increasing detection and punishment.
- Use voucher programs (to reduce informal payments).

Crime Fighting

- Employ situational crime prevention, which looks to “alter the immediate situation so as to create less favorable settings for crime, thereby altering the decisions which precede crime commission” (increases the effort it takes, reduces rewards, reduces provocations, etc.).
- Collaborate with other ministries and agencies (police, customs, anti-corruption agencies, finance).

Good Practices

- Health policy goals should include anti-corruption considerations.
- There is no “one size fits all” approach to combating corruption in the health sector.
- More than one anti-corruption intervention should be employed to deal with one risk.
- Prioritization is essential; based on evidence, governments and others involved in health services and programming should prioritize areas of the health system that are most susceptible to corruption and implement appropriate interventions.
- It is important to work with other sectors.
- Prevention is the best strategy; therefore, it is best not to wait for corruption to happen before beginning to deal with it.
- Numerous empirical diagnostic tools should be employed.
- Partners with experience in implementing anti-corruption strategies and tactics should be identified for technical support.
- Broad stakeholder participation in health policy and planning is helpful.
- Good behavior should be rewarded and bad behavior punished.