

## SECTION 7

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# DECIDING ON THE NEED TO ESTABLISH A GOVERNING BODY

### TOPICS

The Pros and Cons of Governing Bodies

How Governing Bodies Are Formed in the Governmental and Nongovernmental Sectors

Managing the Process of Developing a Governing Body

This section helps you evaluate the need for a new governing body if none exists. It also explores the advantages and disadvantages of governing bodies for the successful pursuit of your organization's mission, vision, and plans. It further examines alternative ways to establish a governing body.

### THE CHALLENGE

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*You have been asked to report next Thursday to a special committee called the Health Committee of the Parliament. The purpose of the meeting will be to explore the advantages and disadvantages of forming district health councils composed of five to seven community leaders. What could be the advantages of these district health councils? How might they go about successfully lobbying for the policies these bodies are usually formed to create?*

### THE PROS AND CONS OF GOVERNING BODIES

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What if we fired your governing body? What would you miss?

Governing bodies are not always good partners for health leaders. Poorly performing governing bodies can frustrate the leaders and managers of organizations for reasons such as the following:

- They do not understand their roles and stumble through meetings, wasting their time and yours on nonessential issues or strategies.
- The board is either too large or too small to support you in planning and investing for the journey to accomplish your mission.
- They do not really know the needs of the target populations served by your organization. Therefore, they send you in directions that waste scarce time, talent, and resources on programming that is not strategic.
- They think they can do the management's job better and tend to micromanage.
- They do not have enough women or people from your most vulnerable populations engaged in decision-making, so your ability to earn the trust and involvement of people who should guide and benefit from your programming is weakened.
- The chairperson has trouble guiding the meetings and the flow of information needed for wise governance decision-making, causing good members to quit.
- The members lack the relationships needed to mobilize financial, technological, or political resources needed for organizational vitality.

Given these difficulties, do the benefits of having a governing body outweigh the disadvantages? The five major themes listed below emerged when we asked governance groups in North America, Africa, Asia, and Europe this question: What would you lose if you did not have your board? The summary of their responses indicates:

- an objective view of our strategic needs and plans;
- diversity of thinking and life experience;
- different perspectives and lines of questioning (e.g., presenting an opposing viewpoint for purposes of debate);
- help for funding and philanthropy;
- influence with local and regional politicians.

**In your unique situation, what benefits can a governing body offer to help to achieve your mission? If you do not have a board now, should you develop one and how?**

## HOW GOVERNING BODIES ARE FORMED IN THE GOVERNMENTAL AND NONGOVERNMENTAL SECTORS

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The process of forming a governing body can vary by country and type of organization, that is, whether you are in a governmental, nongovernmental, or civil society organization in your country's health sector. In some fragile states, the legal environment does not support the formation or functioning of civil society organizations (CSOs). Fearful that CSOs may undermine their political stability or influence—especially by communicating through the media—some governments either do not provide enabling legislation to

form CSOs or actively block them with regulations or criminal prosecutions. In the public sector and governmental arena—where they decentralize decision-making authority to provinces, districts, or counties—ministries of health and finance are unsure of how best to form governing bodies that further the health goals of the government.<sup>1</sup>

The generic process to form governing bodies, however, usually involves three steps:

1. **Enabling legislation at the national or provincial level:** Laws establish the need for and nature of organizations dedicated to the protection, promotion, and/or restoration of health of either the general public or special at-risk populations. Interested populations or community organizations may choose to lobby politicians to encourage and shape such legislation. This legislation can be for hospitals, pharmacies, or medical insurance organizations, such as in South Africa.<sup>2</sup>
2. **Regulations to operationalize the law:** In many countries, enabling legislation must be put into practice through a set of regulations defined by members of the government. These regulations may have the force of law and define in more detail how the organizations will be governed and managed to protect the public interest and to serve the needs of the populations targeted to benefit from their work. It is usually in the regulations that we see a definition of the terms of reference or duties of the governing body. In Kenya, the duties of the District Health Management Teams' governing bodies were defined in general terms to:<sup>3</sup>
  - “Represent the community interest in the health planning process;
  - Review, approve and forward cost-sharing AIE [authority to incur expenditure] requests and estimates of recurrent and development budgets;
  - Work with DHMTs [district health management teams], HMTs [health management teams], and HCMTs [health center management teams] to coordinate and monitor the implementation of GoK [Government of Kenya] and non-GoK health programs;
  - Identify implementation problems and seek corrective action;
  - Advocate for cost sharing and promote health awareness among the general public;
  - Make policy recommendations to the Minister for Health on health matters through the PMO [Provincial Medical Office].”

This set of regulatory guidelines also defined the basic responsibilities of primary health care (PHC) committees as listed on the next page.

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1. Management Sciences for Health, *Five Smart Strategies to Govern Decentralized Health Systems*, Leadership, Management and Governance Project (Medford, MA: MSH, June 2013). Available at: [http://www.lmgforhealth.org/sites/default/files/files/MSH\\_Five\\_Smart\\_Strategies\\_To\\_Govern\\_Decentralized\\_Health\\_Systems\\_FINAL\\_7\\_30\\_13.pdf](http://www.lmgforhealth.org/sites/default/files/files/MSH_Five_Smart_Strategies_To_Govern_Decentralized_Health_Systems_FINAL_7_30_13.pdf)

2. Republic of South Africa, Medical Schemes Act No. 131 of 1998, Statutes of the Republic of South Africa—Medicine, Dentistry and Pharmacy. Available at: <http://www.gov.za/sites/www.gov.za/files/a131-98.pdf>

3. Ministry of Health, Government of Kenya, “Guidelines for District Health Management Boards, Hospital Management Boards, and Health Centre Management Committees” (Nairobi: GOK, December 2002), p. 3. Available at: <http://www.policyproject.com/pubs/policyplan/KENGuidelines.pdf>

- “Participate with the PHC Core Team in developing annual PHC plans. This involves a review of services, assessment of needs, and setting of priorities for P/PHC activities in the district/hospital.
- Ensure that the DHMT is submitting plans for the expenditure of 25% of cost-sharing revenue and is spending the funds as planned.
- Receive reports on preventive, promotive, community-based, and PHC activities in the district (GoK and NGO) or hospital.
- Obtain annual reports of health statistics and use epidemiological data and preventive measures to address the major problems.
- Promote inter-sectoral collaboration on issues of sanitation, water, nutrition, and health education.
- If applicable, review reports on Bamako Initiative activities.
- Receive periodic reports from the PHC coordinator on activities being carried out in each of the eight components of PHC; insist on setting targets for expanding coverage of these services and, thereafter, monitor the achievement of these targets.
- Look into urban sanitation problems (e.g., inadequate refuse collection, unsafe water points, etc.) and promote cleanup and safe water supply operations where needed; also receive complaints and recommend solutions.
- Work with the DHMT/HMT to establish contingency plans for epidemics and provide the necessary support during such epidemics.”<sup>4</sup>

3. **Development of policy guidelines:** Policy guidelines define the ideal structure of a governing body, the number of members, the composition by type of person, procedures for appointing members, and guidance on how they are to perform their work. A sample manual of such guidance is available from the International Planned Parenthood Federation.<sup>5</sup>

In some countries, this guidance is captured in articles of incorporation and/or bylaws.<sup>6</sup> Increasingly, the national health strategy for health managed by the Ministry of Health contains guidance on the roles and work of public and nongovernmental organizations for health, in such diverse countries as Ethiopia,<sup>7</sup> Australia,<sup>8</sup> Chile,<sup>9</sup> and Afghanistan.<sup>10</sup>

4. GoK, *Guidelines for District Health Management Boards, Hospital Management Boards, and Health Centre Management Committees*, pp. 8-9.

5. International Planned Parenthood Federation (IPPF), *Code of Good Governance* (London: IPPF, 2007). Available at: <http://www.ippf.org/resource/IPPF-Code-Good-Governance>

6. See description of the role for County Health Departments in the US here: Centers for Disease Control and Prevention (CDC), “National Public Health Performance Standards (NPHPS)” (Atlanta, GA: CDC, May 2014). Available at: <http://www.cdc.gov/nphps/essentialServices.html>

7. Federal Democratic Republic of Ethiopia, Ministry of Health (MOH), *Health Sector Development Program IV 2010/11-2014/15* (Addis Ababa: MOH, Oct. 2010). Available at: <http://phe-ethiopia.org/admin/uploads/attachment-721-HS-DP%20IV%20Final%20Draft%2011Octoberr%202010.pdf>

8. Victorian Public Sector Commission (VPSC), “Governance” (Victoria, Australia: VPSC, 2015). Available at: <http://www.ssa.vic.gov.au/governance.html>

9. Government of Chile, Ministry of Health, “Recomendaciones e información por emergencia en el norte de Chile” (Santiago: MOH, no date). Available at: [http://web.minsal.cl/alerta\\_sanitaria\\_atacama](http://web.minsal.cl/alerta_sanitaria_atacama)

10. Government of the Islamic Republic of Afghanistan, *Strategic Plan for the Ministry of Public Health (2011-2015)* (Kabul: Ministry of Public Health, 2011). Available at: <http://www.gfmer.ch/SRH-Course-2012/country-coordinators/pdf/Ministry-Public-Health-Strategic-Plan-2011-2015-Afghanistan.pdf>

## MANAGING THE PROCESS OF DEVELOPING A GOVERNING BODY

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Once legally enabled, a good governing body needs a roadmap to guide its formation and the management of its work. The essential step to form, and then operationalize, a health services governing body is developing agreement among the founders of the organization—which could be an arm of the Ministry of Health or a local or international NGO—about how will you define policy and procedures in the following areas:

### Policies about Board Responsibilities and Conduct

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- position description for a board member, including the performance expectations for a board member (attendance, participation, etc.)
- position description for the board chairperson
- conflict of interest policy
- confidentiality policy or a board conduct policy
- chain of command—how board members should respond when approached about problems or issues by employees, physicians, or community members

### Policies about Board Governance Processes

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- Board self-evaluation
- Board education
- CEO goal-setting and evaluation
- Executive compensation
- Strategic planning
- Operating and capital budgets
- Internal and external audit review
- Medical staff credentialing policy—for hospital boards—plus policies on related issues, such as credentialing for cross-specialty procedures.

### Other Common Policies

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- Position description for the chief executive officer
- Delegation of spending and decision-making authority
- Investment policy

## Board Composition and Diversity

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Many international agencies and national governments that encourage governing bodies to be well developed and managed share resources for that purpose. The World Health Organization (WHO) provides a series of guides.<sup>11</sup>

Samples of such manuals for primary health care centers in the United States<sup>12</sup> and health-related governing bodies in the UK are also available.<sup>13</sup> The Leadership Academy of the UK National Health Service (NHS) also publishes a guide to good governance.<sup>14</sup>

Discuss specific relevant actions and ideas from these guides with your governing body leaders to adapt policies and procedures for governance to your unique realities.

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11. World Health Organization (WHO), “Management for Health Services Delivery: Kenya” (Geneva: WHO, 2015). Available at <http://www.who.int/management/country/ken/en/>

12. Judy A. Cramer and Cathie O’Donnell, US Department of Health and Human Services (DHHS), Health Resources and Services Administration, Bureau of Primary Health Care, Governing Board Handbook (Bethesda, MD: DHHS, 2000). Available at: [http://www.fachc.org/pdf/cd\\_Governing%20board%20handbook.pdf](http://www.fachc.org/pdf/cd_Governing%20board%20handbook.pdf)

13. National Council for Voluntary Organisations (NCVO), “Governance” (London: NCVO, 2015). Available at: <https://www.ncvo.org.uk/practical-support/governance>

14. NHS Leadership Academy, *The Healthy NHS Board 2013: Principles of Good Governance*. Available at: <http://www.leadershipacademy.nhs.uk/wp-content/uploads/2013/06/NHSLeadership-HealthyNHSBoard-2013.pdf>