

There's Madness to This Method

The November 2003 Report of the Auditor General, released in February 2004, swept through Ottawa like a tornado from hell. It set in motion a dizzying chain of events – accusations of scandal, a judicial inquiry on political ethics and, most recently, the fall of the minority government.

Clean-up from the damage is still under way. The storm left in its wake a shaken government, chastened politicians and a bureaucracy steeped in fear.

Reporting has been ramped up to ensure that no dollar is wasted or spent inappropriately. The scam-sniffers are on orange alert. As if it weren't risky to be risky before 2004, it is now virtually impossible. Risk is a four-letter word – banished in speech, forbidden in action.

Yet last time we checked, counting pencils had never helped much in fighting poverty, renewing neighbourhoods or improving health.

The voluntary sector is also reeling from an accountability regime gone mad. Few have

the resources to do the mounds of required paperwork. The resulting micromanagement diverts scarce time and effort from the primary task – whether training the unemployed, creating jobs or ensuring affordable housing. Moreover, the information requested is often tied to specific outputs or 'deliverables' that have only a weak link to the overall desired objective.

The November 2005 report of the Auditor General, by contrast, came in and went out like a lamb. No outrage. No humiliation. No attention.

This time, the lack of interest was unfortunate. The report made several recommendations that could help both the federal government and voluntary organizations do their jobs more effectively. The proposals potentially could redirect the current obsession with more accountability – to more appropriate accountability.

The latest audit looked at federal policies and practices around the creation, coordination and oversight of efforts that involve several departments – so-called 'horizontal initiatives'

arising from complex issues that touch upon the interests of two or more departments. These initiatives need to work horizontally across mandates and with other sectors and orders of government rather than vertically within their sole jurisdiction.

Increasingly, the federal government is trying to ensure that relevant branches and departments cooperate around agendas of common interest. These cross-cutting areas include, for example, climate change, Aboriginal concerns, infrastructure challenges pertaining to cities and communities, and the mandate of the Technical Advisory Committee on Tax Measures for Persons with Disabilities.

But while the federal government recognizes the importance of working in this way, its policies and practices often do not make things easy. Chapter 4 of the Auditor General's report points to the need for Ottawa to step up its efforts around horizontal management. The findings and recommendations fall into four main categories.

First, there is lack of clarity in government around the requirements for and definitions of horizontal management. Second, there is inadequate provision for integrated governance and management. A third cluster of issues focuses upon the need for appropriate funding, reporting and evaluation mechanisms for horizontal initiatives. Finally, an enabling policy framework and support from central agencies are required to provide guidance to line departments. The report makes clear that the Treasury Board Secretariat and Privy Council Office should develop specialized tools for the governance, coordination, funding and assessment of horizontal practice.

The findings are of particular interest to efforts like Action for Neighbourhood Change and other national initiatives involved in compre-

hensive work at the community level. Action for Neighbourhood Change is a pan-Canadian project that involves four national and five local partners in an effort to revitalize and improve the quality of life in five selected neighbourhoods across the country.

The four national partners are United Way of Canada – Centraide Canada, Tamarack – An Institute for Community Engagement, National Film Board of Canada and Caledon Institute of Social Policy. The five local partners are United Ways in Halifax, Thunder Bay, Toronto, Regina and Surrey. They are convening individuals from diverse sectors including youth, voluntary organizations, business, governments and people living in poverty in an effort to revitalize their neighbourhoods.

Action for Neighbourhood Change also involves as partners five federal government sponsors: the National Secretariat on Homelessness, Office for Learning Technologies and National Literacy Secretariat (all of Human Resources and Skills Development Canada); Canada's Drug Strategy (Health Canada); and the National Crime Prevention Strategy (Public Safety and Emergency Preparedness Canada).

Action for Neighbourhood Change is a horizontal project by virtue of the range of problems it tackles and its common objectives around neighbourhood strength, resilience and community capacity. This national project is not alone in its efforts to work with different departments toward the achievement of mutual goals. But it *is* unique in many respects.

The 'miracle' of Action for Neighbourhood Change is that five government partners came together to develop a shared funding agreement. They figured out a way to merge their individual funding pools into one common stream. This 'incredible feat' took many months to achieve and required a few committed public

servants who went out on a limb because they believe in the value of collaborative approaches both within government and between government and communities.

But there is more to the miracle than a unified funding stream. Action for Neighbourhood Change reports to five funders with one coordinated reporting procedure in respect of its financing. This consolidation of administrative procedure has been of great benefit to the project. Unfortunately, Action for Neighbourhood Change is the exception and not the rule.

Evaluation of community efforts represents another potential area for consolidation. Because all government departments require an assessment of the projects they support, communities must collect information from diverse sources. Significant yet scarce resources end up being invested in multiple accountability processes. While accountability is essential, it must be strategic and help achieve the overall objective rather than divert community efforts from their primary focus.

The good news is that the work of the five neighbourhoods involved in Action for Neighbourhood Change is being assessed within a common evaluation framework. The framework acknowledges relationship building and collaboration as important and legitimate outcomes in their own right. These outcomes are also key foundations for long-term solutions to complex problems. Yet there are rarely sufficient resources for these capacity building activities or appropriate recognition of their value in performance and review processes.

Action for Neighbourhood Change has benefited substantially from horizontal practices like common funding, reporting and evaluation framework. This type of consolidation should be the accepted method of operating that need not be continually renegotiated.

The Auditor General was correct to conclude that central agencies must take a stronger leadership role in mandating, resourcing and rewarding collaboration among government departments. The good will and positive intentions of single departments and individual public servants are not sufficient to overcome the systemic barriers to collaborative work.

Politicians have an equally, if not more, important part to play in ensuring collaborative government. Cabinet is effectively a process of collective management; complex problems are best resolved through joint effort. Ministers need to set a positive example by demonstrating cooperative approaches to shared concerns. The Prime Minister, in turn, must signal that ‘joined-up government’ is not an option but an obligation.

Action for Neighbourhood Change has tried to fill this leadership void by convening a policy dialogue – a process that encourages all the partners to work together to set common objectives, directions and expectations. The partners outside of government basically are using the policy dialogue to effect change within government.

We are trying to push from the outside for a more horizontal and consolidated approach within. It is like driving a car with no steering wheel.

The Auditor General appropriately instructed central agencies to provide stronger and more explicit guidance for improving horizontal practice. This guidance ideally would apply to common application procedures, funding instruments, data collection, reporting practices and evaluation frameworks. It should not take months, or sometimes years, for government departments to figure out whether and how they will collaborate on shared concerns.

The November 2005 report of the Auditor General sets out some key recommendations for modernizing management and accountability within government. There is clearly a need not for more reporting – but for more strategic reporting – around efforts that pool their objectives, procedures and resources.

Unfortunately, the chill in the air from the earlier audit may freeze, rather than advance, these desperately needed improvements.

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