

Institute On Governance

Better Governance for Public Benefit



Clarifying Roles of Aboriginal Leaders and their Staffs: The Perils of a Portfolio System

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Institute On Governance

- Independent, not for profit think tank – no connection to the federal government
- In existence since 1990
- No sustaining funding – we rely on projects and courses for revenue
- Well over 250 Aboriginal governance projects since 1996
- Staff of about 12 with associates
- Other areas of concentration: board governance; health governance; accountability & performance measurement; building policy capacity; international focus



Session Objectives

- To examine the popular portfolio system and four potential perils for Aboriginal organizations and governments
- To offer four options to consider in addressing the problems the system creates
- To solicit insight on this important subject from conference attendees



Session Agenda

1. Briefly describe the portfolio system
2. Outline its perils to good governance
3. Trace the “downward spiral” it creates
4. Offer options for reversing the spiral
5. Present conclusions, invite discussion



The Portfolio System: A Brief Description



The Portfolio System: A Description

- Each Council member is assigned responsibility for one or more program areas in addition to regular Council duties
- Role mimics that of a minister in federal or provincial governments
- Advantage: increased responsibility justifies a full-time position for Council members



The Portfolio System in the Council-type of Government

Recall the bedrock principle of the Council-type of government:

“Only Council *as a whole* holds the authority to make decisions affecting community well-being”

A second principle seeks to promote an effective relationship between Council and staff:

“Council and staff have distinct but overlapping roles and should work together as partners”



The portfolio system jeopardizes
both principles of effective
Council governance



Potential Perils to Good Governance



Potential Perils to Good Governance

There are four:

1. When a councillor “takes charge” of a program area, program managers are disempowered and discouraged
2. When councillors assume the role of program managers, chief administrators find themselves in a poor position to lead staff



Potential Perils to Good Governance

3. With a weakened administration, there is a greater danger that the program delivery will be politicized
4. Because portfolios consume the time and agendas of individual councillors, Council is hard-pressed to meet its collective responsibilities



Result: A Downward Spiral

Initial Symptoms:

- High turn-over in program manager and chief administrator positions
- Partisan politics rather than program policy guide program and service delivery
- Council as a whole is hard-pressed to meet its collective responsibilities



Result: A Downward Spiral

In the longer term:

- High turn-over in key staff positions reduces the quality of program delivery
- Community members become dissatisfied with poor program delivery
- Community members vent displeasure with Council at next election
- New councillors lead a junior and inexperienced staff
- Program quality worsens, and on it goes....



Result: A Downward Spiral

Left unchecked, the portfolio system violates all five principles of good governance:

- Legitimacy—by altering the collective nature of council
- Accountability—by blurring the roles of leaders and staff
- Fairness—by undermining administrative staff and inviting political favoritism
- Performance and direction—by producing a rapid turnover in staff and Council



Reversing the Spiral: Four Options for Better Governance



Four Options for Better Governance

1. Scrap the portfolio system
2. Assign portfolios, but not for staff-run programs
3. Assign portfolios, but make it clear that portfolio holders do not direct staff
4. Have the portfolio holder formally assume the program manager role



Four Options for Better Governance

Option 1: Scrap the Portfolio System

- All staff reports to chief administrator
- There is a clear system for handling complaints
- Councillors focus on developing policy; monitoring program performance; addressing complaints and broad strategic issues
- Councillors work part-time only



Four Options for Better Governance

Option 1: Scrap the Portfolio System

■ Advantages:

- Upholds principle of collective responsibility of Council
- Maintains partnership model of staff/Council relationship

■ Disadvantage:

- Sitting on Council becomes less attractive because it is part-time work only



Four Options for Better Governance

Option 2: Assign portfolios, but not for staff-run programs

- Portfolios include problem areas that may not be receiving enough attention
- Examples: developing new membership rules, investigating new economic opportunity
- Leave staff-run programs to staff



Four Options for Better Governance

Option 2: Assign portfolios, but not for staff-run programs

■ Advantages:

- Presents a less radical adjustment than Option 1
- By reorienting programs away from staff, reduces temptation to manage programs

■ Disadvantage:

- Council is less informed of program issues



Four Options for Better Governance

Option 3: Assign portfolios, but make it clear that portfolio holders do not direct staff

- Possibility: form program committees chaired by portfolio holder
- Committee members would be program manager and other community members
- Council as a whole establishes committee mandate, which is advisory in nature



Four Options for Better Governance

Option 3: Assign portfolios, but make it clear that portfolio holders do not direct staff

- Advantages:

- Presence of other committee members and advisory mandate restrains portfolio holders from directing staff

- Disadvantage:

- For small First Nations, possible capacity issues



Four Options for Better Governance

Option 4: Have portfolio holder formally assume program manager role

- Do away with program managers and a First Nation administrator
- Have Council members administer portfolio programs directly



Four Options for Better Governance

Option 4: Have portfolio holder formally assume the program manager role

■ Advantage:

- For small First Nations, accommodates capacity issues
- For a relatively stable community and Council, it might work

■ Disadvantage:

- Like Option 1, also a radical solution
- High governance risks: politicizing program delivery, rapid turnover of Council, bedrock principle of collective authority of Council violated



Conclusions

1. There are understandable reasons why Aboriginal communities might prefer a portfolio system.
2. That said, the system comes with a host of potential problems.
3. Because the system imperils all principles of good governance, no option retaining it will eliminate the problems it creates.



Conclusion

4. Whichever option they choose, First Nations should adhere as far as possible to these two principles:
 - Council *as a whole* holds the authority to make decisions affecting community well-being
 - Council and staff work together as partners, with distinct but overlapping roles