Complaints mechanisms in health organizations

Strategies to increase transparency and accountability often include complaints mechanisms by which organisations can respond to individual suspicions of corruption and other grievances. This Brief discusses how complaints mechanisms have been used by the vigilance director for health's office in Karantaka state, India, and by Partners in Health – an international NGO that manages health service delivery projects. These cases suggest that complaints mechanisms should be reinforced by political and judicial systems that support investigation and prosecution. A focus on individual level grievances should be balanced with institutional reforms that address management and accountability problems that complaints may reveal.

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Benefits of complaints mechanisms

Complaints mechanisms are an important way an organization can get a "tip" about ongoing fraud or misuse. This can help organizations to investigate fraud and improve systems to reduce risk in the future. Complaints mechanisms allow organizations to gather information, so that they can redress individual grievances and improve the quality of administrative systems over time. The cases reviewed in this Brief examine complaint mechanisms designed, and largely implemented, by the party being monitored.[1]

Having a complaints mechanism can help promote better communication within different units in an organization or among field sites. Information shared during the complaint process can allow an organization to identify and address potential trouble spots, including careless or incompetent staff or unworkable official procedures, which can lead to abuses or unaccountable actions. A complaints mechanism can also provide a channel of communication between the organization and external stakeholders or beneficiaries. It can allow an organization to understand the client perspective, detect patterns in the complaints, or reconcile differences between beneficiary perceptions and the organization's own records. This information can be used to reduce disparities in access, improve satisfaction, and generally allow the organization to be more accountable and responsive to beneficiaries.

Complaints mechanisms can help generate positive attitudes toward government or the organization itself, as beneficiaries feel they have recourse if they experience abuse or suspect misconduct, and if beneficiaries believe that their complaints will result in change. Citizens may then be more inclined to participate in governance activities such as community boards. Employees may also experience increased morale when provided with a credible avenue for voicing complaints.

Vigilance office for the health sector in Karnataka, India

The term "vigilance" means watchfulness. Vigilance offices have been used to keep watch over the integrity of organizations, and to take steps to avoid dangers of abuse of power or corruption.[2] In a health care organization, a vigilance or ethics office can secure redress for patients, check the discretion of decision makers involved in health service delivery, ensure compliance with regulations such as conflict of interest rules, investigate complaints, and provide counselling and training on ethics to educate employees about their "democratic responsibilities."[3] Such an office can serve an important function in government and non-governmental organizations (NGOs), as well as in aid-funded projects. Karnataka, India, provides a case study on the benefits and pitfalls of creating a vigilance office at the sectoral level to address health issues.[4]

With a current population of 70 million, Karnataka is a state located in southwest India. In 1999, the population elected a chief minister who was committed to fighting corruption and led reforms that included strengthening the Karnataka *Lokayukta* (ombudsman's office), an external state vigilance body created to investigate and report on allegations or grievances related to the conduct of public officials. The Lokayukta office did not generally have technical experts on staff, instead relying on collaboration with other government offices to obtain needed expertise. However, due

to the number of health-related complaints, the Lokayukta appointed a new vigilance director for health, education and family welfare (VDH) to handle complaints specific to the health sector.[5] The appointee had previously led health reforms in the state and was knowledgeable and well-respected.

The Lokayukta and VDH began working closely on issues of corruption and health. They hoped to address problems such as corrupt tendering processes, diversion of public sector drug supply to private pharmacies, substandard medicines, informal payments, and unnecessary referrals. They would do this by raising public awareness, increasing public willingness to file complaints, making unannounced inspection visits to health facilities, investigating complaints, and penalizing government workers who abused their offices. Verbal or written complaints could be submitted anonymously, after which the Lokayukta and VDH would make informal inquiries. However, to start an official investigation, a complainant needed to submit a signed affidavit or sworn statement, and once the affidavit was signed, it was difficult to keep the complainant's identity confidential. After a preliminary inquiry into the complaint, the Lokayukta and VDH would determine whether a larger investigation was warranted, and the Lokayukta carried out the investigation.

BOX 1: REPORTED COMPLAINTS AND RESULTS OF THE KARNATAKA LOKAYUKTA, 2001–2005

Period	Complaints received	Investigations launched	Prosecutions launched	Convictions
2001-2002	1985	241	125	18
2002-2003	7256	173	168	10
2003-2004	7732	109	145	19
2004-2005	7096	105	123	41

Between 2001 and 2005, the Lokayukta and VDH visited all 202 provincial and district-level administrative units, handling 100–200 complaints during each visit. Citizen complaints on all topics increased threefold under their leadership, from 1,985 in 2002 to 7,096 in 2005 (Box 1). This was due to proactive outreach activities organized by the Lokayukta and the VDH, as well as their perceived independence and approachability. The most serious complaints were referred to the Lokayukta's police unit of the Karnataka Lokayukta for investigation, and some (mostly low-level) officials were prosecuted. The Lokayukta and the VDH also helped to strengthen governing boards of public health facilities by encouraging citizen participation and the engagement of civil society organizations.

Although the Lokayukta launched over 800 investigations from 2001 to 2005, the average number of investigations initiated per year was low due to several factors. First, the investigations required efforts by the state police, which lacked investigative capacity and procedures. This resulted in poorly framed accusations and court orders to suspend judicial proceedings, along with other delays. In addition, the efforts to prosecute brought to light conflicts in authority that were difficult to resolve. For example, it was unclear whether prosecutions should be governed by weaker federal laws or by stronger state-level anti-corruption statutes. Furthermore, the enabling legislation for the Karantaka Lokayukta did not give the Lokayukta full authority over all investigations: if a deputy in the Lokayukta office began an investigation but then went on leave, no other staff could make decisions on this case until the deputy returned. These factors slowed efforts to hold civil servants accountable for wrongdoing.

Researchers from the University of Leeds evaluated Karantaka Lokayukta and VDH activities from 2001 to 2006 (see note 4) and found that they largely achieved their goal of increasing citizen awareness and overcoming citizen apathy. The Lokayukta and VDH mobilized citizens to come forward, as illustrated by the increase in complaints received. Citizens' trust in government increased as they observed administrative efforts to control corruption. The Lokayukta and VDH also helped improve governance in specific health facilities by increasing citizen involvement in boards. In addition, officials could analyse the submitted complaints to categorize and better understand citizens' main healthcare concerns (that is, absenteeism, poor attitudes of care givers toward patients, stockouts of medicines, and requests for bribes) and to detect patterns in how the problems were occurring (such as geographic concentration, times of month, and gender of complainant).

However, committed leadership and a robust level of public complaints were not enough to overcome legislative and justice system constraints that limited the extent to which officials could be held accountable. The Karnataka Lokayukta and VDH were often thwarted in efforts to prosecute higher level officials engaged in wrongdoing.

A key lesson from the Karnataka experience is that citizens need to be aware of their rights and available channels for complaint, but that this alone cannot overcome legislation, rules, and regulations that do not allow society to hold officials accountable. Although the Lokayukta and VDH seem to have done well in encouraging complaints, follow through was problematic. These problems only became visible once the Lokayukta and VDH began to test these systems by following through on complaints. Yet, overwhelmed by individual cases, the Lokayukta and VDH had little time to focus on promoting needed institutional changes. Citizen support could potentially help drive these reforms, for example, if citizen groups were to show elected officials how their support for transparency and accountability will benefit their reputation with constituents (and, in turn, their tenure in office).[6]

Partners in Health: Incorporating a complaints mechanism into an NGO

NGOs provide another perspective on the value of complaints mechanisms to address corruption and increase accountability. NGOs may collaborate or operate in tandem with government to provide free or low cost services to disadvantaged people. Therefore, complaints mechanisms in NGOs can help control against fraud and other abuses of power, gather information to improve organizational performance, and increase employee motivation.

PIH is an NGO operating as a non-profit charity based in Boston, United States. It has 6,000 full-time employees and field sites in Haiti, Rwanda, Lesotho, and other countries

around the world.[7] The organization's mission is to bring high quality health care to poor and sick populations in the developing world.

PIH developed its complaints mechanism as part of a larger fraud control initiative. This was implemented in response to feedback from site leaders that senior leadership was not doing enough to reinforce the values of transparency, accountability, and integrity. A strong ethical tone from the top and clearly articulated policies and procedures were lacking. Therefore, PIH started a strategic initiative called "Maximizing Value to Patients" (MVP), with a goal of ensuring that money and other resources went to patients, rather than being diverted or misused for personal gain.

As a first step, PIH formed a high profile committee including staff from headquarters and each field site. Each member of the committee had functional expertise in an area deemed "high risk" by the committee co-champions – human resources, finance, and procurement. The committee discussed the corruption risks faced at different levels of the organization, how these risks could be reduced, and the ways PIH could maximize value to patients. They consulted with outside accountants, auditors, and fraud control experts as needed.

From these discussions, PIH developed a list of essential components for its initiative (Box 2). In addition to a complaints mechanism, these included a code of conduct, disciplinary guidelines, procedures manuals, and an internal audit plan. Together, these interventions were meant to create transformational change essential to achieving the overall goals of improving organizational efficiency and effectiveness, and reducing the risk of fraud and abuse. Each component is discussed below.

BOX 2: COMPONENTS OF PIH'S MAXIMIZING VALUE TO PATIENTS

Component	Description
Code of Conduct	A document with organization-specific definitions of what is required. Sets expectations for all employees with regard to ethical conduct. Defined consequences for failure to meet standards.
Complaints Mechanism (Hotline)	Service that provides employees a means to report unethical conduct. Allows anonymous reporting of suspected fraud.
Disciplinary Guidelines	Procedures to be taken when an employee is suspected of unethical conduct.
Manuals	Internally consistent procedures and policies for human resources management, financial management, and procurement, understood by all employees.
Internal Auditing and Control	Procedures and frequency for internal audit of field sites, as well as external audit policies and procedures.

Codes of conduct are often a first step in incorporating ethical values in organizations. A code of conduct codifies expectations of employee performance throughout the organization and emphasizes professional values and behaviour. PIH developed a code of conduct that covers conflicts of interest, kickbacks, procurement practices, giving and accepting gifts, and the other topics.[8]

Not only did the code of conduct set forth expectations,

but it also forced PIH leaders to discuss their opinions about issues on which they had not previously reached consensus, such as fraternisation among employees and conflicts of interest, and to develop an organizational position on these issues. All employees now receive a copy of the code and sign a form acknowledging that they have read it and agree to follow it.

The complaints mechanism (hotline) is another frequently used method to promote ethical behaviour. According to the Association of Certified Fraud Examiners, 40% of fraud in the United States is discovered through tips, and less than 5% through regularly scheduled external audits.[9] According to one study, the most effective complaints mechanisms are available around the clock, allow for anonymous reporting, are maintained by an independent third-party provider (since anyone in the organization could be involved in the fraud), and are staffed by trained professionals. In addition, employees are aware that the mechanism exists and know how to use it.[10]

PIH's complaints mechanism was meant for employees only. PIH decided to use a third party commercial firm (Ethics Point, now known as NAVEX Global) to run the organization's hotline for reporting unethical, inappropriate, or unlawful behaviour.[11] Through the third party firm, employees can voice concerns about illegal or unethical activities while maintaining confidentiality and anonymity. Employees can submit concerns online or by phone, and reports are captured in a central repository to support investigation and problem solving.

During the hotline's first two years of operation , only two complaints were submitted. Both calls involved human resource issues rather than fraud. According to one PIH leader, this rate is similar to that of other similarly-sized NGOs, and use may be low because employees feel comfortable sharing tips through other channels (such as to their field team leaders). Nevertheless, PIH leadership feels the hotline is worthwhile: having recourse to the anonymous tip line helps employees feel more secure, and the cost of maintaining the hotline could be recouped if even one case of fraud is detected over many years.

Disciplinary guidelines are another important accountability mechanism. Recognizing that these guidelines could help people at field sites deal with fraud allegations, PIH established a disciplinary review committee at each field site and provided intensive training on how to apply the guidelines to specific cases. This committee helps check the discretion of senior field site leaders, since the top two leaders at each site do not participate on the committee. Although senior site leaders have veto power over committee recommendations, so far they have agreed with the recommendations issued. In addition, the committee approach to disciplinary procedures helps avoid the risk of organizational leaders favouring personal associations (or appearing to do so), since responsibility is diffused among committee members.[12]

Procedure manuals. PIH's procedure manuals provide guidance to staff to help them avoid unintentional mistakes and misunderstandings. As part of the MVP initiative, PIH edited the procedure manuals for human resources, financial management, and other functions to make them more consistent. In addition, PIH aligned the content of the manuals to the code of ethics. For example,

the human resources manual now includes detailed guidance for handling conflicts of interest.

Internal audit is the third most effective method for initial detection of frauds, after tips and management review.[13] As part of the MVP, PIH set up a plan for internal audit of its field sites, and additional control procedures have been built into monthly financial close routines. More staff trained in internal audit are needed to fully implement this plan, however.

The PIH experience shows that a transformational change can originate with field staff, but that central leadership is also essential. PIH field staff had a desire for fraud control guidance, but central-level leadership needed to endorse and fund the program. An advantage of the MVP was that packaging the fraud prevention and control activities as a single initiative forced PIH to accomplish a lot quickly, including things that might normally have been pushed to the back burner (such as updating manuals and developing disciplinary guidelines). The initiative was given a high profile and presented at board-, audit-, and investment committee meetings, and in other settings where stakeholders were gathered. MVP committee members were chosen through a selective process, and it was seen as an honour to participate. These aspects helped raise the quality of the work and assured that it was given priority.

In addition, PIH's experience suggests that implementing a holistic anti-fraud program requires a lot of time up front to consult with staff, generate effective tools and other materials. Less time is needed later to maintain and update the components and to report on activities. The MVP committee structure was helpful in developing initial components and

launching the program. In the past two years, incidents of fraud have decreased at PIH, which leaders feel is largely due to the MVP program.

Conclusion

Complaints mechanisms are important tools to support anti-corruption goals and improve health outcomes. The two case studies support the idea that complaints mechanisms should be an integral part of any comprehensive strategy to reduce risk and promote integrity. They can play an important role in signalling to employees and/or citizens that they have a significant role in governance and that their participation and feedback is valued and important.

The Karnataka experience shows that hiring a vigilance officer with a specific sector expertise led to more targeted efforts to increase public awareness and reduce apathy, which then led to an increase in complaints that the Lokayukta could address in order to further health. The PIH experience shows that complaint mechanisms can be aligned with other tools to increase transparency, integrity, and accountability in a large non-profit health organization.

Both cases also illustrate that a complaints mechanism is only one part of a comprehensive approach to transparency and accountability in health care. In PIH, the complaints mechanism was part of a combined package of interventions designed to work together to reduce risk and promote integrity. In Karnataka, the complaints mechanism helped bring systemic problems to light, but more effort is still needed to overcome judicial and political constraints on holding officials accountable.

Further reading

World Bank, "Feedback Matters: Designing Effective Grievance Redress Mechanisms for Bank-Financed Projects," Parts 1 and 2, Social Development Department, Policy Report 69206 (Washington: World Bank, 2012).

Notes

1. This Brief was written by Taryn Vian based on review of published and unpublished documents and interviews. Discussions with Ann Quandt, Vice President of International Finance for Partners in Health, Boston, United States, and Reinhard Huss, Senior Teaching Fellow at the University of Leeds, United Kingdom, were especially helpful.
2. James Weber and David M. Wasieleski, "Corporate Ethics and Compliance Programs: A Report, Analysis and Critique," *Journal of Business Ethics* 112, no. 4 (2013), 609–626.
3. Dennis F. Thompson, "Paradoxes of Government Ethics," *Public Administration Review* 52, no. 3 (1992), 254–259.
4. The description of the Karnataka case study is summarized from R. Huss, A. Green, H. Sudarshan, S. S. Karpagam, K. V. Ramani, G. Tomson, and N. Gerein, "Good Governance and Corruption in the Health Sector: Lessons from the Karnataka Experience," Health Policy and Planning 26 (2011), 471–484.
5. Some, but not all, other states in India also have Lokayukta. These offices are set up by state government mandate, and enabling legislation and mandates may vary. Karantaka is considered to be more advanced than other states in terms of governance structures.
6. Jennifer Davis, "Corruption in Public Service Delivery: Experience from South Asia's Water and Sanitation Sector," *World Development* 32, no. 1 (2004): 53–71.
7. Partners in Health: www.pih.org
8. Internal PIH document (July 2013).
9. Joseph T. Wells, *Principles of Fraud Examination* (Hoboken, NJ: John Wiley & Sons, 2010).
10. Thomas A. Buckhoff, "The Benefits of a Fraud Hotline," CPA Journal (July 2003), http://www.nysscpa.org/cpajournal/2003/0703/dept/d076203.htm
11. EthicsPoint/NAVEX Global is a global provider of integrated hotline and web-based ethics reporting systems and software. http://www.ethicspoint.com
12. Daniel Jordan Smith, *A Culture of Corruption: Everyday Deception and Popular Discontent in Nigeria* (Princeton: Princeton University Press, 2007).
13. Wells, *Principles of Fraud Examination*.