BRITISH COLUMBIA'S CORONER SYSTEM:
A MODEL FOR PUBLIC GOVERNANCE

by

Shane DeMeyer
B.A. University of Victoria, 1991

THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

THE UNIVERSITY OF NORTHERN BRITISH COLUMBIA
July 2010

© Shane DeMeyer, 2010
Abstract

This project studies the potential benefit of corporate governance structures within a provincial government milieu. Provincial government has historically followed traditional constitutional governance structures to optimize its services to the public. It is posited that corporate governance structures are analogous to those of government with the member of the public being analogous to the shareholder in a corporate environment. Further, it is put forward that the utilization of corporate governance theories could create efficiencies within government. The British Columbia Coroners Service is employed as a model within the provincial government to illustrate the current form of governance and to evaluate potential future efficiencies. Agency and transaction cost theories are utilized to examine the British Columbia Coroners Service within the context of the provincial government. The findings from this study indicate that corporate governance structures are applicable to the provincial government and that their use could assist in the optimization of the services within government.
# Table of Contents

Abstract .................................................................................................................. ii

Introduction ............................................................................................................. 2
  Provincial Government .......................................................................................... 2
  British Columbia Coroners Service ................................................................... 3
  Purpose of the study .............................................................................................. 5

Methodology ........................................................................................................... 6

Literature Review .................................................................................................. 8
  Constitutional Economics ................................................................................... 8
  Agency Theory .................................................................................................... 11
  New Institutional Economics ............................................................................. 18
  The Competency Perspective ............................................................................. 23
  Budgeting and contract costs ............................................................................ 24

Current Model: British Columbia Coroners Service .......................................... 26
  Investigations .................................................................................................... 26
  Inquests .............................................................................................................. 29
  Child Deaths ...................................................................................................... 31

Organizational Structure ....................................................................................... 32
  Operations .......................................................................................................... 33
  Policy and Research Systems ............................................................................. 35
  Legal Services and Inquests .............................................................................. 36
  Medical Investigations ....................................................................................... 37
  Identification and Disaster Response Unit ....................................................... 38
  Child Death Unit ............................................................................................... 39

Analysis ................................................................................................................. 40

Conclusions and Recommendations ..................................................................... 48

Bibliography .......................................................................................................... 53
List of Figures

Figure 1 Flowchart from the Public to British Columbia Coroners Service 5

Figure 2 Agency Theory Overview 12

Figure 3 Williamson’s Six Keys 21

Figure 4 British Columbia Coroners Service Organizational chart 33

Figure 5 BCCS Operations Hierarchy 33

Figure 6 Government and Corporate Governance Structures 43
Introduction

The Provincial Government of British Columbia is in constant tension with the British Columbian public to provide the best service possible at the lowest possible cost. The public contributes taxes which they expect will be used in the most efficient manner to supply the services they believe the government should be providing.

This strain has become even more pronounced given the recent global recession which has limited the amount of revenue collected by the Province. Limited revenue means that government is constrained in the amount of capital available to fund services for the public. Inadequate resources suggest that a focus on getting the most service, for the least amount of money, becomes necessary. Program efficacy becomes a priority for government so as to make the limited revenue go as far as possible. The public expects the government, as their representative, to commit to this measure.

Provincial Government

The Provincial Government of British Columbia is responsible for the implementation of services within the province. This process is lead by the elected government who acquired the majority of seats during the most recent election. For the purposes of this study, I will review three areas for which government is accountable to the public.
First, the government is responsible to establish the program lines of the Province. This requires the government to identify the priorities that they would like to address. From this work flows the establishment of the different Ministries within government. Within each of these Ministries resides the responsibility for a particular line of service. As an example, a “Ministry of Education” may be responsible to ensure education is available for the populace.

Second, the government is responsible for setting the overall budget which will limit how much money will be spent by government. In addition to the overall money to be spent, the budget will also identify the specific ministries to which the money is to be allocated.

Third, within the Ministries, government is responsible for identifying and developing the particular services that are to be offered to the public. Using the earlier example of a “Ministry of Education”, government is accountable for the educational priorities that the Ministry is to meet. This might entail placing an emphasis on specific areas of education such as literacy or social competencies. Finally, the Ministry must decide on service models. Specifically, who is going to provide the service, and at what cost?

British Columbia Coroners Service

The British Columbia Coroners Service (BCCS) was established in 1871 at the time British Columbia joined the confederacy in Canada. However, it wasn’t until the British Columbia Coroners Act of 1960 (Province of British Columbia 1960) that the roles of the modern day Coroner were first established. Although the job duties were identified, this
legislation made the BCCS responsible to the province as well as the local municipalities in which the Coroners were working. This Act was amended in 1972 to transfer all responsibility for the BCCS to the province (Province of British Columbia 1979). The mandate for the BCCS is to investigate and report on all sudden or unexpected deaths within the province of British Columbia. Essentially, the BCCS is to investigate all deaths with the exception of those that were from an expected natural disease process (e.g. cancer, heart disease etc.). The results of these investigations are to lead to better prevention of deaths in the future.

The BCCS is led by the Chief Coroner who delegates his legislated authority to the individual Coroners throughout the Province. As part of the provincial government, the BCCS reports to a Deputy Minister for the Ministry of Public Safety and the Solicitor General. The Deputy Minister is the highest ranking public servant within the Ministry, and he/she reports to the Minister who is elected by the public. As an elected member of the Legislature, the Minister is responsible to the people of British Columbia.
Purpose of the study

This study will focus on the relationships between the public, politicians and public servants. Specifically, I will be looking at two primary questions. First, is it possible to utilize corporate governance models as a parallel to the governance of the British Columbia Government? Second, if corporate governance models prove to be analogous, is it possible to utilize these models to address efficiencies within government? The program delivery of the
British Columbia Coroners Service will be used as the model for this study. The three primary theoretical models to be utilized are constitutional economics, agency theory, and transaction cost economics.

Methodology

This study utilizes a 5 step process to answer the two research questions. The first step involves the completion of a literature review of all relevant research to provide a focus for approaching the governance questions. Using constitutional theory, the evolution of the present bureaucratic system in British Columbia is explored. The current legislative system has been drawn from the model developed in Great Britain which looks to the development of constraints to ensure the proper actions of those within the system.

This study employs agency theory to examine the relationship between the principal and the agent in the British Columbian system. For this study we will define the principal as a citizen within British Columbia. The agent will be defined as the public servants who are entrusted to deliver the services to the public. Specifically, we will be looking at the different mechanisms that can be utilized to ensure the agent is fulfilling the wishes of the principal.

This study uses the transaction cost economics of Oliver Williamson (Williamson 2008, 7). By utilizing this approach to the analysis of transactions, both inside and outside the firm, we will examine how to optimize the efficiency of the transactions.
The second step in the study is to illustrate the mandated responsibilities of the British Columbia Coroners Service. These responsibilities are assigned by the elected members of the Legislature and are the required services of the BCCS.

In contrast, the third step in this study is to analyze the current operation of the BCCS. This review examines the physical makeup of the BCCS as well as the services that are currently being offered to the public.

The fourth step in the study is to utilize the research literature, mandated responsibilities, and the actual operation of the BCCS to answer the two research questions: Is it possible to utilize corporate governance models as a parallel to the governance of the British Columbia Government? Second, if corporate governance models prove to be analogous, is it possible to utilize these models to address efficiencies within government? Finally, the fifth step is to address any recommendations that may come from this research.
Literature Review

The study of provincial authority in British Columbia has been relegated predominantly to the realm of political scientists and lawmakers. Governance processes within a provincial government have not received a high level of analysis. As such, there has been little study of the progression from the initial wishes of the voters, to the endpoint actions of the government within a provincial framework.

This study will utilize an economic perspective to illustrate there is a parallel between provincial and corporate governance. In addition, by drawing primarily from constitutional economics, agency theory and transaction cost economics, it will be shown that different forms of governance can affect differentially the nature of the relationship between the government and the public to whom they are responsible. The British Columbia Coroners Service will be used as the model for this examination.

Constitutional Economics

Van den Haenumerate stated that constitutional economics was an evolution from the earlier “public choice” branch of economics (Van den Haureau 2005, 223). Van den Haureau placed his emphasis on “the rules that define the framework within which the ordinary choices of economic and political agents are made” (Van den Haureau 2005, 224). Therefore, the rules that constrain
or limit the actions of political and economic agents are under examination. This is in contrast to the more orthodox approach which had the agent at the centre of the examination. As a result of this focus, the choice of constraints is reviewed as opposed to the choices that may be made by an agent within the constraints.

Buchanan discussed what the appropriate question would be for a constitutional economist to study. (Buchanan 1993, 1) He believed it was important that constitutions be designed that would allow the survival of the public serving agent who had to work within them. Buchanan used the example of the politician who made decisions contrary to the public good so that he/she would be re-elected. He postulated that rather than having the agent behave improperly to secure their own position, the rules around the politician should be created that would allow those serving the public interest to survive. Buchanan’s work reflects the ideals initially set forth by Knut Wicksell that attempting to influence the behaviour of agents within a system is fundamentally flawed (Wicksell 1896). He suggested that the more effective path was to identify and establish rules which limit the choices that can be made by the agents who fall within these rules.

Buchanan also discussed the notion of the most efficient path (Buchanan 1987, 247). Contrary to some beliefs that the most efficient option leads to consent from the people, Buchanan argued that it is actually consent from the people that leads to the most effective path. Basically, that if the people agree, efficiency flows from this agreement. Buchanan explains that this agreement does not require unanimity (Buchanan 1987, 247). A simple majority is sufficient for this measure to be successful.
Van den Hauwe states that this type of agreement acts as a social contract for the mutual
benefit of the individuals (Van den Hauwe 2005, 230). It establishes social cooperation that will
inevitably lead to the greater good of the majority. As this agreement should then be viewed as a
public good, Van den Hauwe asserts the importance of maintaining this contract.

Despite the implementation of constraints following agreement by the majority, Van den
Hauwe states that it is to be expected there will be individuals, as well as groups, that will
attempt to contravene the agreed upon constitution (Van den Hauwe 2005, 230). He goes on to
say that without a strict constitution, opportunism can take two primary forms. First, individuals
may seek to surpass the existing cooperative agreement for personal gain. Second, special
interest groups may attempt to supersede established rules by placing inappropriate pressure on
politicians. He states that the “incentive to engage in rent-seeking activities is directly
proportional to the ease with which the political process can be used for personal (or interest
group) gain at the expense of others” (Van den Hauwe 2005, 231). Buchanan’s earlier findings
on constitutional constraints support Van den Hauwe’s assertions (Buchanan 1997, 3).

This “rent-seeking” behaviour that had been identified by Van den Hauwe was assessed
further by Merville and Osborne (Merville and Osborne 1990, 21). Using basic principal-agent
theory (principal=citizen, agent=government), Merville and Osborne state that vote maximizing
agents can make arrangements with special interest groups to ensure they receive the necessary
amount of votes to stay in power. This arrangement creates a situation where an inordinate share
of the public goods can be controlled by a small group in exchange for votes for the politician.
Buchanan asserts politics should function through a principle of generality that states all people
should benefit from political action regardless of their inclusion in any particular group
(Buchanan 1997, 6).
Agency Theory

Jensen and Meckling (Jensen and Meckling 1976, 5) state that agency problems occur when the principal and the agent have different goals. Consistent with this statement, Eisenhardt states that agency theory is concerned with the situation that arises when one party (the principal) delegates work to a second party (the agent) (Eisenhardt 1989, 58). Eisenhardt reports that the theory can be utilized to study difficult contracting relationships (Eisenhardt 1989, 58). As examples, she identifies three situations where agency theory is beneficial:

a) potential conflict between principals and agents where the agents may take advantage of the situation,

b) there is risk associated with the successful completion of a project, and

c) jobs in which it is difficult to measure the amount of work being completed.

These three situations fall into two main categories of problems. The first problem arises when the principal and agent have different goals and it is either difficult or expensive for the principal to monitor if the agent is behaving properly. An example of this type of problem is when an agent is being paid an hourly wage to complete a project, and the principal doesn't know if the agent is behaving in an appropriate manner (i.e. applying a reasonable amount of effort on behalf of the principal). The second major problem arises when the principal and the agent have different ideas towards risk. This situation can arise when there is the potential issue of the job not being able to be completed for reasons beyond the control of principal or agent.
Eisenhardt concludes there are seven main components to agency theory (Eisenhardt 1989, 59).

1. **Key idea**
   Principal-agent relationships reflect efficient organization of information and risk-bearing costs

2. **Unit of Analysis**
   Contract between principal and agent analysis

3. **Human Assumptions**
   - Self-interest
   - Bounded rationality
   - Risk aversion

4. **Organizational assumptions**
   - Partial goal conflict among participants
   - Efficiency as the effectiveness criterion
   - Information asymmetry between principal and agent

5. **Information assumption**
   Information as a purchasable commodity

6. **Contracting problems**
   - Agency (moral hazard and adverse selection)
   - Risk sharing

7. **Problem domain**
   Relationships in which the principal and agent have partly differing goals and risk preferences (e.g. compensation, regulation, leadership, impression management, whistle-blowing, vertical integration, transfer pricing)

*Figure 2 Agency Theory Overview (Eisenhardt 1989, 59)*
This model helps explain that the participants in a contract are the principal and the agent. It further illustrates the possible limitations of the individuals within the contract. These include self-interest, limited information and the aversion to personal risk.

Jensen is a precursor to Eisenhardt’s later assertions regarding the nature of contracting between principals and agents (Jensen 1983, 27). Jensen describes the lens of principal agent study to be focused on optimal risk sharing and contractual arrangements. He identifies three themes that are components of principal-agent relationships (Jensen 1983, 27):

1) the preferences of the parties to the contract,
2) the nature of uncertainty, and
3) the informational structure in the environment.

In relation to positive contractual arrangements within organizations, he states that “the organizational form, its contracts, will be those that minimize the agency costs” (Jensen 1983, 22).

Within agency theory a “positivist” stream has developed that deals primarily with governance mechanisms that could address the agency problem (Jensen, 1983, 4). Eisenhardt states that within this stream a series of propositions were developed to look at how to manage potential agency problems (Eisenhardt 1989, 60). Specifically, they address issues surrounding the nature of the contracts being considered. For instance, they assess when an outcome based contract (e.g. principal pays an agreed upon price to the agent for a particular end product) is more efficient than a behaviour based agreement (e.g. principal pays the agent a salary to work on a project). In addition, they also address factors including risk, information systems, task programmability, outcome measurability and goal conflict between the principal and agent. By
evaluating the different basic variables, the propositions outline a relative optimal form of agreement.

For the purposes of this study, we will examine five of the ten principles (Eisenhardt 1989, 60).

**Proposition 1:** When the contract between the principal and agent is outcome based, the agent is more likely to behave in the interests of the principal.

**Proposition 2:** When the principal has information to verify agent behaviour, the agent is more likely to behave in the interests of the principal.

**Proposition 3:** Information systems are positively related to behaviour-based contracts and negatively related to outcome-based contracts.

**Proposition 4:** Outcome uncertainty is positively related to behaviour-based contracts and negatively related to outcome-based contracts.

**Proposition 5:** The risk aversion of the agent is positively related to behaviour-based contracts and negatively related to outcome-based contracts.

In addition to these propositions, it is important to measure the trade-off between the cost of measuring behaviour, measuring outcomes and the cost of transferring risk. Overall, agency theory predicts that risk-neutral managers are likely to choose the "make" option (behaviour-based contract), whereas risk-averse executives are likely to choose the "buy" (outcome-based contract).

Within agency theory it is asserted that if the principal was able to provide the right incentives to their agents, the company would run without pause. Although there are a great
number of companies that utilize incentive contracts (outcome-based), Miller and Whitford stress that most rely upon monitoring and sanctioning to motivate agents (Miller and Whitford 2006, 213). Monitoring agents is seen as one way to combat the moral hazard that can arise from agent self-interest. They discuss the problem of aligning the effort of the agent with the return on that effort. In particular, this issue arises when the effort is unobservable to the principal. This creates an information asymmetry as the principal cannot know what other factors may have been present that influenced the amount of return.

Miller and Whitford use the example of a tenant farm worker (agent) and the absentee landowner (principal) (Miller and Whitford 2006, 216). There is an outcome based contract that stipulates the principal will receive a percentage of the profits from the agent’s working of the land. The principal will not know the level of effort put forth by the agent as it is unobservable. A decline in return could be from other variables such as poor weather. Conversely, the crop could improve through good weather even though the farmer shirked that season.

To address this informational discrepancy, the landowner has the ability to implement monitoring systems that might indicate the level of work done by the farmer. It might also be able to highlight any external variables that affected the crop yield. This monitoring system adds additional expense that might make it inefficient to utilize, however, it does lower risk to the principal.

Miller and Whitford discuss the difficulty of aligning incentives when there is information asymmetry (Miller and Whitford 2006, 214). Basically, it becomes difficult for the principal to replace monitoring an agent with a more efficacious outcome based system. This
leaves the principal to either assume more risk or adopt the more efficient monitoring to address the information asymmetry and potential moral hazard.

Miller and Whitford state that incentive based contracts have two primary constraints (Miller and Whitford 2006, 215). The first constraint is the ability of the agent to achieve the desired outcome. If the agent suffers from a social efficiency constraint, they assert that the level of bonus necessary to make a difference would be inefficiently large. In this circumstance a monitoring and sanctioning system would be most effective.

The second constraint refers to a moral hazard for the principal. This arises when the principal won’t implement an incentive system even though it would be efficient. This is what they refer to as the “principal’s moral hazard”. This hazard is a result of the level of incentive necessary to motivate the agent being too high for the principal. Although this level of incentive may not be inordinately large, it is possible for the principal to receive a higher profit from a less efficient monitoring based system. In essence, the principal could make more money by having the agent produce less with the inefficient monitoring system, than to implement an efficient outcome based structure for higher returns.

du Plessis states that attempting to use the “Agency Logic’ (Zajac & Westphal, 2004, p. 435) that underpins governance and its reforms and that considers the primary domain of corporate governance as managing the dyadic tension between management and shareholders” is ineffective (du Plessis 2008, 783). This tension is based on the assumption that the shareholder (principal) is only interested in having management (agent) make them money. Instead, he states that it is more effective to work with the assumption that the principal is actually a stakeholder who is interested in having more than increased money as the deliverable.
In contrast to agency logic, du Plessis proposed the creation of a new “value logic” based on stakeholder theory (du Plessis 2008, 792). He identified that the view of the corporation as an investment system has limited our perspective of shareholder value to only that of a financial resource. He doesn’t deny that financial returns are important to shareholders, but he states that these shareholders are also able to identify other positive characteristics of a company. The recent growth of environmentally friendly investment portfolios would support this assertion.

In addition, du Plessis stated that he believed there were concerns about the wishes of the principal, but he also expressed concern about the potential for self-interest from the agent. To address both of these concerns, du Plessis suggests the “MacMill proposals” first introduced by MacAvoy and Millstein (MacAvoy and Millstein 2003, 107). du Plessis states that these proposals address two main issues (du Plessis 2008, 784). First, in corporate governance, they identify the need for the board to be independent. In particular, the importance of having the chair of the board be independent rather than the CEO of the company. This assists in ethical concerns about the board potentially being in a conflict of interest regarding decisions for the company. In particular, this addresses the concern about the board being comprised of individuals from the management who are engaged in self-interested behaviour.

Second, du Plessis states that the MacMill proposals address the need for the board to be responsible for strategy formulation, risk management and financial reporting (du Plessis 2008, 784). This course ensures that management does not engage in self-interested behaviours at the cost of the company. It also ensures that the correct information makes it to the board for their decision making. An example would be management emphasizing growth maximization. This growth may benefit the management through bonuses and greater prestige, but it could be at the cost of the company.
In addition, du Plessis (du Plessis 2008, 786) highlights that boards have a legal requirement to act in the best interests of the company. In Smith v. Van Gorkom (1985), the Delaware Supreme Court directed a judgement against the board of Trans Union for negligently agreeing to a buyout proposal that had been put forward by the CEO and chair of the board. The courts found that the board gave approval to the buyout without giving adequate thought or seeking any outside expert advice. They also stated that the board was negligent by not disclosing all relevant information prior to seeking approval from their shareholders.

**New Institutional Economics**

In 1986, R.C.O. Matthews stated that the new institutional economics (NIE) was formed around two propositions (Matthews 1986, 903). First, institutions do matter. Second, institutions are capable of being studied through economic theory. The transaction cost foundation of NIE is based upon three main fields: economics, organization theory, and law (Williamson 2008, 10). Williamson explains that all three fields had rebelled against the previous resource allocation theories that oversimplified the institution into basic inputs and outputs. It wasn’t until the 1970’s that the development of transaction cost economics transpired (Williamson 2008, 12).

Although it is clear that economics would be the basis of NIE, organization theory is also important (Williamson 2008, 10). Williamson describes organization theory has having three important features relevant to NIE.
1) There is a variance in human capacity throughout the population.

2) Humans have “bounded rationality”.
   - This term is defined by Simon as “intendedly rational, but only limitedly so” (Simon 1957, xxiv).

3) There is a multi-divisional structure which allows strategic and operational decisions to be separated. Thus, organizational theory provides a foundation for the focus on contracts (Williamson 2003, 917).

David M. Kreps asserts that in traditional economics, the firm is equivalent to an agent (Kreps 1990, 96). With an NIE lens, Kreps posits that a firm is more like a market where individuals can transact. Despite this difference, agency theory and transaction cost economics have some similarities. Barney and Ouchi discuss that the two theories share the important assumptions of self-interest and bounded rationality (Barney and Ouchi 1986). However, despite these shared assumptions, the two theories come from different foundations in economics (Spence 1975, 164).

John R. Commons presented the concept of every transaction having three components: conflict, mutuality and order (Commons 1932, 4). This concept has become fundamental to the study of governance and is known as the “Commons triple”. In line with this proposition, Williamson states that governance acts as the means to instil order which will mitigate conflict and lead to mutual gains (Williamson 2008, 8).

Buchanan described politics as “a structure of complex exchange among individuals, a structure within which persons seek to secure collectively their own privately defined objectives that cannot be efficiently secured through simple market exchanges” (Buchanan 1987, 246). He
highlights that exchanges in these systems are not simple, and, in fact, require complex contractual arrangements. As such, these exchanges become the unit of analysis which transaction cost economics can study.

The lens of contract approach has three important differences from traditional orthodox approaches (Williamson 2003, 917). First, the lens of contract focuses on the gains from the transaction rather than the traditional focus on prices and output. Second, traditional approaches have viewed the firm as a production function whereas the contractual lens sees the firm as a governance structure. Third, the lens of contract is more focused on microanalysis. Ultimately, Williamson states that the primary idea is to switch from the traditional lens of choice to the lens of contract.

Williamson reports that there are six key supporting moves when utilizing a comparative contractual approach to economics (Williamson 2003, 922-926).
1) Human actors
Transaction cost economics states that human actors have three primary attributes:
   a) Cognition
      - Bounded rationality
   b) Self-interest
      - Adverse selection, moral hazard and general opportunism
         o Parties to a long-term contract will attempt opportunism when the contract encounters any misalignment
   c) Foresight
      - Parties to a contract have the ability to look ahead and plan accordingly

2) Unit of Analysis
The three relevant factors for governance are:
   a) Asset specificity
      - A measure of non-deployability
   b) Unanticipated disturbances
      - Transactions are subject to these unexpected changes that result in re-negotiation (and related cost) of the contract if not planned for in advance
   c) Frequency with which transactions recur

3) Intertemporal transformations
   - After a contract has been awarded and accepted, there is no longer parity between the winner of the bid and all others.

4) Operational purpose: Adaptation
   a) Autonomous adaptation
      - Individual parties respond to market opportunities
   b) Cooperative adaptation
      - Firms adapt internally

5) Governance structures
   - Markets engage high powered incentives and settle disputes legalistically, whereas hierarchies work out of low powered incentives with internal dispute resolution

6) Discriminating alignment
   - Firms, markets, hybrids and bureaux are all forms of governance with increasing levels of cooperative adaptation capability
      o As asset specificity and disturbances grow, the need for cooperative adaption grows commensurately.

Figure 3 Williamson’s Six Keys (Williamson 2003, 922-926)
In addition, the attributes that describe the mode of governance are:

1) Incentive intensity
2) Administrative controls
3) The legal rules regime (Williamson 2003, 925).

Williamson defines public bureaux as a public sector counterpart to the profit maximizing firm (Williamson 2003, 932). The bureaux utilize very low-powered incentives and experiences added bureaucratic encumbrances in comparison to the firm. Dixit addressed the belief that bureaucracies were all-knowing, all-powerful and benevolent (Dixit 1996, 8). As with all other forms of governance, bureaux have their problems.

Williamson states that despite these added burdens, it is important to evaluate the governance structure within the context of the transactions it accommodates (Williamson 2003, 932). Williamson notes there is a common practice of condemning public bureaux because of their low powered incentives, and their potentially cumbersome rules and regulations (Williamson 2000, 603). He states that this criticism misses the mark as it ignores the fact that these qualities have been purposefully built into the governance model.

As per the concept of discriminating alignment, there are some transactions that require the characteristics of bureaux. He uses the example of national foreign policy to illustrate the nature of an extremely complex interaction that requires the governance structure of a bureau. Transactions that are best suited to the public bureaux are those
that benefit from low-powered incentives and that are responsive to the needs of governments (Williamson 1999, 1101).

Using transaction cost economics, Williamson argued that whenever a transaction is moved from the market to inside the firm, there is a corresponding bureaucratic cost (Williamson 2003, 932). Therefore, he states that moving a transaction from the market into the firm should only happen for compelling reasons. This is a result of the firm being a form of governance as opposed to the traditional view of the firm as a production of actors.

The Competency Perspective

The competency perspective was developed as a complementary area of study to transaction cost economics. This perspective looks at the competencies within a firm as they impact the efficiency of the firm’s transactions. Teece, Pisano and Shuen defined the firm’s fundamental business as its core (Teece, Pisano and Shuen 1997, 516). Therefore, the firm’s core competencies must be derived from its products and services.

In contrast, Dosi and Teece define the competence perspective with a focus on the firm’s organizational capabilities as opposed to its products or services:

“...a firm's distinctive competence needs to be understood as a reflection of distinctive organizational capabilities to coordinate and to learn. By 'organizational capabilities' we mean the capabilities of an enterprise to organize, manage, coordinate, or govern sets of activities. The
set of activities that a firm can organize and coordinate better than other firms is its distinctive competencies. Posed differently, a distinctive competence is a differentiated set of skills, complementary assets, and organization routines which together allow a firm to coordinate a particular set of activities in a way that provides the basis for competitive advantage in a particular market or markets” (Dosi and Teece 1998, 284).

As a result of a firm’s distinctive competence, Hodgson states that they can have an efficiency advantage compared to markets (Hodgson 1998, 195). This is a result of the learning, knowledge and length of time actors have worked together within the firm. However, this requires that any transaction that would allow this proprietary knowledge to leave the firm would have to be blocked. Instead, the firm would have to undertake the transaction internally (Teece 1986, 295). Williamson states that the study of competence acts as a complementary field of study to transaction cost theory (Williamson 1999, 1098).

Budgeting and contract costs

Eric Patashnik approached the study of public expenditures by viewing budgets as contracts and using transaction cost theory (Patashnik 1996, 189). He defined transaction costs as those that are incurred through negotiating, monitoring, and enforcing agreements. These costs include the time taken by actors in making decisions as well as those maladaptation costs that occur when a contract breaks down. In addition, the transaction costs include expenses generated from conflict resolution over these contract failures. Patashnik argues that
opportunism heavily influences choices made by public institutions (Patashnik 1996, 206). Further, the meaning of efficiency in a government context is questioned due to this opportunism.
Current Model: British Columbia Coroners Service

The British Columbia Coroners Service operates from the authority of the provincial Coroners Act (Province of British Columbia 2007). This legislation was approved by a majority of the political representatives within the legislature, ensuring that the public is properly represented in its creation and acceptance. The Act states that there are three primary mandated responsibilities for which the BCCS is accountable: Investigations, Inquests and Child Deaths.

Investigations

First, the BCCS must investigate all deaths:

- as a result of violence, accident, negligence, misconduct or malpractice,
- as a result of a self-inflicted illness or injury,
- suddenly and unexpectedly, when the person was apparently in good health and not under the care of a medical practitioner,
- from disease, sickness or unknown cause, for which the person was not treated by a medical practitioner,
- during pregnancy, or following pregnancy in circumstances that might reasonably be attributable to pregnancy,
- if the chief coroner reasonably believes it is in the public interest that a class of deaths be reported and issues a notice in accordance with the regulations, in the circumstances set out in the notice,
- while detained by or in the custody, or in a custodial facility, of a peace officer,
- as a result, directly or indirectly, of an act of a peace officer performed in the course of his or her duty
- while a patient of a designated facility or private mental hospital within the meaning of the Mental Health Act, whether or not on the premises or in actual detention,
- while the person is committed to a correctional centre, youth custody centre or penitentiary or a police prison or lockup, whether or not on the premises or in custody, or
- in any prescribed circumstances.

(Province of British Columbia 2007)

In a Coroner’s investigation, the scene of the death, the history of the deceased, and the physical state of the deceased at the time of death are explored. The Coroners Act provides the means of fulfilling these enquiries. This legislation gives broad authority to the Coroner to fulfill their duties; however, there are two major constraints on the Coroner. First, the Coroner is not allowed to find fault. Therefore, no one is in legal jeopardy by the granting of these authorities. Second, the Coroner is constrained from investigating any death for which there is a possible or perceived personal conflict of interest.

These restrictions notwithstanding, the Act allows the investigating Coroner to enter any residence or building in which the deceased was found, or the Coroner believes the deceased to
have attended. The Coroner may seize any records or items including medical records or items related to the deceased etc. This authority allows the Coroner to review the deceased’s history, as well as to assess how the deceased may have come to their death. To gather all relevant information held by others, the Coroner has the ability to compel statements from witnesses through subpoenas. Finally, the Coroner is responsible for taking possession of the body of the deceased. The Coroner may direct that an autopsy be completed to determine the cause of death of the deceased. Under the legislation, any individual who disturbs the body of the deceased, without direction from the Coroner, commits an offence. This is to ensure that the integrity of the evidence remains intact.

At the conclusion of the investigation, there are two possible outcomes. The most common conclusion is for a Report to be prepared for the Chief Coroner. This Report must outline the identity of the deceased, as well as how, when, where and by what means the person came to their death. The Coroner may make recommendations designed to prevent future loss of life in similar circumstances. The second possible outcome for an investigation is for the Coroner to recommend that the file be concluded through an Inquest.
Inquests

The second primary responsibility mandated by the legislation is the holding of an Inquest into a death. The Chief Coroner holds the responsibility to decide if an investigation should be completed by Inquest. The Chief Coroner will direct an Inquest be initiated when there is reason to believe the deceased died while detained by or in the custody, or in a custodial facility, of a peace officer. The Chief Coroner may also order an Inquest be held if they believe:

a) the public has an interest in being informed of the circumstances surrounding the death, or
b) the death resulted from a dangerous practice or circumstance, and similar deaths could be prevented if recommendations were made to the public or an authority (Province of British Columbia 2007).

Under the Coroners Act, the Minister of Public Safety and the Solicitor General also has the authority to direct the BCCS to hold an Inquest. This is only to be done if the BCCS has not conducted an Inquest and the Minister believes it is in the public interest for one to be held. Conversely, the Minister for the Attorney General’s Ministry has the authority to direct an Inquest not be held if there is a criminal investigation into the death. This authority is given to ensure that the integrity of the criminal investigation is not negatively affected by testimony at the Inquest. The Chief Coroner may direct the Inquest to go forward when charges are either withdrawn or the criminal proceedings have been completed.

An Inquest is a quasi-judicial public hearing designed to ascertain the circumstances of a death. The Coroner presides over the Inquest to ensure the efficacy of the process and that all
rules and procedures are followed. A jury of five members of the community hear testimony from sworn witnesses under oath. The Coroner is responsible to ensure all relevant witnesses and evidence are made available to the jury so they can render an informed verdict.

The Inquest takes place in the community (or as close to the community as practicable) in which the death took place. This is to ensure that the jury is comprised of members of the community in which the death took place. In addition, it also provides the local public (presumably those with the greatest interest) the ability to attend the Inquest and hear the testimony of those involved.

Persons who believe that their interests may be affected by the Inquest have the right to apply to participate in the proceedings. This allows the individuals to direct questions to the witnesses who will appear to give testimony. These witnesses are questioned first by a designated Inquest Counsel. Then, those persons granted participant status are allowed to question the witness. Finally, the jury is allowed to direct questions to the witness.

When all witnesses have been heard, the jury retires to decide their verdict. This verdict is to include the same information as a Coroners Report (who, how, when, where, by what means) as well as the ability to make recommendations to prevent future loss of life in similar circumstances. However, as with Coroners Reports, the jury is not allowed to find fault or apply blame.

The primary benefit of the Inquest process is that it is transparent and open to the public. In Canada, the media holds the right to publish all testimony presented at an Inquest. This is granted so that the public who are unable to attend personally are still able to receive the information held in the proceeding.
Child Deaths

The Coroners Act requires that all deaths of children be reported to the Coroners Service for review. Unlike other reportable deaths, children’s deaths can be from known natural causes but must still be reported. The purpose of this further review is to have one government organization be responsible for discovering and monitoring any trends that may develop with child deaths. This information is to be reported to the public and to the relevant agencies that have a stake in trying to prevent further loss of life.

The Chief Coroner is responsible for the establishment of a separate “Child Death Review Unit” that is to undertake a secondary review, following the Coroner’s investigation or Inquest, of all reported child deaths. This review will be looking at investigations conducted by Coroners as well as looking at natural deaths reported by the relevant health agencies involved in the child’s care (Children’s Hospital, MacDonald House etc.). This unit is responsible to report annual trends through public reports that are sent out to associated agencies and are posted online.

In addition, this unit has the ability to create a Review Panel that would bring experts from different fields to re-evaluate a group of cases with related features. For instance, a panel composed of paediatric specialists, pathologists, car seat manufacturers, motor vehicle branch specialists, and policing authorities may be convened to review deaths of children in motor vehicle incidents. This panel would then report out to the public with their findings as well as any recommendations they feel may be beneficial and practical.
Organizational Structure

The British Columbia Coroners Service is based in Burnaby, B.C., to be physically separate from the political structure in Victoria, B.C.. The Head Office is home to the Chief and Deputy Chief Coroners as well as the leads for the three mandated programs. The Chief Coroner receives his authority from the Lieutenant Governor of the province and is responsible for delegating this authority to the Coroners in the field. It is the responsibility of the Deputy Chief Coroner to oversee the three mandated programs on behalf of the Chief Coroner.

The Chief Coroner receives the BCCS budget from the Ministry of Public Safety and Solicitor General. The expectation of the Minister is that the Chief Coroner will meet the BCCS’ mandated responsibilities within this annual budgetary allotment. It is the Chief Coroner’s responsibility to develop and institute the program lines within the BCCS so that these objectives are met within the given financial constraints.

The current structure of the BCCS has six program lines reporting to the Deputy Chief Coroner. These lines are Policy and Research Systems, Legal Services and Inquests, Medical Investigation, Identification and Disaster Response Unit, Child Death Unit, and Operations. Financial and human resource lines are also centralized to the Head Office, but are not included in this study as they are not directly related to service delivery.
Operations

The Operations stream of the BCCS is led by a Director who oversees five Regions within the province.
Each of these five regions has a Regional Coroner who is responsible to manage the investigations within their catchment area. Within the greater Vancouver area (Fraser and Metro Regions), investigations are completed by full time government staff. In the Island, Interior and North Regions, the regional offices have either one or two full time management staff to support the Regional Coroner in the administration of the region. However, the majority of the investigations are completed by Community Coroners.

Community Coroners are employed by the province but are not public service workers. As a consequence, their employment falls under the Employment Standards Act. Unlike the full time Coroners who receive a salary, Community Coroners are paid an hourly wage that is embedded in the regulations of the Coroners Act. They bill for all time spent investigating a death as well as any follow up reports that may be necessary.

Coroners are required to speak with family, friends, physicians and all other relevant agencies that may be involved with the investigation (police services, employers etc.). Information gathered from these individuals provides the Coroner with much of the information necessary for their investigation. Although these interactions take place in the framework of an investigation, it is important to keep in mind the overall context involves the death of an individual and requires the Coroner to be respectful and often supportive of those with whom they are speaking.

At the conclusion of an investigation, the Coroner is responsible for completing a “Coroners Report”. This report is a public document that is released to any person who makes a request. The report is to include the name of the deceased, as well as the how, what, when,
where and by what means the person came to their death. The report also will have a classification of death assigned from five options. The death will be classified as natural, suicide, accidental, homicide, or undetermined in those circumstances where the investigation is unable to identify a presumptive classification.

In addition, Coroners are required to fill in protocol forms for homicides, motor vehicle incidents, suicides and child deaths. These protocol forms capture data that is relevant to the particular incident. For example, a death by suicide will have questions relating to previous mental health concerns, treatment, medications etc, whereas, the motor vehicle protocol would have information relating to the state of the driver, vehicle, etcetera. These protocols allow efficient gathering of aggregate data to be reviewed provincially to look at trends and possible prevention options.

Policy and Research Systems

The Policy and Research Systems department is comprised of one manager, a research officer, a data analyst and one computer support analyst. This department is responsible for a range of services; however, the primary responsibility of this program is based in the gathering and disseminating of relevant information. The root of all BCCS activities is to prevent future deaths through investigation of current deaths. The program is accountable for the development and maintenance of a database that would hold all relevant investigatory information for further evaluation. It is with this database that BCCS is able to identify trends and report out to the relevant partners, agencies, and the public with a goal of future prevention of death.
The research officer and data analyst are tasked with extracting information from the database to assist with this goal of prevention. An example of this kind of data mining is the provincial breakdown of all motor vehicle deaths. The information from the database is able to establish where the majority of incidents have taken place, as well as the time of year and other potentially contributory statistics (e.g. alcohol related, etcetera). This information is then used by policing services, transportation services, health authorities and others to focus their resources.

All policy development within the BCCS is written in conjunction with the Manager of the Policy and Research Systems. This ensures that all policies and procedures are consistent throughout the agency. In addition, this department is responsible for the complementary position of handling all freedom of information requests.

Legal Services and Inquests

The Legal Services and Inquest department is comprised of a lawyer and an administrative assistant and has the responsibility of being accountable for all legal actions being undertaken by the BCCS. In practice, this takes two primary forms. The first involves providing legal advice and coordinating any responses to legal actions with which the BCCS is involved. For instance, the lawyer would act for the BCCS should there be a legal challenge to the actions taken by a Coroner.
The second area of responsibility is to act as Inquest Counsel at all scheduled Inquests. The role of Inquest Counsel is to lead the questioning of all witnesses presented by the Coroner. This requires the lawyer to travel throughout the province as Inquests are held in the community where the death occurred.

Medical Investigations

The Medical Investigations department has one medical doctor retained on contract as the Director of the program, as well as two part time contract medical practitioners and one medical Coroner (investigating Coroner with specialized medical training). This department fulfills three primary areas of responsibility. First, the department acts as a support to the operations department by providing medical advice. Should an investigating Coroner have a question regarding the nature of a disease process they are able to access the expertise of the department.

Second, the department may assume jurisdiction for investigations of a particularly complicated medical nature. This could include questions involving allegations of inadequate or inappropriate medical treatment leading to the death of an individual. The department would investigate the death and complete a public Coroners Report as required by the legislation.

Finally, the department coordinates medical policies and practices for the BCCS. This includes assisting with the development of policies and procedures for investigations of natural deaths. It also coordinates information sharing and planning between outside resources including hospitals, pathology and the College of Physicians and Surgeons.
Identification and Disaster Response Unit

The Identification and Disaster Response Unit (IDRU) is comprised of a manager, a Coroner, an identification analyst, a geographic information systems analyst and a records assistant. This Unit has two primary areas of responsibility. First, IDRU is responsible for coordinating proactive planning in the event of a disaster leading to multiple fatalities. As an example, this could include deaths from natural disasters like flooding, or man-made incidents like an airline disaster. This preparation is to ensure that should a disaster occur an appropriate coordinated response from all related agencies takes place.

The second area of responsibility is to assist in the identification of the deceased. In particular, to assist with the identification of persons who have remained unidentified. For example, the IDRU was utilized to identify disarticulated feet that had been discovered along coastlines. Using deoxyribonucleic acid (DNA) testing, and geographical information systems (GIS), the IDRU cross referenced missing persons and attempted to match their DNA. The IDRU maintains a DNA database of missing persons for future identification.
Child Death Unit

As per the Coroners Act, the BCCS is required to have a child death review unit to identify and monitor trends in the deaths of children. The unit does a secondary review of Coroners investigations from across the province with an eye towards identifying broad trends that may develop across the province. The unit is staffed by a manager, a medical reviewer, an injury prevention specialist, a child death Coroner, a case reviewer/project manager, and a program assistant.

The unit uses the child death protocols completed by Coroners during the initial investigation, as well as a second protocol completed by their own staff, to identify trends and develop potential recommendations. This information is then reported to related agencies and the public. This reporting takes the form of an annual report that presents the aggregate data gathered through the protocols. In addition, reports may be generated to address an identified trend that may have been discovered. Both reports are available in hard copy form or on the BCCS website.
Analysis

An analysis of the mandated responsibilities, and the current operations of the BCCS, illustrates that there is a high degree of mandated responsibility as well as additional services being provided by the agency. As an example, although the BCCS is mandated by the legislation to complete investigations and present a final “Coroners Report”, service and support beyond the legislation are also offered to the families of the deceased.

After review, it is clear that the current governance model shows both strengths as well as weaknesses. It is fundamental that a government that holds a majority of seats in the Legislature has received an endorsement from the majority of voters in the province. As a result, the decision making of the government should reflect a high degree of efficiency given the consent/support of the majority of the people. In those circumstances where a minority government is in place, the premise is that the government in power will obtain support from members of other parties within the Legislature. This will again ensure that legislative decisions receive the support of the majority of voters.

The British Columbia government operates through the use of constraints as opposed to inducements or incentives. These constraints are the rules for both the bureaucratic as well as the political side of the business and take the form of legislation, policies, and procedures. The BCCS mandate and authority flow from the legislation of the Coroners Act. This Act lists what is expected of the service including investigations, inquests, and child death review. It also identifies the ability of the Coroner to take action in the fulfillment of this mandate.
Policies govern public service workers both within their branch of government as well as the broader public service within government. As an example, all public service employees are subject to the Standards of Conduct implemented through the Public Service Agency of government. These policies are the rules that regulate behaviour within the government. They include policies regarding confidentiality, public commentary, workplace behaviour (harassment guidelines etc.) and conflicts of interest.

Within the BCCS, policies are developed that become the rules for how to fulfill the mandate. For example, BCCS has policies on what assays will be undertaken in the case of a motor vehicle incident. This directs the Coroner regarding what is necessary for the investigation while also ensuring a consistent level of service to the public.

 Procedures within the BCCS are an extension of the policies. These procedures are steps that should be taken for the Coroner to fulfill the policy. As an example, the policy may state that information needs to be seized by the investigating Coroner. The procedure for the Coroner to seize documentation may include directions on how to draft the warrant for the aforementioned information. Therefore, if policies are the rules, the procedures are the guidelines for how to follow the rules.

As previously stated, politicians also experience constraints while working within government. At the legislative level, politicians are constrained by the need to have a majority support their assertion. It is required for the government to put forth its proposed plans for the upcoming session to the entire Legislature. These plans include any proposed new laws as well as all budget allocations. The Legislature as a whole will then vote on whether the plans are
supported. If the majority of the Legislature supports the plan, it will go forward. This again supports the notion that consent creates efficiency.

At the Ministry level, politicians are constrained by the province’s Constitution Act which outlines the role of the Legislature as well as those who work within it. However, these controls are limited to only two measures. First, the Act dictates who is eligible to sit in the Legislature. As an example, members of the Federal House of Commons are not allowed to sit in the Legislature. Second, the Act outlines broad conflict of interest guidelines. The conflict of interest guidelines are aimed at preventing members of the Legislature from profiting through the sale of goods or services to government, or from benefiting by being associated with a business that receives money from the government.

These rules support the proper actions of the politicians; however, there are not any structures in place to protect politicians from receiving undue influence by “rent seeking” groups. An example of this situation is when a special interest group, representing a small number of people, insists on having decisions made in their favour or they will campaign to have the politician removed from their seat. The politician either acquiesces to the pressure or they face losing their position. So, although the politician is limited by the Constitution Act from profiting financially from their position, there are not any restrictions on behaviours designed to keep the politician in office. This presents a challenge to the principle of generality that asserts all should benefit from political decision making regardless of inclusion in a particular group.

Ultimately, the issue of greatest importance is whether the public is receiving the service that it desires. As constraints have proven to be only moderately successful in ensuring the proper
behaviour of the public servant, other means need to be implemented to maximize the efficiency of the contract between the public and those who serve them.

As with any agreement, the contract between the public and their public servants has the potential for deviation to occur. In the circumstance of the BCCS, it would be very difficult for the general public to have a complete understanding of the role and mandate of the service. The public needs to rely on their elected representatives to ensure that the BCCS is doing what it should be doing to serve the province.

This trust places the onus on the political representative and their executive bureaucrats (Deputy Minister) to make certain the public is properly served. This creates a situation for the BCCS within government that is analogous to a corporate hierarchy.

<table>
<thead>
<tr>
<th><strong>Government</strong></th>
<th><strong>Corporate</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>Shareholder</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Body</td>
<td>Board of Directors</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Deputy Minister</td>
<td>Executive Management</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>BCCS</td>
<td>Worker</td>
</tr>
</tbody>
</table>

*Figure 6 Government and Corporate Governance Structures*
In both of these circumstances there is the potential for the principal (public and shareholder) to have different goals from the agent (BCCS and Worker). As an example, the BCCS mandate is to investigate deaths with the ultimate goal of the prevention of deaths in similar circumstances. It is possible the BCCS may approach this goal in a manner that the public may not feel appropriate to their needs. Specifically, that BCCS may spend government’s limited resources in a manner that does not provide the optimal return for the public.

A second potential issue that can arise between the principal and the agent is the concept of risk. In this circumstance, risk is related to the ability of the agent to complete the task set by the principal. For the BCCS, this could mean that the public would demand a quality and/or quantity of mandated service that is unattainable within the budget allocated to the BCCS. As the BCCS is predominantly an operational service, the quantity of investigations varies depending upon circumstances beyond the control of either the principal or agent.

To address these concerns it is important to create an efficient contract by addressing the risk preferences of the parties, the nature of the uncertainty, and the informational structure of the service. These three factors decide whether the contractual arrangement is best optimized through an outcome-based agreement or behaviour-based agreement.

The role of the BCCS is to investigate designated deaths as they occur in the province of British Columbia. Therefore, the quantity of the work to be completed is uncertain from year to year. A fixed budget for the BCCS creates internal stress between the quantity and quality of the investigations. During a period of low operational demand, it is possible to dedicate more resources to broaden service beyond the mandated responsibilities of the legislation. However, if
the operational demand is higher than projected, this creates more work to be completed with the same amount of resources. With a fixed budget system, the risk is borne by the BCCS.

As previously mentioned, the BCCS utilizes a database which stores information gathered through investigations and Inquests. This database is utilized to generate statistics which are then used to identify potential trends. As an example, statistics developed by the BCCS are used by policing services to target specific areas that would benefit from increased police presence. In particular, policing services have used the information to increase traffic patrols in designated areas which have shown a subsequent drastic decrease in motor vehicle related deaths.

In addition to the abovementioned prevention role of the database, this database also records the hours and types of tasks completed by the Coroners. As a result, it is possible to limit the potential moral hazard of the individual Coroner through the use of the database which records all activities for which there is financial cost. This information system allows a level of monitoring that supports the use of behaviour-based contracting between the government and the BCCS.

With the information available through the database, it is possible to identify which responsibilities draw the most resources as it is possible to chart which investigations take the most resources (time and money) to complete. With a goal of providing the best possible service, from a limited amount of resources, the information within the database allows strategic decisions to be made regarding the nature of the work to be completed. To ensure the BCCS is meeting the wishes of the public, these strategic decisions must be made in conjunction with the senior executive reporting to the Minister (i.e. Deputy Minister).
In addition, this type of information allows business decisions to be made about how to address possible inefficiencies in policy or procedures. In particular, it allows an evaluation of the actual costs assumed to complete the mandate of the BCCS. With this level of microanalytic assessment, it is possible to look at the costs generated with an eye towards providing the same level of service at lesser cost.

It is understood that government operates at the level of a bureau and that transaction costs are commensurately higher than those experienced in the private sector. The additional costs are usually driven by higher administrative ("bureaucratic") expenses that are generated with each transaction. Therefore, it can be less costly to export responsibility for certain tasks outside of the BCCS rather than attempting to provide the service internally. As an example, the BCCS contracts with private companies to meet the transport requirements of the work. This is an efficient approach as it utilizes the services of a contractor with fewer bureaucratic costs and therefore delivers the service in a more economic fashion. The cost to the BCCS for the negotiating, monitoring and enforcement of the contract is minimal and more than matched by the increased efficiencies.

The ability to utilize an external contractor relies on several factors being met. First, if the level of service is the same, the level of bureaucratic cost must be lower with the contractor than with the government to make it worthwhile. Second, the outsourced service must not require a high level of administrative control for the transactions. Public bureaux, like the provincial government, are the most efficient form of governance when dealing with complex administrative requirements due to their high degree of regulatory controls. It would not be efficient to outsource a service for which the government provides the best governance structure.
As an example, contracting out strategic decision making for the BCCS would be counter-productive in meeting the wishes of the public.

Further, it would not be efficient to contract for services for which the BCCS has distinctive competencies. The BCCS' distinctive competencies are around the investigation of deaths. This is a specialized area of investigation that requires a level of particular learning and knowledge that is best achieved through working within the BCCS.
Conclusions and Recommendations

The British Columbia Coroners Service is a branch of government, within the Ministry of Public Safety and the Solicitor General, which is responsible to the people of British Columbia. The BCCS’ mandate is to investigate deaths with an eye towards preventing future deaths in similar circumstances. Currently, the BCCS meets its legislated responsibilities as well as provides additional services that fit within its overall structure. As with all branches of government, there is an ongoing effort to ensure that the public receives as much value as possible from the limited resources available.

This study has focused on the relationships between the public, politicians, and the public servants. These relationships were considered in the context of two questions that were proposed by this study. First, can corporate governance theories be applied to the provincial government in British Columbia? Second, if they are found to be applicable, is it possible to utilize these theories to create efficiencies within government. The British Columbia Coroners Service was used as the model within this study.

In regards to the first posited question, the answer is that corporate governance theories can be applied to the context of government. Following a review of the relevant agency and transaction cost theories, and a review of the BCCS reporting structure within government, it is evident that there is a parallel between corporate governance structures and the provincial government. As per Figure 6, the public in the traditional government structure is a parallel for
the shareholder in corporate governance structures. As the principal in these structures, it is their wishes that are to be met by the public servant and worker respectively.

This parallel between structures leads to the ability to utilize existing corporate governance theories in the context of the provincial government. Although, the government’s bureaucratic composition adds supplementary transaction costs, discriminating alignment indicates that this form of governance structure is optimal for the complex interactions undertaken through government.

The second question posed by this study asks whether it is possible to utilize corporate governance theories to create efficiencies within government. Following the review of the literature and the BCCS systems, it is evident that corporate governance theories can be used to advance existing government systems.

As an example, it is possible to use these theories to improve the relationship between the public and the BCCS. In the review of agency theory, the literature indicated the need for an efficient contract to be developed between the principal and the agent. This contract requires that the potential for agent self-interest, as well as information asymmetry between the two parties be addressed.

It is clear there is risk for the principal with the potential moral hazard of the agent. This risk may be removed if it is possible to align the self-interest of the agent with the goals of the principal. In some structures, this alignment can be achieved through the use of financial incentives to achieve the desired goals. However, the research indicates that this type of high incentive approach is difficult in a bureaucratic system like government. The more efficient approach within this context is through monitoring of the actions of the agent.
The BCCS database has the ability to generate information for mandated purposes; however, it is also capable of being utilized as a monitoring tool. As a monitoring system, it has the potential to provide senior management information which will inform it about the actions undertaken by the BCCS to ensure they are aligned with the wishes of the principal. This system would also address the issue of information asymmetry as an efficient database would ensure the relevant data would be available to those representing the public.

The focus of this study has been on governance structures that ensure the public receives the highest level of service for their tax dollars. In particular, that there is symmetry between the wishes of the public and the actions of the BCCS. Further development of corporate governance structures would benefit this goal within government.

Findings of this study suggest three recommendations for future development of the BCCS. First, further development of the BCCS database would improve the designated service while also addressing information asymmetry. By evolving the structure to include analytical processing, the database could become a full business intelligence system. Prior to taking this step, a requirement analysis should be completed which would specify those measures that are most useful to the senior management in their role overseeing BCCS services. Following this analysis, a reporting structure should be implemented with the level of granularity consistent with the strategic role of senior management. It is important that the information flowing for strategic decisions is sorted to provide only that which is useful to the end user. This information could then be used for better strategic planning as well as ensuring there is little misrepresentation in budgeting within the agency.
Second, it is evident that within the BCCS there are both legislated responsibilities and services that are provided without mandate. Given the strain on existing resources, it is important that the most efficient use of these resources is enacted. Consistent with agency theory, it is key for the public’s wishes to dictate which services should be proffered by the BCCS. As the delegate of the public, political representatives and their senior managers in government need to order which services are required by the public. As it is evident that there might be different ways to meet a mandated task, this ranking should include the form the service should adopt so as to minimize potential agent self-interest. As an example, the direction to “identify trends” could signal the use of clerical staff to draw statistics, which would indicate any significant measures, from the BCCS database. Or, it could mean a team of individuals to provide a personal review of investigations and develop a report to outline trends. The form of the service can be as important as the service itself when developing and operating within budgetary constraints.

Finally, an assessment of potential outsourcing opportunities needs to be undertaken. As previously stated, public bureaux like government are the optimal governance structure for complex and sensitive transactions. However, by their nature, bureaux also utilize low powered incentives and have additional costs attributable to the added bureaucratic encumbrances. Therefore, services that can be accessed outside of these additional bureaucratic costs should be pursued.

Currently, the BCCS outsources services including transportation, pathology and toxicology. This allows the BCCS to capitalize on an economy of scale for these private services, while also benefiting from the lesser bureaucratic costs that these private companies experience. Although these three areas are important to the completion of the mandated responsibilities for the BCCS,
it is possible to have them outside the organization while retaining control of their actions. A review of all services within the BCCS should be undertaken to see which, if any, would be more efficiently contracted from outside the agency.

In conclusion, previously there had been little study about the use of corporate governance strategies within a government bureau structure. By utilizing the model of the British Columbia Coroners Service, this study has illustrated the potential uses of corporate governance strategies within a provincial government structure. In particular, this study has shown means for government agencies to be accountable to the public that pays for their services. As government experiences limited resources, it is evident that the utilization of corporate governance strategies within a provincial structure is efficacious and ensures the needs of the public are met.
Bibliography


Buchanan, J.M. "How can constitutions be designed so that politicians who seek to serve "public interest" can survive?" *Constitutional Political Economy*, 1993: 1-6.


