Quality Assurance Best Practices
Within Regulatory Agencies
Canadian Food Inspection Agency

(Version 3.0)

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(22 July 2003)

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Executive Summary

The three objectives of this study were to:

1. Identify best practices among Quality Assurance/Quality Management (QA/QM) practices in regulatory agencies and share the results with other government departments and agencies;

2. Assess current Quality Assurance practices of the Canadian Food Inspection Agency (CFIA), comparing them to best practices, build on existing strengths within the organization and identify opportunities for improvement; and

3. Assist the Agency and Other Government Departments (OGD) in implementing quality assurance systems, building on global "Best-in-Class" practices and integrating them into the Modern Management Initiative (MMI).

To achieve these objectives, the research team studied 24 domestic (6 provincial and 18 federal) and 19 international regulatory organizations.

In Canada, the Canada Customs and Revenue Agency (CCRA) alone displayed "Best-in-Class" processes in the area of QA. The CCRA employs a systematic process for strategic planning and performance measurement as well as the proactive identification of risks and challenges. In general, Canadian government sectors (Federal, Provincial & Municipal) have not implemented coordinated quality management systems.

The three international authorities identified in the study for exhibiting "Best-in-Class" processes were the Department of Agriculture, Fisheries and Forestry Australia (AFFA), Food Standards Australia and New Zealand (FSANZ) and the United States Department of Agriculture (USDA). All three organizations have very structured policies, objectives and strategies and their business plans clearly identify the organizational performance indicators used to track success against objectives.

The following table summarizes the areas of activity which demonstrate "Best-in-Class" processes of those domestic and international organizations that were found to engage in them:

Organization	Process Management					Organizational Performance
	Planning Process	Risk Management Process	Stakeholder Engagement	Quality Management System (QMS)	Supply Chain Management	
AFFA	✓		✓	✓	✓	
FSANZ			✓			
USDA	✓	✓	✓			✓
CCRA	✓	✓				✓

Figure 1: Summary Table of Best Practices

At the CFIA level, the analysis concluded that there is no consolidated QM/QA program and minimal fact-based review at senior levels for all programs. In the QA area of Process Management, a broadly deployed systematic approach that incorporates internal/external stakeholder quality requirements into planning considerations as measurable objectives with enabling strategies for year over year improvement does not exist.

With regard to organizational performance, a systematic process for collecting data and performing analysis to identify trends and assess effectiveness is not broadly deployed. While initiatives such as the Performance Management Framework are underway to establish performance measures and indicators, data is not yet readily accessible to enable management by fact, timely analysis, identification of trends and the minimization of variance in day-to-day operations.

However, review of the CFIA's QA activities identified a number of independent initiatives that exhibit key elements of "Best-in-Class" QA practices, including the Fish Quality Management Program (QMP) and the ISO17025 registered Agency laboratories. While the CFIA laboratories apply the standard independently of each other, the opportunity exists to consolidate these under a single quality system.

It is concluded that the incorporation of QA best practices into the CFIA is best accomplished through the successful implementation of a Quality Management System (QMS). Two previous studies, "Steps Towards Excellence...A Proposal for Improved Quality of Service Delivery...Meeting the Consistency Challenge – 21 Jan 99" and "CFIA Quality System Discussion Document – 11 Aug 2000" have also recommended the development and deployment of a QMS. Promotion of QA via a viable QMS would enhance program design considerations. The development of standard processes would greatly serve the implementation of an overarching QA approach to CFIA programs.

It is clear that the CFIA staff possesses the motivation and skill sets necessary for the operation of an effective QMS program, and that the basic CFIA business model is sound and will allow for full integration with the Agency's Modern Management Initiatives.

Agency-wide, specific, quantifiable and measurable objectives need to be established with multi-year targets identified. With these objective and targets in place, a Quality Management System based on the principles found in quality models such as ISO 9001:2000, the National Quality Institute (NQI) or Malcolm Baldrige can be implemented. The implementation of this QMS must also be recognized as an Agency-wide corporate objective, in order for QA to be comprehensively applied throughout the organization. Accountability is addressed by involving all managers and executives in the active management of the quality of work, with assistance from coordinated corporate resources and an executive champion.

These principles, when deployed across an organization, will enable fact-based decision-making in pursuit of uniform and consistent results, and encourage improvement across a range of organizational imperatives, such as communications, cost-management and allocation of resources.

1.0   Introduction

The Canadian Food Inspection Agency (CFIA) Modern Management initiative is focused on improving management practices and facilitating effective integrated decision-making. The MMI Action Plan is a three-year plan consisting of fifteen projects grouped in four management improvement areas:

- Risk Management, Planning and Accountability;
- Human Resource Management;
- Quality of Service Delivery; and
- Stewardship.

Within the Quality of Service Delivery improvement area, three projects have been identified:

1. Delivery Excellence;
2. Management of Partnerships and Stakeholder - Consultation Framework; and
3. Quality Assurance/Management (QA/QM).

In support of the Quality of Service Delivery projects, TDV Global Inc. was selected to conduct a QA "Best-in- Class" analysis of domestic and international regulatory agencies. The project focused on two key elements of QA: process management and organizational performance. Within this focus, web-based research of international, federal and provincial regulatory bodies was conducted. The team also interviewed personnel from Federal Government organizations.

A total of forty-three organizations were examined in order to identify and catalogue best practices. These organizations were assessed with a focus on process management and organizational performance and evaluated against known QA models such as National Quality Institute (NQI), Malcolm Baldrige, International Standards such as ISO9000, and the Modern Comptrollership framework. Clearly evident are direct linkages between the NQI and Baldrige Quality models and the Treasury Board's "Towards Management Excellence: Comptrollership Practices" initiative. Specific background information related to both models can be found in Appendix A.

CFIA quality assurance/management activities were then compared to the best practices identified and known QA programs to discover any areas for improvement. Recommendations were developed at a high-level to map out how the Agency can enhance its QA/QM activities.

1.1   Agency Objectives

It is the CFIA's intention to proceed with an Agency-wide quality assurance system directed at improving service delivery. The Agency must expand its efforts in ensuring the continuous improvement of QA across all aspects of the CFIA. CFIA has identified the following three objectives for the QA project:

1. Identify best practices among Quality Assurance/Quality Management (QA/QM) practices

in regulatory agencies and share the results with other government departments and agencies;

2. Assess CFIA's current QA practices by comparing them to best practices, build on existing strengths within the organization and identify opportunities for improvement; and

3. Assist the Agency and Other Government Departments (OGD) in implementing quality assurance systems, building on global "Best-in-Class" practices and integrating them into the Modern Management Initiative (MMI).

The Agency recognizes that Quality Assurance in a regulatory program environment presents unique challenges. Therefore the Agency wishes to capture:
- what has already been developed;
- what has worked well in the context of regulatory agencies; and
- what should be recommended to other organizations.

Given that an effective QA structure can contribute to improving the consistency of program delivery, it is expected that the results of this project will assist the Agency in integrating its current initiatives into a common QA framework and serve as guidance for the implementation of QA in other areas. It is expected that the project will contribute to the development and implementation of effective tools and methodologies and provide guidance for managers.

Many issues identified from other studies have been recognized by the CFIA and actions are in place to address them. The fact that the CFIA secured Treasury Board funding for the QA Best Practices Analysis is recognition of a blossoming QA mindset within the CFIA. Based on the gaps identified between best practices and known QA programs, we feel that with adequate direction and support the CFIA could add a great amount of value to the organization by:
- focusing the Agency on common corporate strategies, goals and objectives related to QA;
- ensuring resources are effectively and efficiently utilized by defining personal objectives that are aligned with the common strategies, goals and objectives;
- monitoring and assessing business planning related to QA strategies, goals and objectives by defining performance indicators with realistic aggressive targets that are monitored in real time; and
- organizing all QA activity within the framework of a QMS, encouraging Agency-wide recognition of the importance of quality management and ensuring that responsibility and accountability is assigned comprehensively among managers and executives, with designated corporate resources and Executive Champion clearly identified to provide additional assistance.

1.2   Research Methodology

Focus

In order to ensure consistency of approach, minimize repetitive findings and provide a product of significant value, earlier studies, reports and analyses were reviewed to identify previous observations related to QA. These included Chapter 24 of the December 2000 Report of the Auditor General of Canada entitled "Federal Health and Safety Regulatory Programs" and the "Capacity Assessment of Modern Management Practices for the CFIA" conducted by KPMG. A complete list of the material supplied by the CFIA for use in the analysis can found in Appendix B. After a complete review of this information and of activity already underway within the CFIA to address issues identified by previous studies, it was determined that process management and organizational performance were to be the areas of focus.

Data Gathering and Analysis

Forty-three organizations were examined to identify and catalogue best practices. These organizations were assessed with a focus on process management and organizational performance and evaluated against known QA models such as National Quality Institute (NQI), Malcolm Baldrige, International Standards such as ISO9000, and the Modern Comptrollership framework. Refer to Web Sources in Appendix B for the complete list of organizations examined. The following criteria were used to screen the forty-three organizations to identify potential "Best-in-Class" organizations:

- **Business Plan:** Are the policies of the organizations visible? Are quantitative objectives in place and do well-defined strategies to achieve these objectives exist?
- **Performance Indicators:** Are organizational performance indicators in place and do these indicators reflect the goals and objectives set forth in the organization's business plan? Are the performance indicators systematically analyzed and trends tracked to determine the effectiveness of processes and identify improvement opportunities?
- **Process Management:** Are processes systematically designed and developed and are supporting organizational performance indicators established in support of business plan objectives? Are performance indicators consistently deployed across the organization and used for continual improvement?

CFIA quality assurance/management activities were then compared to the best practices identified and known QA programs to discover any areas for improvement in QA management practices. To assess gaps in the context of CFIA initiatives, key internal personnel were interviewed. A series of questions was developed to prepare interviewees and guide the interview process. Refer to "

Quality Assurance Best Practice Sensing Questions" in Appendix C for the full text of these questions and a complete list of interviewees. The interviews focused on process management and organizational performance challenges. These interviews were designed to identify challenges facing the organization and any noteworthy projects and positive accomplishments.

2.0 Quality Assurance Best Practices

2.1 Quality Management Overview

Quality management involves the application of principles, which, when deployed across an organization, enable fact-based decision-making in pursuit of relevant and consistent results. Dr. Deming, who was an internationally renowned Quality consultant, defines the fundamental principles of quality management as:

- **Quality (Q)** is the degree to which a set of inherent characteristics fulfills requirements. For CFIA this means ensuring Quality is embedded in all aspects of the organization. Quality is not specific to a "quality department" but is part of the culture throughout the Agency;

- **Quality Requirements (QR)** are needs that are stated, generally implied or obligatory and include such elements as cost, time, responsiveness, performance, and support. For the CFIA the QR's are identified by reviewing requirements that others, outside the Agency, and the CFIA's senior management expect when delivering products and/or services;

- **Quality Management System (QMS)** directs and controls an organization with regard to quality. For the CFIA, this means documenting a QMS that reflects the policy, strategy, objectives, QA process and QC requirements. ISO9001:2000 and NQI are excellent QMS models to implement such a program;

- **Quality Management (QM)** is the coordinated set of activities that direct and control an organization with regards to quality. For the CFIA, this means:

  - identifying an executive champion with Agency focus who is responsible for understanding the QMS requirements and driving the implementation and maintenance of the QMS.

  - all managers (supervisors to executives) become responsible for implementing the QMS and accept responsibility to actively manage the quality of their work.

  In a regulatory organization this means managing the QC and QA programs to ensure appropriate program delivery and continual improvement. Some common methods to perform this function are internal assessment/audits, monitoring indicators, performing root cause analysis for issues identified and implementing an effective preventive action program;

- **Quality Control (QC)** is that aspect of quality management that is focused on fulfilling requirements. For the CFIA, this is related to operational evaluations to assess and guide processes, activities where variability is expected and to indicate needed corrective responses or the effective use of the internal audit function; and

- **Quality Assurance (QA)** is that aspect of quality management that is focused on providing confidence that the quality requirements will be met and ensures that the necessary infrastructure is in place to meet the requirements. For the CFIA,

  in the context of the program development, QA refers to the establishment of a systematic approach to minimize variance in the development of programs and could include such elements as:

- a standard process for gathering requirements of internal/external stakeholders;
- a standard process to establish Operations Branch acceptance criteria; (Does this mean policy finalization criteria? Ops Branch does not set acceptance criteria)
- a standard approach to the development of predictive measures to be used by Operations in program delivery;
- a standard development process incorporating milestones with entrance and exit criteria; and
- a standard process for reviewing effectiveness of deployed programs and applying lessons learned.

In the context of service delivery, QA relates to the establishment of a systematic approach to minimize variance in the execution and delivery of the programs. Relevant QA elements can include:

- identification of process failure modes, their effects and criticalities
- a standard process for monitoring the effectiveness of delivery;
- setting of "control limits" which trigger a response when exceeded;
- a systematic root cause analysis and corrective action process;
- standard process for feeding performance information back to program managers;
- standard process for communicating program delivery requirements; and
- standard processes for items identified in the CFIA Consistency Study, such as issuance of certificates, inspection decisions concerning arriving products, accurate condemnation/destruction rates, and accurate enforcement decisions/actions.

A unified QMS is the mechanism by which methods and approaches are institutionalized and consistency of approach, implementation and reporting is assured. Figure 2, "Quality Management Model in the Context of the CFIA", illustrated on the next page, outlines a comprehensive Quality Management System set in the context of the CFIA's current activities and the Federal Government's Modern Comptrollership initiatives. The model incorporates the quality principles described above as well as key quality elements implemented in public and private sector organizations, including those elements found in "Best-in-Class" organizations. The following model fits well with the NQI and ISO models and ensures that the CFIA also meets Treasury Board requirements.

QUALITY MANAGEMENT SYSTEM MODEL

INPUT
Regulations
Audits
Reports
Stakeholder
Citizens

RIGOUROUS STEWARDSHIP

QR
Management Review

PLAN

QMS
CFIA Executive Team

STRATEGIC LEADERSHIP

SHARED VALUE & ETHICS

DO

MATURE RISK MANAGEMENT

QM
Executive Champion

CLEAR ACCOUNTABILITY

MOTIVATED PEOPLE

QC
Labs

ACT

QA
Programs

INTEGRATED PERFORMANCE INFORMATION

CHECK

INDICATORS
Performance Objectives

Legend
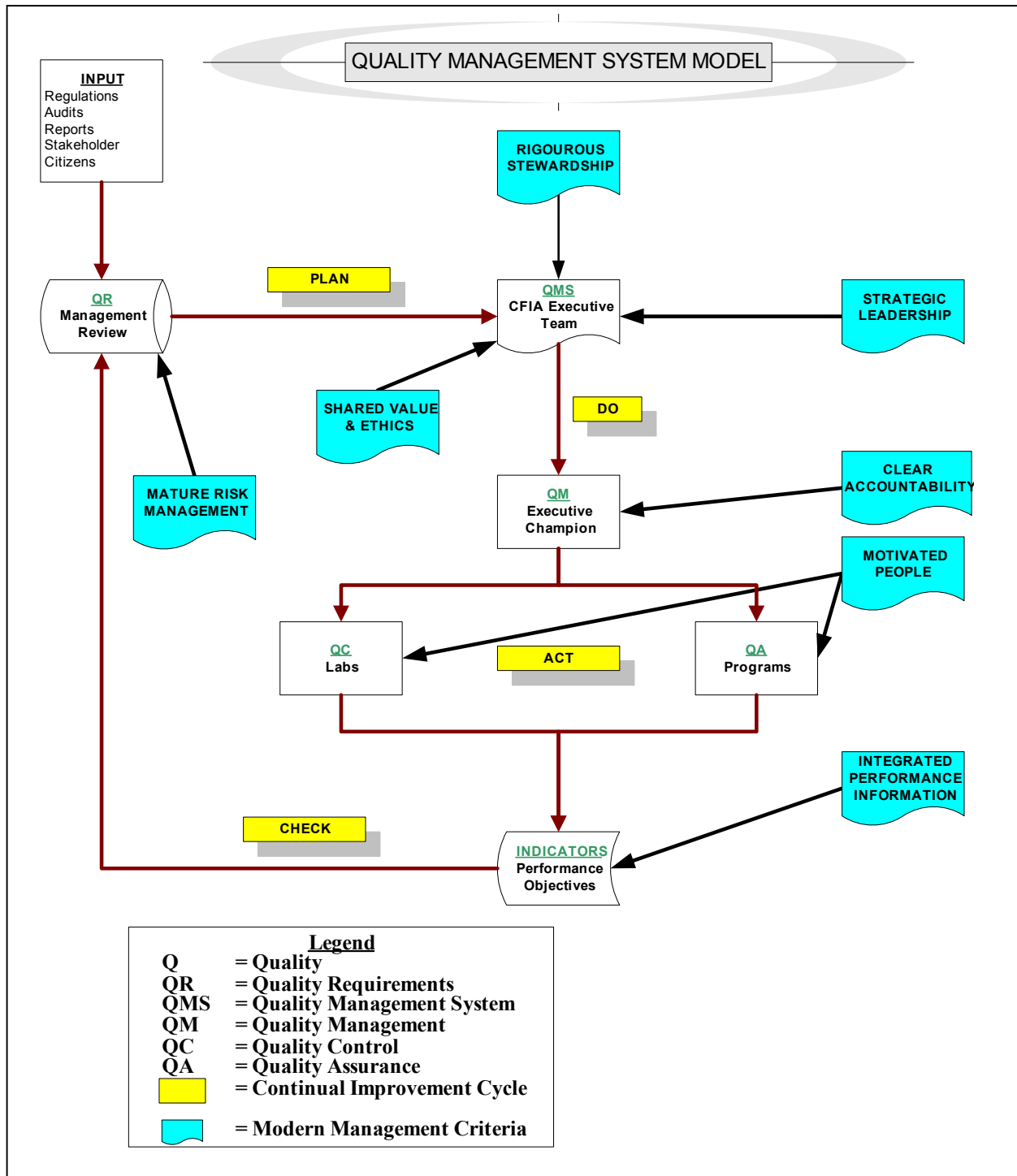|	
Q	= Quality
QR	= Quality Requirements
QMS	= Quality Management System
QM	= Quality Management
QC	= Quality Control
QA	= Quality Assurance
	= Continual Improvement Cycle
	= Modern Management Criteria

Figure 2: Quality Management Model in the Context of the CFIA

2.2   QA Best Practices in Regulatory Agencies

Forty-three organizations were examined to identify and catalogue best practices. While the research did not find an organization that deployed a "Best-in-Class" program across its entire breadth, several entities met the organizational criteria described in Section 1.2 and demonstrated specific instances of "Best-in-Class" processes within their organizations. In particular, organizations in the United States, Australia and New Zealand displayed a number of these processes and are unmistakably moving in a positive direction. They have consolidated programs that define a clear policy, have supporting objectives and goals and are oriented with eventual "Best-in-Class" status in mind. Domestically, only the Canada Customs and Revenue Agency (CCRA) met the organizational criteria.

Given the primarily Internet-based nature of the research, it is not possible to provide an in-depth presentation of the improvement techniques, tools and processes employed by these organizations. An overview of the "Best-in-Class" processes for each of these organizations is found below. Direct consultation with each of these organizations is required to secure appropriate techniques, tools and processes for implementation within the CFIA. A compilation of the Internet research findings can be found in Annex A.

2.2.1   Best Practices in International Agencies

Nineteen international organizations were examined. Only three organizations within the United States, Australia and New Zealand exhibited "Best-in-Class" processes. The specific organizations are:

- Department of Agriculture, Fisheries and Forestry Australia (AFFA)
- Food Standards Australia and New Zealand (FSANZ)
- United States Department of Agriculture (USDA)

The three regulatory organizations met the "Best-in-Class" organizational criteria described in Section 1.2. These public sector entities had clearly defined policies and objectives, with the policies implemented using both a short-term and long-term strategic approach. The goals, objectives and strategies incorporated input from both stakeholders and clients and defined performance indicators were analyzed for trends and integrated across the entire organization. In all cases, these systems had been in place for over two years. A detailed review of each organization with respect to process management and organizational performance follows.

Department of Agriculture, Fisheries and Forestry Australia (AFFA) – Australia

Process Management: AFFA has a long-range program in place with the aim of establishing a global Centre of Excellence for Food and other related programs by 2007. Funding of the program consists of investment of $102 M over five years. Their food regulatory programs actively involve 3rd party regulators (Auditors) in partnership with processors, with the national strategy aimed at achieving "Best-in-Class" status and providing employment for Australians. The dairy and fish industries rely on the Food Program for regulation.

Australia exhibits mature Quality Management System (QMS) thinking. ISO9000 programs and regulations are implemented together as the foundation of their quality management program and the entire supply chain is involved in the QMS strategy. Government programs maintain well-structured QA departments that assist their clients with developing, implementing and sustaining their own QA programs. Demonstrating management of end-to-end processes, Australia is incorporating current QA models and regulations into one comprehensive QA program that spans the entire food production and distribution chain.

Food Standards Australia and New Zealand (FSANZ) – Australia & New Zealand

Process Management: The food safety programs of Australia and New Zealand exist in partnership through Food Standards Australia New Zealand (formerly Australia New Zealand Food Authority) (ANZFA).   New Zealand employs Hazard Analysis Critical Control Point (HACCP) for meat and game, seafood and dairy. Food-related authorities are also compliant with CODEX processes and are partnered with Australia for program development and delivery.

Organizational Performance: FSANZ is moving to a prevention-based system employing QA compliance audits as opposed to food inspection. It relies on the clients to provide proper monitoring of systems and processes. The program also involves second and third party auditors. Although only in the form of guidelines at this time, it appears that both the Australian and New Zealand authorities are moving towards a prevention-based system.

There are programs in place to collect and analyze data. An excerpt from the ANZFA corporate plan including description of Key Results Areas and identification of some of the action areas is shown in Appendix D.

United States Department of Agriculture (USDA) – United States

Process Management: As with Australia and New Zealand, the USDA has a very structured program that appears to be effective in achieving results. They have clearly defined policies, objectives and strategies for their Health and Environmental programs. The Department of Agriculture demonstrates a systematic planning process with goals set annually and specific objectives established to meet these goals. A formal process exists for reviewing targets and communicating the value added throughout the organization. The Department of Agriculture employs a systematic process for engaging stakeholders.

HACCP is the basis for the USDA risk assessment and analysis process and is used to implement process controls. Detailed HACCP documents are published on the web site Planning Process.

It should be noted that the USDA also has an inspection program to ensure that regulations are adhered to. Thus, a prevention-based system is not fully deployed at this time.

Organizational Performance: The Department of Agriculture programs are performance-based and both management decisions and the strategic planning process are developed using facts and

data. A new 5-year strategic plan is currently in place (2003-2008) with clearly defined strategies, objectives and targets. Plans and related performance information are reviewed annually, performance indicators are employed in support of the resource allocation process, and charts used to track and trend the indicators are published. Examples of performance goals and indicators as well as data analysis are presented in US Strategic Plan Excerpts in Appendix D.

2.2.2   Best Practices in Federal Agencies

Of eighteen Federal organizations examined, only the CCRA displayed a "Best-in-Class" process.

Canada Customs and Revenue Agency (CCRA) – Canada (Federal)

Process Management: The CCRA has a well-defined business planning process that has identified $50M in cost avoidance over the next four years. The CCRA has fully deployed a systematic process for setting objectives that consists of establishing the *Mission*, defining the *Strategic Outcome*, projecting the *Anticipated Result* and defining what success will be *Demonstrated By*. The CCRA leadership is committed to the process and senior management has actively approved of the practice. The corporate planning group is comprised of senior planning leaders from each of the branches within the CCRA. The planning group assesses last year's results, compiles any new requirements and drafts the strategic plan. During this process, they send out a "call template" which outlines the strategic plan and requests information from the branches. Questions in the call template request input regarding the strategic plan, branch objectives, short-term and long-term goals, and risks associated with activities.

The CCRA employs a systematic process for the identification of risks and challenges, with an emphasis on being on proactive versus reactive. As with Australia and New Zealand, the CCRA demonstrates an understanding of client and stakeholder value. They are cognizant of international processes relevant to CCRA activities and do interface with these organizations to stay on top of emerging processes. Future planning cycles will incorporate Modern Comptrollership and the distribution of the strategic plan among stakeholders.

Organizational Performance: Significant effort is put into identifying success indicators. The CCRA performs trend analysis on the indicators to measure their performance against goals and objectives and to identify areas that require improvement. Data is currently collected and circulated at the end of the business-planning year. However, this is currently a manual process and plans exist to automate this in coming years. This will facilitate more frequent (i.e. quarterly) collection and analysis of data and allow for a more flexible response. Current trend analyses illustrate positive trends over the last two years. An excerpt from a performance improvement plan used by the CCRA, accompanied by an example of the CCRA identifies targets and measures their performance improvement activity is shown in Appendix D.

2.2.3   Best Practices in Provincial Agencies

Six Provincial organizations were examined and while no Provincial agency exhibited all elements of the "Best-in-Class" organizational profile, four examples are worth highlighting.

Alberta Ministry of Agriculture, Food and Rural Development

Process Management: Alberta is implementing on-the-farm safety programs based on HACCP principles. Some of the labs are accredited to ISO requirements. A regulatory reform initiative developed by the provincial government prompted a review of regulations with a view to improving efficiency and simplifying processes.

Organizational Performance: Performance reporting has been ongoing for several years. Although the Alberta Ministry of Agriculture has published some examples of performance indicators and related trend analysis, the use of indicators and trend analysis is not broadly deployed.

Ministère de l'Agriculture, et des Pêcheries et de l'Alimentation du Québec (MAPAQ)

Process Management: MAPAQ have registered their labs to the ISO17025 standard. They are also piloting ISO14000 programs and currently have two farms registered to this standard. They have been engaged in substantial regulatory reform with a plan to reform five major regulatory areas. A harmonized approach is being employed, combining government-recognized norms and standards with certification by a neutral third party organization. The Ministère is also heavily engaged in risk management initiatives for inspection regimes. Quality is managed by le Groupe Qualité, responsible for examining the issues and problems with the implementation of HACCP principles in Quebec. As an example, traceability is one of the issues of this group, handled in subcommittee, which works in concert with Agri-Traceabilité Québec (ATQ). The ATQ has initiated a program for the identification of all bovine stock in the province.

Organizational Performance: No examples of Best-in-Class practices related to Organizational Performance were identified.

Ontario Ministry of Agriculture and Food (OMAF)

Process Management: OMAF is currently implementing on-the-farm food safety programs, based on HACCP principles consistent with national programs.

Organizational Performance: Performance monitoring involves the use of ten indicators and is performed at a very high level. The indicators currently exhibit positive trends.

Ontario Public Service (OPS) Excellence and Innovation Office

Process Management: The OPS Excellence and Innovation Office has developed a Quality Model consisting of seven cornerstones:

1. Leadership;
2. Customer and Citizen Focus;
3. People Focus;
4. Planning;
5. Process;
6. Partners, Delivery Agents and Suppliers; and
7. Results.

Although the program is currently in its infancy and not broadly deployed, the Ontario Public Service Quality Model is built on a foundation of NQI, Baldrige and European Excellence concepts.

Organizational Performance: No examples of Best-in-Class practices related to Organizational Performance were identified.

Summary Table of Best Practices

The following summarizes the areas of activity which demonstrate "Best-In-Class" processes for the selected organizations:

Organization	Process Management					Organizational Performance
	Planning Process	Risk Management Process	Stakeholder Engagement	Quality Management System (QMS)	Supply Chain Management	
AFFA	✓		✓	✓	✓	
FSANZ			✓			
USDA	✓	✓	✓			✓
CCRA	✓	✓				✓

Figure 3: Summary Table of Best Practices

3.0   CFIA QA Environment Assessment

3.1   Assessment of CFIA QA Practices

As described in Section 1.2, previous analyses and current activities were reviewed to minimize overlap and ensure that only "new" issues and activities would be identified. Some of these previous analyses include Chapter 24 of the December 2000 Report of the Auditor General of Canada entitled "Federal Health and Safety Regulatory Programs" and the Capacity Assessment conducted by KPMG on behalf of the CFIA in the fall of 2002.

Analysis of the material provided by the CFIA and the information obtained from the interview process confirm that process management and measurement of organizational performance require improvement. Supporting comments from previous studies follow:

Process Management:
- Explore collaborative relationships with other regulatory bodies to develop a suitable methodological approach – KPMG;
- Ultimately link performance measurement to performance management. – KPMG;
- Identify key business process improvement opportunities Agency-wide and prioritize opportunities to maximize cost benefit – KPMG; and
- Leverage best practice/process improvement initiatives at the regional/local level – KPMG.

Organizational Performance:
- Link lower level measures to higher-level organizational strategic measures – KPMG;
- Enhance the Agency performance measurement capacity as there is currently insufficient information to assess the cost effectiveness of health and safety regulatory programs – AG Report Dec 2000;
- Continue to develop integrated performance measurement – KPMG; and
- Continue to develop and validate the integrated performance framework – KPMG.

3.2   Current CFIA Initiatives

There are currently several related initiatives and processes underway in the CFIA. Specific related initiatives that are geared towards improving overall program effectiveness are:

Inspection Programs: The CFIA currently has three ongoing HACCP-based inspection programs, which actively involve QA initiatives:
- Fish Program – Quality Management Program (QMP);
- Food Safety Enhancement Program (FSEP); and
- Modernized Poultry Inspection Program (MPIP).

ISO17025 in Laboratories: All science laboratories are registered to the ISO17025 standard and the Laboratories Directorate is planning an organization-wide quality management strategy.

QA pilots in Operations Branch: The Operations Branch has recently launched a series of QA projects. Participating programs include Fish QMP, Meat Hygiene, Seaport Containers and Occupational Health and Safety (OHS). All projects have owners assigned, who facilitate the implementation of these projects and review the projects on a regular basis. The Quebec QA project is focused on self-assessment tools to verify that expected results required by their QA program have been achieved. They have taken the approach of implementing a "corporate culture" which requires teamwork, cooperation and coaching to assist with successfully implementing their program. Their self-assessment tool identifies qualitative and quantitative data used for decision-making and stresses continual improvement.

Within New Brunswick, a TQM project has been ongoing since 2000 to review key activities carried out by in the Region to determine where improvements can be made.

Modern Management Initiative: As outlined in the May 2003 Modern Management Initiative Action Plan, the CFIA recognizes "that a strong management/leadership cadre, supported by intensive training, good integrated management tools and systems (including risk management) and a commitment to responsible active monitoring would be integral to its success". In response to the opportunities identified in the "Capacity Assessment of Modern Management Practices for the CFIA" conducted by KPMG, the CFIA identified four areas of:

1. Risk Management, Planning and Accountability;
2. Human Resource Management;
3. Quality of Service Delivery; and
4. Stewardship.

Within these four areas, fifteen projects have been identified. Several of these projects are closely aligned with the principles of Quality Management described in Section 2.1. The degree of MMI project alignment with Quality Management Principles is shown in Figure 4 below.

QMS MMI	QR	QM	QA	QC	Performance Indicators
Risk Management, Planning and Accountability					
1. Integrated Risk-Based Planning		High	Medium		
2. Integrated Risk Management Strategy			High	High	
3. Enhanced Performance Measurement Framework			High		High
4. Strengthening Information Technology Reporting Capacity			High		High
5. Organizational Review		High			
Human Resource Management					
6. Revisit Values and Ethics			Low		
7. Employee Survey	Low				
8. Enhanced Training Program			High		
9. Succession Planning			High		
Quality of Service Delivery					
10. Delivery Excellence			High		High
11. Management of Partnerships and Stakeholder – Consultation Framework	High	Low	High		
12. Quality Assurance / Management		High	High		
Stewardship					
13. Resource Management Framework			High	High	
14. Asset Life Cycle Management Strategy		Low			
15. Manager's Financial Toolkit	Med		Med		Low

Figure 4: MMI Action Plan Linkage to Quality Management Principles

3.3   Strengths and Opportunities for Improvement

<u>**Strengths**</u>

Process Management: FSEP, MPIP and QMP are systematic approaches to program review, monitoring and improvement and are industry-focused programs designed to improve supplier processes. In particular, the QMP model is noteworthy. The evolution to a prevention-based regimen from an inspection-based one, accompanied by the parallel development of the capabilities of industry stakeholders (i.e. fish processors), illustrates the maturity and systematic nature of QA thinking within the CFIA Fish Program.

The motivation and skill sets of personnel required for successful implementation of an effective QMS system are very evident within this CFIA program, and the quality model is sound. These two factors indicated that the enhancement of QA within the CFIA is possible.

The Laboratories Directorate is planning an organization-wide QMS. While still in the early stages of implementation, the Laboratories Directorate expects that cost-savings and organizational efficiencies will accrue through the deployment of an organization-wide QMS.

Organizational Performance: A good example of fact-based decision-making within the Agency is the recent analysis conducted by the Fish Program to determine the frequency and depth of compliance verifications necessary to achieve compliance verification objectives. This analysis underscores that organization's current understanding of the reduction of variance and renewed focus on management by fact.

Although, Annual Reports do not completely align with the annual Report on Plans and Priorities (RPP) published at the beginning of the year, a process is in place to align the five-year Corporate Business Plan, the RPP, and the Annual Report.

<u>**Opportunities for Improvement**</u>

Process Management: A systematic approach for capturing program requirements of internal and external stakeholders (such as Operations Branch and Regulated Parties) has not been broadly deployed. These requirements should be augmented with analysis of program performance with respect to outlined objectives and goals. At this time, neither the requirements nor the performance indicator analysis are reviewed on an annual basis or used for business planning.

There are several QA initiatives underway across the CFIA. However, an overarching Agency-wide approach to the development QA programs, which includes setting of targets, establishing predictive measures of success and performance review methodology, does not exist. An Agency wide QMS would enable alignment, and support consistent development and deployment of QA programs. The executive leadership team has not identified quality as a priority and has not appointed an executive charged with managing the implementation of a quality assurance program. Furthermore, managers are not required to demonstrate their awareness of the quality of the work produced by their subordinates and commit to continuous improvement.

Organizational Performance: The CFIA does not currently operate a data collection tool that captures and stores information at a level required for effective data analysis. Data analysis is necessary to assess performance in the context of goals and objectives and thus identify appropriate process improvement initiatives.

While key performance indicators have been defined in the RPP and the Performance Management Framework (PMF) has identified service delivery indicators linked to the CFIA business, they have yet to be implemented.

4.0   Conclusions and Recommendations

4.1   Conclusions

The primary goal of implementing an Agency-wide approach to QA is to strengthen key business processes in program development and service delivery. Within a QA context, organizations that demonstrate "Best-in-Class" approaches to business processes improvement deploy some variant of the following elements:
1. **Assessment:** a systematic process for understanding the organization's current business management system.
2. **Prioritization:** choosing the opportunities for improvement based on an analysis of the needs of the business and its stakeholders.
3. **Pick the Appropriate Improvement Methodology:** studying and understanding the quality methodology under consideration (i.e. TQM, Benchmarking, Six Sigma, Statistical Process Control, Quality Circles, ISO 9000, NQI, Baldrige, etc.).
4. **Implement:** adapting and integrating the new practice(s) and institutionalization through documentation in the Quality Management System.
5. **Measure:** objective monitoring of the implementation.
6. **Re-assessment:** studying and learning from the experience.

The CFIA exhibits well-developed capability in several of these areas. The Agency has embraced the concept of Assessment. The Capacity Check and Consistency Study are recent examples of assessment carried out by, or on behalf of, the CFIA. The Modern Management Initiative Action Plan is the result of a systematic prioritization. Organizations within the Agency have begun adopting improvement tools as demonstrated (e.g. QA initiatives within the Operations Branch). The Agency has a propensity for continuous improvement.

However, the Agency does not meet the requirements of Implementation. Improvement programs need to be visible throughout the Agency and seen to be sponsored and supported by senior management. The processes developed and the lessons learned in the achievement of performance improvements need to be shared across the Agency. Processes and accrued learning must be entrenched in the "Agency Memory" to enable deployment and prevent regression.

Two previous studies, "Steps Towards Excellence...A Proposal for Improved Quality of Service Delivery...Meeting the Consistency Challenge – 21 Jan 99" and "CFIA Quality System Discussion Document – 11 Aug 2000" concluded that the deployment of a Quality Management System (QMS) within the CFIA can serve to provide a structure through which QA initiatives can be consistently and comprehensively aligned, developed and implemented.

The research of both domestic and international regulatory agencies has uncovered evidence of effective "Best-in-Class" practices in the QA/QM domain that could be applied to the CFIA. However, it was clear that relatively few public sector organizations domestically or internationally demonstrate "Best-in-Class" QA practices and none exhibited a comprehensive "Best-in-Class" program across its entire breadth.

4.2   Recommendations

The following recommendations are based on the implementation of a Quality Management System versus specific Quality Assurance programs. A full QMS, as described in Figure 2, will incorporate QA requirements as well as all other complementary quality elements. Since NQI and ISO9001:2000 are very closely aligned, the choice, or combination, of either model will put the Agency on a path to best-in-class practice. An example of a potential CFIA QMS structure is displayed below in Figure 5.
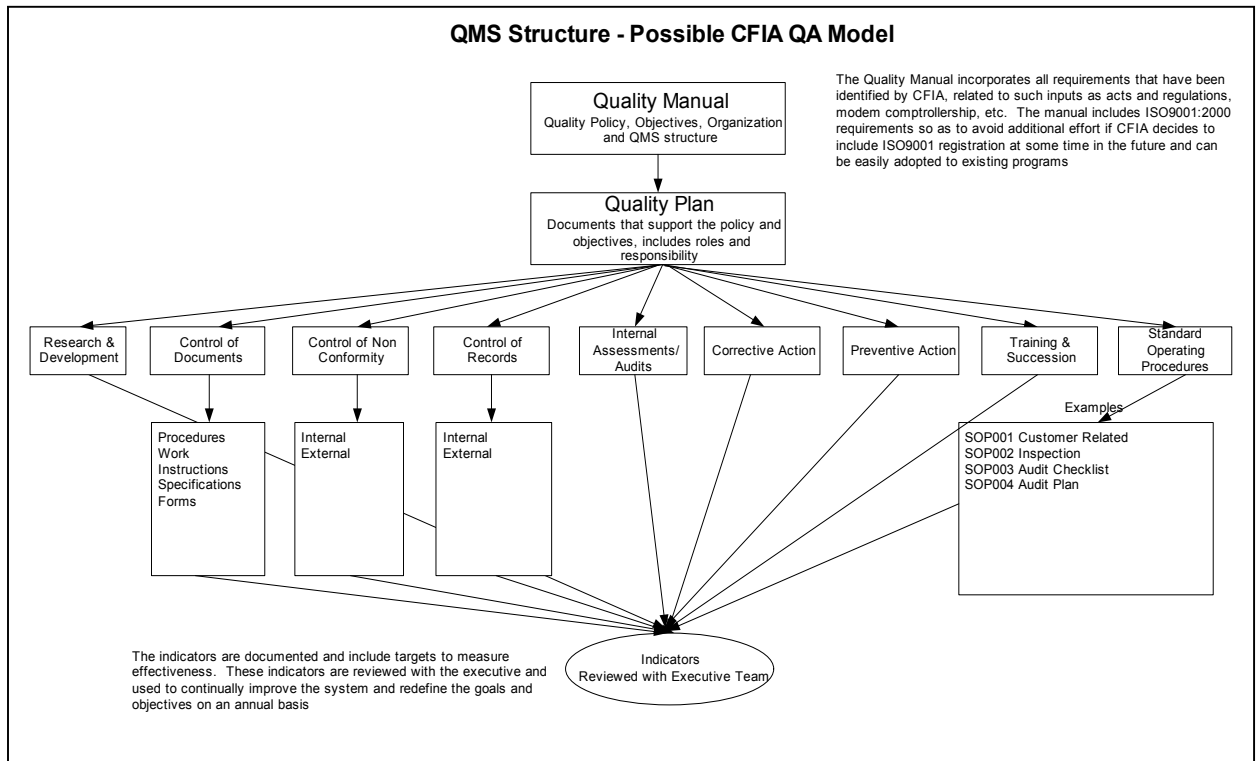
Figure 5: QMS Structure

4.2.1   Quality Management System Recommendations and Action Plan

An effective QMS takes a holistic view of an organization by treating it as a linked system in which cause-and-effect relationships are completely understood. With this view of the organization, changes to the system are undertaken with full knowledge of the impact of those changes on the "whole". Given that the CFIA's Modern Management Initiative is a system-wide business improvement program and that there are a number of opportunities to incorporate QM/QA principles in MMI projects, it is recommended that the Agency develop and deploy an Agency-wide QMS. This would enable the alignment, support and consistent development and deployment of QA programs while reinforcing several Modern Management initiatives.

The Quality Management System will ensure that all aspects of quality requirements and enabling

activities are documented in a single repository, form the basis on which to develop a Quality Plan, aligns the Agency to common objectives and goals, and facilitates the effective use of resources. The QMS recommendations have been grouped into four major categories: Quality Management, Quality Manual, Quality Plan and QMS personnel.   An Action Plan specifically designed to meet all of these recommendations is also provided.

Quality Management

To ensure successful implementation of a QMS, the CFIA needs to assign an Executive Level champion to perform the role as Quality Manager, assisting Agency managers and executives with the active management of the quality of work. This individual would be responsible to define, document and implement the requirements of the Quality Manual, which supports the policy, objectives, and goals of the Executive Leadership team. The Quality Manager needs to be assigned at the beginning of the project and would form a cross-functional quality team representing all branches and locations to assist with the development of the QMS process.

In addition to appointing a quality management champion, the President of the CFIA will need to communicate the value of implementing a quality system to the staff. Senior executives must accept the responsibility to reinforce the desired behaviour by constantly "touching on" performance indicators at management reviews and during day-to-day activities.

Quality Manual

The development of a Quality Manual is not an onerous undertaking and will provide an infrastructure to institutionalize the processes and procedures arising from this project, as well as programs such as the Modern Management Initiative action plan. Referring to the Quality Management Model described in Figure 2 in Section 2.1, the Quality Manual would capture the policies, goals, objectives, organization and responsibilities of the Agency. The Quality Manual ensures that all aspects of the business' requirements and activities are documented in a single repository and forms the basis to develop a Quality Plan, align the Agency to common objectives and goals and form the basis to ensure the effective use of resources.

Quality Plan

The cross functional Quality Team, under the direction of the Quality Manager, would develop the Quality Plan which are the key procedures, forms etc that would define the methodology for a continual improvement quality program. The Quality Plan includes the Quality Assurance requirements during development and ensures that the QA programs had adequate processes to support implementation and continued improvement.

Once the above recommendations have been implemented, the indicators would be continually monitored to ensure the effectiveness of the QMS. The indicators would be reviewed with the Executive Team on a quarterly basis to provide the status of programs, assign/reassign resources as required and ensure ongoing support of the program.

QMS Personnel

Training programs describing the QMS, the goal of its implementation and staff responsibilities need to be developed. Training will enable consistency of approach and ensure commonality among all Agency organizations. Training will also ensure an effective implementation of the QMS and have everyone speaking the same language with regards to QMS/QA: It is recommended that these activities be included within the scope of MMI Project 8, Enhanced Training Program. This training should include:

- **Leadership Training:** One session related to the QMS and the responsibility of the management team;
- **Staff Training:** Group sessions providing an overview of the Quality Manual, Quality Plan and roles and responsibilities; and
- **Quality Manager and Cross Functional Team Training:** Ongoing mentorship on the QMS/QA programs to assist CFIA in addressing challenges as they arise, mentoring CFIA resources related to corrective action, preventive action, root cause analysis, procedural updates, data analysis/trending and facilitation of reviews.

Employees' reward and recognition programs and succession plans need to be linked to achievement of performance measures defined in the QMS. It is recommended that these activities be included within the scope of MMI Project 9, Succession Planning, and Project 13, Resource Management Framework.

Once an effective QMS program is implemented, the CFIA will possess the ability to identify and understand the program areas that require particular attention and provide the foundation for a system that emphasizes continual improvement. A successfully implemented QMS program will:

- enable the entire Agency to orient itself towards common quality strategies, goals and objectives;
- promote effective planning and resource utilization;
- promote fact-based decision-making focused on the reduction of variance;
- consolidate all QA activities under a common corporate-driven QMS program; and
- promote cost-effectiveness.

QMS Action Plan

Figure 6, displayed below, illustrates an Action Plan that could be employed for the implementation of a Quality Management System for the CFIA.

Recommendations	Timeline
Quality Management	
1. Identify and assign an Agency Quality Manager from the CFIA leadership team responsible for ensuring the Quality Management System is implemented Agency-wide.	Month #1
2. Identify key staff from all CFIA branches for participation in a cross-functional quality team.	

Recommendations	Timeline
3. Provide QMS training for the Quality Manager and quality team.	
Quality Manual	
1. Develop a Quality Manual that details the elements contained within the scope of the Quality Management System	Month #1 to Month #3
2. Interview senior CFIA management and determine the key requirements, internal best in class programs/processes and the status of current initiatives and processes.	
3. Map out the existing processes for inclusion in the Quality Manual and to identify areas for improvement.	
Quality Plan	
1. Document the key procedures that support policy, objectives, goals, key processes and performance indicators. Solicit input from key internal and external stakeholders.	Month #2 to Month #6
2. Communicate, mentor and train CFIA staff to the QMS requirements. Training will be related to the QMS process methodology such as root cause analysis, quality assessments and trending/analysis of data.	
Review	
1. Implement regular reviews of QMS/QA programs and MMI Action Plan status.	Semi-annual review starting Month #4
2. Conduct detailed organizational self-assessments on an annual basis to identify any necessary business adjustments.	Month #8

Figure 6: QMS Action Plan

4.2.2   Quality Assurance Elements and Action Plan

The QA elements have been grouped into three major categories: quality requirements, enhanced program design and control and integrated quality performance information. An Action Plan specifically designed to meet all of these requirements is also provided.

Quality Requirements

Quality requirements from an internal and external stakeholder perspective tend be based on cost, timeliness, responsiveness, performance, and support. It is recommended that the soliciting of internal and external stakeholder Quality requirements be integrated within in the scope of MMI Project 1, Integrated Risk-Based Planning. Other activities should include:

- identify and document all the requirements that are expected from Regulated Parties and other Stakeholders as well as internal Agency requirements; and
- implement regular reviews to accurately evaluate performance against requirements and to identify new items as requirements or expectations evolve.

The linkage of quality requirements to Agency financial performance and the cost of poor quality need to be understood to ensure that quality is viewed with the same importance as other Agency business performance indicators. It is recommended that this activity be included within the scope of MMI Project 15, Financial Manager's toolkit.

Enhanced Program Design and Control

In addition to the Agency's Quality Control (QC) activities – employing inspection-based methods to discover incidents and non-compliances escaping from processes – the CFIA's QA prevention-based programs must continue to evolve. This includes the application of principles for continuous improvement to support the program design / redesign and the establishment of root cause analysis and corrective/preventive action regimens, predictive measures of effectiveness and, potentially, dashboard metrics for senior executives.

The HACCP methodology used by the food industry is fundamentally a process of identifying failure modes, assessing the effect of the failure, and determining the criticality of the failure. If the failure cannot be designed out, then mechanisms to minimize the effect of failure through early detection are implemented. FMECA (Failure Modes Effects and Criticality Analysis) – a long recognized QA approach by some industries – should be considered to bear on CFIA program design / redesign. Consideration should be given to including the application of HACCP-like strategy to program design in the scope of MMI Project 2, Integrated Risk Management Strategy.

Moreover, implementation of QA best practices could enhance program design considerations. The development of standard processes would greatly serve the implementation of an overarching QA approach to CFIA programs. Specific standard processes could include for:

- gathering requirements of internal/external stakeholder and establishing internal and external stakeholder acceptance criteria;
- the development of predictive measures to be used by the Operations Branch in delivering the program to regulated community;
- monitoring the effectiveness of delivery and setting control limits which trigger a response when exceeded; and
- establishing systematic root cause analysis and corrective action.

The identification of program design lessons learned and the application this knowledge across Agency programs can be enhanced. The development of a standard program evaluation process for reviewing effectiveness of deployed programs and applying lessons learned to program development would greatly further this requirement.

Integrated Quality Performance Information

CFIA programs rely must be based on established indicators for success that have been agreed upon. Key measures should accurately represent the factors that lead to improved stakeholder, operational, and financial performance. A comprehensive set of measures or indicators tied to regulated parties/stakeholder and/or organizational performance requirements will provide a clear basis for aligning all processes with the Agency's quality goals.

Building on the indicators defined in the RPP and the Performance Management Framework (PMF), quality indicators need to be long-term in scope. Realistic targets need to be established and management performance is to be measured against these indicators. Appropriate analysis,

reporting and review periods need to be established to enable the CFIA to improve program effectiveness of and ensure that the Agency fulfils its regulatory mandate. This activity should be included within the scope of MMI Project 3, Enhanced Performance Measurement Framework.

QA Action Plan

Figure 7, displayed below, illustrates an action plan that could be employed for the implementation of a QA strategy for the CFIA.

Recommendations	Timeline
Quality Requirements	
1. Identify existing internal and external stakeholder quality requirements. 2. Identify linkage to financial performance.	Month #1 to Month #2
Enhanced Program Design and Control	
1. Design systematic process to gather internal and external quality requirements: • Map current processes • Identify gaps • Benchmark "Best-in-Class" • Design process, run pilot, review results, deploy	Month #2 to Month #7
2. Design systematic Program Design/Redesign process: • Map existing process • Identify gaps • Benchmark "Best-in-Class" • Establish internal and external acceptance criterion • Design process, run pilot, review results, deploy	Month #5 to Month #12
Integration of Performance Indicators	
1. Develop predictive performance indicators for key processes: • Link to quality requirements • Link to acceptance criteria in program design • Link to agency performance measurement review process 2. Establish review process: • Frequency • Role up to executive reviews • Establish control limits for triggering response	Month #2 to Month #9

Figure 7: Quality Assurance Action Plan

Appendix A: NQI/Baldrige Linkages

NQI/Baldrige Linkages to Modern Comptrollership Enablers

Strategic Leadership

- **Leadership commitment**
  Awareness and commitment of deputy head and senior management to establishing and implementing a modern management practices environment
- **Managerial commitment**
  Awareness of managers of their modern management practices responsibilities, and commitment to implementing them
- **Senior departmental functional authorities**
  Extent to which senior departmental functional authority and supporting organization are used for objective commentary and independent advice
- **Planning**
  Strategic, business and operational planning, and the linkages between them and to resource allocation
- **Resource Management**
  Mechanisms for ranking program options, identifying funding requirements and allocating resources, and budgeting and forecasting
- **Management of partnerships**
  Partnerships are used extensively by the organization in support of service delivery by leveraging the capabilities of external stakeholders, partners, and other government organizations
- **Client relationship management**
  Commitment to consciously strengthening relationships with client organizations, and to integrating and coordinating how client services are developed and delivered

Clear Accountability

- **Clarity of responsibilities and organization**
  Clarity of assignment of responsibilities and accountabilities throughout the organization
- **Performance agreements and evaluation**
  Extent to which the achievement of financial and operating results is embedded in performance agreements
- **Specialist support**
  Availability of top-flight counsel to help managers make judgment calls on modern management and operational issues
- **External reporting**
  Extent to which Parliamentary, central agency and key stakeholder information reporting requirements are met

Motivated People

- **Modern management practices competencies**
  Extent to which modern management practices competencies are defined and managers have access to training
- **Employee satisfaction**
  Mechanisms in place to monitor employee morale and staff relations
- **Enabling work environment**
  Practices for communication, wellness, safety and support that enable staff to provide client-focused delivery while reaching their full potential
- **Sustainable Workforce**
  The energies of staff are managed wisely to help sustain the organization's viability
- **Valuing peoples' contributions**
  Extent to which the organizational culture fosters staff participation, team building, sharing of ideas, risk taking, innovation, and continuous learning; and rewards or provides incentives for such behaviour

Linkage boxes:

- Baldrige 1.1a. Senior Leadership Direction / NQI 1.1 Strategic Direction
- NQI 1.3 Results of Leadership Actions
- Baldrige 2.1a. Strategy Development Process / NQI 2.2 Assessment
- Baldrige 3.2. Customer Relationships / NQI 3.2 Client Stakeholder Relationships
- Baldrige 6.0 Process Management. / NQI 6.1 Partnering
- Baldrige 1.1b. Organizational Governance / NQI 1.2 Leadership Involvement
- Baldrige 1.1c. Organizational Performance Review / NQI 1.2 Leadership Involvement
- Auditor General's Report
- Baldrige 5.2 Employee Learning and Motivation / NQI 4.3 Continuous Learning
- Baldrige 5.3 b (1) Employee Satisfaction and Support / NQI 4.4 Employee Satisfaction
- Baldrige 5.1 Work Systems / NQI 4.2 Participatory Environment
- Baldrige 5.2 Employee Learning & Motivation / NQI 4.3 Continuous Learning

Figure 8: NQI/Baldrige Linkages to Modern Comptrollership Enablers

Rigorous Stewardship

- **Business process improvement**
  Extent to which processes are clearly understood, are conducted in a uniform fashion, and are continuously improved in line with best practices
- **Management tools and techniques**
  Range of analytical techniques (e.g., cost-benefit, sensitivity, life cycle, benchmarking) available to managers
- **Knowledge management**
  Performance/management information is readily accessible to internal and external users via technology, and lessons learnt are shared across the organization
- **Accounting practices**
  Records of financial transactions are kept on a consistent and useful basis for purposes of audit and reporting, and are consistent with generally accepted accounting practices and the Financial Information Strategy (FIS)
- **Management of assets**
  Assets are managed and utilized efficiently based on a lifecycle approach, records of assets are maintained, and assets are accounted for on an accrual basis according to GAAP/FIS.
- **Internal audit**
  Strong internal audit program is in place, and audit results are a critical input to management decision-making
- **External audit**
  Process for ensuring adequate attention to results and recommendations of external audits of department operations

Baldrige 6.1b (6) Value Creation Processes
Baldrige 6.1b (6) Support Processes
NQI 5.3 Process Improvement

Baldrige 4.1b (2). Information & Knowledge Management
Baldrige 6.1b (6) Value Creation Processes
NQI 4.3 Continuous Learning

Baldrige 1.1b. Organizational Governance
Baldrige 6.2 Support Processes

Shared Values & Ethics

- **Values and ethics framework**
  Leadership of policies and activities that visibly support the ethical stewardship of public resources and give priority to "modern management practices"

Baldrige 1.1a. Senior Leadership Direction

Mature Risk Management

- **Integrated risk management**
  Measures are in place to identify, assess, understand, act on, and communicate risk issues in a corporate and systematic fashion
- **Integrated management control framework**
  Appropriateness of management controls in place, and linkages between controls through an integrated control framework

Integrated Performance Information

- **Integrated departmental performance reporting**
  Key measures exist to monitor overall organization-wide performance and best-value results
- **Operating information**
  Measures and systems to monitor service quality and efficiency of program delivery
- **Measuring client satisfaction**
  Utilization of client survey information on satisfaction levels, and importance of services
- **Service standards**
  Monitoring against client service standards and maintaining and updating standards
- **Evaluative information**
  Utilization of non-financial information related to program effectiveness and outcomes
- **Financial information**
  Reliable financial information is available in a timely and useful fashion
- **Cost management information**
  Mechanisms for using activity/product/results-based costs

Baldrige 1.1c. Organizational Performance Review
Baldrige 4.1 Measurement and Analysis of Operational Performance
NQI 5.2 Process Control

Baldrige 3.2b. Customer Satisfaction Determination
NQI 3.3 Measurement of Client Satisfaction

Baldrige 4.1 Measurement and Analysis of Operational Performance
NQI 5.2 Process Control

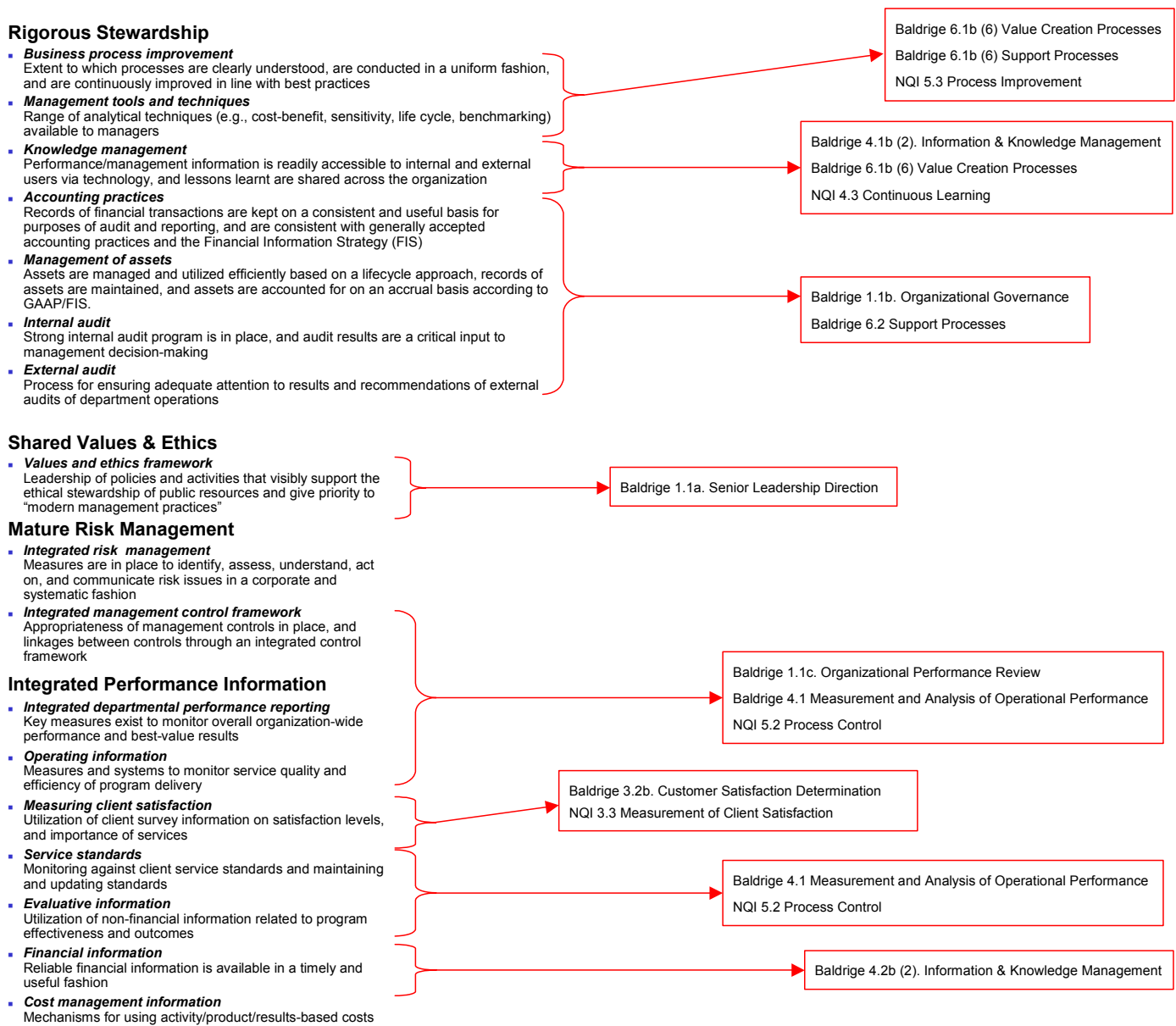Baldrige 4.2b (2). Information & Knowledge Management

Figure 9: NQI/Baldrige Linkages to Modern Comptrollership Pillars

Appendix B: Research Overview

Material Supplied by the CFIA

As described in Section 1.2 Research Methodology, previous analyses and current activities were reviewed to minimize overlap and ensure that only "new" discoveries were surfaced. The team reviewed the following material:

Capacity:
Capacity Assessment of Modern Management Practices for the CFIA – 16 Sep 02
Chapter 24 of the Report of the Auditor General of Canada entitled Federal Health and Safety Regulatory Programs – December 2000

QA Initiatives:
CAR Executive Review of Consistency of Program Delivery – 17 Jan 03
CFIA Quality System Discussion Document – 11 Aug 2000
Operations Briefing Book – 30 Oct 02
Minutes of Quality Assurance Conference Call – 11 Feb 03
Performance Management:
- Performance Management Framework Fact Sheet
- Performance Management Framework and Logic Models – 31 Oct 02

Steps Towards Excellence...A Proposal for Improved Quality of Service Delivery...Meeting the Consistency Challenge – 21 Jan 99
Terms of Reference for QA Operations Pilots – Feb 03
Quality Assurance Program Operations Fish Program Atlantic QMP Audit – 12 Feb 03 Update

Other:
Annual Report 2001/02
After Action Report – CFIA 2001/02 Annual Report
Merlin information (CFIA Intranet)
Health Canada Draft Paper on Allergen Controls Activities within the CFIA – 24 Jan 03
Health Canada Draft Assessment Report of the CFIA's Activities Related to Domestic Ready-To-Eat Meat Products – 04 Dec 02

Auditor General's Report Notes
"The objective of the government's regulatory policy is to promote the design and implementation of effective regulatory programs. Because performance measurement is weak, there is insufficient information to assess the cost effectiveness of health and safety regulatory programs" (Point 24.3). "Canadians are concerned about health and safety risks. Crises and regulatory failures heighten these concerns"

KPMG Capacity Assessment Notes

Integrated Performance Information:
Continue to develop integrated performance measurement. Continue to develop and validate the integrated performance framework. Link lower-level measures to higher-level organizational strategic measures. Explore collaborative relationships with other regulatory bodies to develop a suitable methodological approach. Ultimately link performance measurement to performance management.

Rigorous Stewardship:
Identify key business process improvement opportunities Agency-wide and prioritize opportunities to maximize cost benefit. Leverage best practice/process improvement initiatives at the regional/local level.

Web Sources
The following organizations were examined using the approach and criteria described in Section 1.2.

Federal:
Atomic Energy of Canada Limited
Canadian Air Transport Security Authority
Canadian Centre for Occupational Health and Safety
Canada Customs and Revenue Agency
Canadian Environmental Assessment Agency (CEAA)
Canadian Food Inspection Agency Canadian General Standards Board
Canadian Human Rights Commission
Canadian Nuclear Safety Commission
Environment Canada
Health Canada
Hazardous Materials Information Review Commission
Healthy Environments and Consumer Safety Branch
Pest Management Regulatory Agency
Product Safety Programme
Public Works and Government Services Canada
Workplace Health and Public Safety Programme
National Research Council

Provincial:
Alberta:
- Ministry of Agriculture, Food and Rural Development
British Columbia
- Ministry of Agriculture, Food and Fisheries
Ontario:
- Cabinet Office - OPS Excellence and Innovation
- Ontario Ministry of Agriculture and Food

Québec:

- Ministère de l'Agriculture, et des Pêcheries et de l'Alimentation du Québec (MAPAQ)
- Centre québécois d'inspection des aliments et de santé animale (CPQIASA)

International:

Department of Agriculture, Fisheries and Forestry (Australia)
Department of Health (Australia)
Australian Council for Safety and Quality in Health Care
Food Standards Australia New Zealand
Ministry of Agriculture (New Zealand)
Ministry of Health (New Zealand)
Ministry of Agriculture, Fisheries and Food (United Kingdom)
Department for Environment, Food and Rural Affairs (United Kingdom)
Food Standards Agency (United Kingdom)
Department of Agriculture (United States)
Animal and Plant Health Inspection Service (APHIS - US)
Food Safety and Inspection Service (FSIS - US)
Environmental Protection Agency (EPA, United States)
World Health Organization Department of Food Safety (United Nations)
Food and Agriculture Organization of the United Nations (United Nations)
Codex Alimentarius Commission
Office international des épizooties (OIE)
EMonument
Landauer Inc.

Appendix C: Interviewees & QA Interview Process

CFIA Interviewees:

Tom Beaver	Executive Director, CFIA Corporate Audit and Review
Benoît Blangez	Director, Office of Food Safety and Recall
Yvon Bertrand	Executive Director, Quebec Area
Alf Bungay	National Manager, QMP
Mary Brodhead	Director, Professional Development and Continuous Learning
Brian Evans	Executive Director, Animal Products Directorate
Dave Doncaster	QA Project Leader Atlantic Area
Liette Dumas-Sluyter	Director, Modern Management Initiatives
Tom Feltmate	Manager, Food Safety Risk Analysis
Bruce Jackson	Team Facilitator, TQM Initiative New Brunswick
Kathy Scott	Executive Assistant to the President, CFIA
Liz Singh	Associate Executive Director, Laboratories Directorate

External Interviewees:

Mark Dallaire	Director, Strategic Planning & Modern Management, CNSC
Morris Redman	Lead Auditor, Health Canada
Tammy Wolters	Portfolio Manager, Comptrollership Modernization Directorate, Treasury Board

Quality Assurance Best Practice Sensing Questions:

Purpose:
The purpose of these questions is to help identify best in class processes and/or tools. By having some or all of these questions answered will help us to populate a database of best practices to assist with organizational improvement.

Process Management:
1. How does your organization determine its key value creation processes? What are your organization's key product, service, and business processes for creating or adding value? How do these processes create value for the organization, your clients and stakeholders, and/or client groups? How do these processes contribute to profitability and business success? Identify your key performance measures for the control and improvement of your value creation processes, including how in-process measures and client/stakeholder and supplier feedback are used.

2. Describe how processes are improved to achieve better performance and to keep them current with your changing business needs and directions. Better performance means not only better quality from your clients/ stakeholders' perspective but also better financial and operational performance—such as productivity—from your other stakeholders' perspectives (i.e. treasury board?). A variety of process improvement approaches are commonly used. Overall approaches to process improvement might include implementing a lean enterprise system, six sigma methodology, use of ISO 9000:2000 standards, or other process improvement tools. These approaches include
    a. sharing successful strategies across your organization,
    b. process analysis and research (e.g., process mapping, optimization experiments, error proofing),
    c. technical and business research and development,
    d. benchmarking,
    e. using alternative technology,
    f. using information from clients and stakeholders of the processes—within and outside your organization.

Performance Measurement:
1. How do you select, collect, align, and integrate data and information for tracking daily operations and for tracking overall organizational performance? How do you use these data and information to support organizational decision-making and innovation?
    - what data is needed to measure your relationship with your clients and stakeholders and/or client groups?
    - what data is needed to achieve your organization's vision?
    - what data is needed to measure progress against the strategic plan and key elements of the vision?
    - how is the data used to achieve daily continuous improvement (rather than simply historical reporting)?
    - how is employee effectiveness ensured thorough the availability of information?

- how is data made accessible to all employees when they need it?
- how do your internal measures correlate with your external client/stakeholder satisfaction measures?

2. How do you select and ensure the effective use key comparative data and information to support operational and strategic decision-making and innovation?

3. How do you keep your performance measurement system current with business needs and directions? How do you ensure that your performance measurement system is sensitive to rapid or unexpected organizational or external changes?

4. How are these measures aligned throughout your organization? How they are integrated to yield organization-wide data and information? How are performance measurement requirements deployed by your senior leaders to track work group and process-level performance on key measures targeted for organization-wide significance or improvement?

Performance Analysis:

1. What analyses do you perform to support your senior leaders' organizational performance review? What analyses do you perform to support your organization's strategic planning?

2. How do you communicate the results of organizational-level analyses to work group and functional-level operations to enable effective support for their decision-making?

   Analysis includes examining trends; organizational, industry, and technology projections; and comparisons, cause-effect relationships, and correlations intended to support your performance reviews, help determine root causes, and help set priorities for resource use. Accordingly, analysis draws upon all types of data: clients/stakeholders -related, financial and market, operational, and competitive. Examples of analyses:

   - relationships among product and service quality, operational performance indicators, and overall financial performance trends as reflected in indicators such as operating costs, asset utilization, and value added per employee
   - allocation of resources among alternative improvement projects based on cost/benefit implications or environmental and community impact
   - net savings/efficiencies derived from quality, operational, and human resource performance improvements
   - comparisons among business units showing how quality and operational performance improvement affect financial performance
   - how the ability to identify and meet employee requirements correlates with employee retention, motivation, and productivity
   - cost and operational performance implications of employee-related problems and effective problem resolution

Data and Information Availability

1. How do you make needed data and information available? How do you make them accessible to employees, suppliers and partners, and clients and stakeholders, as appropriate?

2. How do you ensure that hardware and software are reliable, secure, and user friendly?

3. How do you keep your data and information availability mechanisms, including your software and hardware systems, current with business needs and directions?

Organizational Knowledge

1. How do you manage organizational knowledge to accomplish the collection and transfer of employee knowledge, the transfer of relevant knowledge from clients and stakeholders, suppliers, and partners and the identification and sharing of best practices?

2. How do you ensure the integrity, timeliness, reliability, security, accuracy and confidentiality of your data, information, and organizational knowledge?

Management of Supplier/Service Provider Processes

1. What external organizations, institutions and alliances are critical to your organization meeting its objectives?

2. How do you design supplier/service provider processes to meet overall performance requirements, including how preferred suppliers/service providers are selected. What are the principal performance requirements for key suppliers/service providers?

3. How do you ensure performance requirements are met? What are the key measures, such as expected performance levels, and how is performance information fed back to suppliers and partners?

4. How do you evaluate and improve your management of supplier and partnering processes to achieve better performance and improve suppliers/service providers' abilities to contribute to achieving your organizations performance goals

    Improvement plans might include: improving your own procurement and supplier management processes (including seeking feedback from suppliers and "internal customers"), joint planning, rapid information and data exchanges, use of benchmarking and comparative information, customer-supplier teams, training, long-term agreements, incentives, and recognition. Actions and plans might also include changes in supplier selection, leading to a reduction in the number of suppliers and enhancing partnership agreements.

5. How do you establish cooperative working relationships with key suppliers/service providers, and encourage innovation to assure and improve the quality of services and products?

Appendix D: "Best-in-Class" Organizational Planning Excerpts

ANZFA Corporate Plan Excerpts:

The ten Key Result Areas identified in the ANZFA three-year Corporate Plan:

Key Result Area 1	Delivering our statutory objectives by implementing, managing and monitoring the Food Standards Code and other regulatory measures.
Key Result Area 2	Managing the changing nature of our role as we move to implement the new approach to the management of food regulation.
Key Result Area 3	Effectively managing and enhancing the standards development process.
Key Result Area 4	Establishing and implementing a common regulatory approach and evaluation strategies with other agencies.
Key Result Area 5	Supporting public health measures.
Key Result Area 6	Providing greater opportunities for community involvement in our processes.
Key Result Area 7	Assessing the impact of our priorities from a jurisdictional perspective, in particular New Zealand.
Key Result Area 8	Strengthening and enhancing our international relationships.
Key Result Area 9	Proactively managing emerging issues.
Key Result Area 10	Developing and maintaining the effectiveness and efficiency of our organization.

Figure 10: ANZFA Key Results Areas

Key Result Areas	Action Areas
Delivering our statutory objectives by implementing, managing and monitoring the Food Standards Code and other regulatory measures.	• assessing applications and proposals to amend/vary the Food Standards Code; • using our surveillance processes to inform policy development; • undertaking the monitoring and evaluation of hazards in food to support the development of food regulatory measures; • working with our new partners to implement arrangements for primary production standards; and • supporting stakeholders in the implementation of the Food Standards Code by such strategies as conducting forums, producing guidelines, by developing practical strategies for supporting small business.
managing the changing nature of our role as we move to implement the new approach to the management of food regulation.	• monitoring our changing external environment; • enhancing relationships with our current partners and the broader community and developing new relationships with our new partners and the broader community; • building a stronger relationship between the staff and the Board and supporting the new responsibilities of the Board; • enhancing our links with the Department of Health and Aged Care, Ministry of Health and other jurisdictional agencies; • enhancing our links with government agencies across all jurisdictions; • enhancing our links with consumers and public health organisations; • creating new and stronger links with the primary industry sector; and • developing a more consistent approach to policy development and standards setting processes

Figure 11: ANZFA Action Tracking

US Strategic Plan Excerpts

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
6.1.1 Customer service rating for courtesy and professionalism of NASS personnel in dealing with customers.	n/a [1]	n/a [1]	85	85
Number of new data products and services produced to fulfill customer requests.	9	15	7	8
American Customer Satisfaction Index measures NASS's customer satisfaction with NASS reports, products, and services.	n/a [1]	n/a [1]	72	72

FY 2000 Baselines
1/ No data available

Figure 12: UDSA Performance Indicators

Performance Goal/Indicator	Data Source(s)	Verification/Validation Method	Data Limitations
6.1.1 Customer service rating for courtesy and professionalism of NASS personnel in dealing with customers. Number of new data products and services produced to fulfill customer requests. A Customer Satisfaction Index measures NASS's total customer satisfaction with products and services.	MISO tracks new data products and services. American Customer Satisfaction Survey (ASCI) provides data.	New products and services introduced by NASS are recorded and maintained by MISO. ACSI survey data is prepared by the Federal Consulting Groups in partnership with the University of Michigan (with a confidence level of 95%) to measure customer service rating.	New products and services introduced in the State Statistical Offices are not included in this measure. Only Headquarters activities are included. ASCI survey data and results may vary from year to year due to changes in the customer population (or customer groups) surveyed.

Figure 13: USDA Data Analysis and Data Management

Confined Livestock Waste Problems on the Rise - Number of Counties Where Manure Nutrients Exceed Potential Plant Uptake and Removal (Including Pastureland Application)
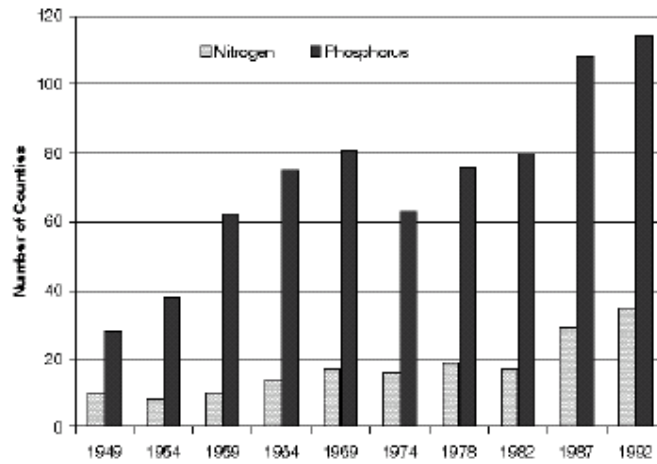
Figure 25 - The amount of nitrogen and phosphorus available from livestock manure has risen steadily since the late 1940s. At the same time, the sector has experienced increasing concentration of production in certain areas. Many counties now have insufficient land area to make agronomic use of the nutrients available from livestock manure.

Source: Kellogg, R.L., and Lander, C.H. NRCS, 1999

NRCS Strategic Plan 2000-2005   29

Figure 14: Data Analysis Example from USDA Strategic Plan

CCRA Performance Improvement Plan Excerpts

Targeted Areas	Related Activities
	Updated from last year (see Exhibit 18 for more details):
1. **Enhanced CCRA performance measurement**	Continue the implementation of the Balanced Scorecard (BSC) and the integration of clear performance targets into the performance measurement framework and accountability contracts with a view to completion within the next three years.
2. **Improved performance against service standards**	Improve the CCRA's overall performance against existing service standards. Also, review and, where appropriate, modify and expand existing service standards including the development of new ones to deal with aspects of our service delivery that go beyond timeliness (for example, accuracy, fairness and accessibility).
3. **Target for level of tax debt is met**	Prevent further deterioration in the level of accounts receivable as a percentage of gross revenue with a view to stabilizing the statistic. Continue the modernization of our accounts receivable program delivery systems, approaches, and mechanisms to improve overall account receivable performance and to better cope with ever increasing workloads.
4. **Enhanced programs for enforcing tax compliance**	Continue to develop and implement a more comprehensive compliance measurement strategy to identify major areas of compliance risk with an overall targeted completion of 2006. Implement associated programs such as audit protocol agreements and Underground Economy—Outreach, to address risks.
5. **Improved timeliness of disputes processing**	Implement recommended improvements to achieve the faster turnaround times reflected in our new multi-year targets for Appeals case completions.
6. **Enhanced telephone accessibility**	Pursue options to reduce the need for clients to call. For those who continue to call, reduce wait times and improve accessibility for telephone enquiries in line with our internal performance targets.
7. **Enhanced border compliance, including robust risk management and performance measurement**	Carry on with the rollout of the Customs Action Plan deliverables (including NEXUS and the Expedited Passenger Processing System), and accelerate implementation of key elements of the Compliance Improvement Plan. Also, within the context and timeframe for Balanced Scorecard, continue development of the customs performance measurement regime.
8. **Enhanced information technology (IT) infrastructure**	Having implemented the final components of our IT strategy ahead of schedule, next steps include building the capacity to process 75% of T1 returns electronically by 2005, among others.
9. **Effective response to human resources (HR) challenges**	Continue implementation of our new HR regime as per the *Corporate Business Plan* with a view to completion in 2004. Also, address other HR management issues such as HR data quality in Corporate Administrative Service, timeliness of internal compensation services, and improving our employees' language skills to facilitate the use of both official languages in the workplace.
	New for this year:
10. **Enhanced client satisfaction surveys**	Develop and implement an expanded integrated satisfaction survey for key client groups with reporting thereon by 2004.
11. **Advancing modern comptrollership**	Advance further our modern comptrollership agenda (as per commitments in our *Corporate Business Plan*) through such improvements as quarterly budgeting and reporting, integrated risk management, accrual accounting for tax revenues, and activity-based costing.
12. **Modernizing financial systems and practices**	As part of our overall solution addressing the T3 accounting error, modernize our financial systems and practices as necessary.

Figure 15: CCRA Improvement Plan

Service	Service Standard	Target	Results 1999-2000	Results 2000-2001	2000-2001 Compared to Target	Results 2001-2002	2001-2002 Compared to Target
Tax Services - Client							
1. Counter-service wait time	20 minutes (except during peak periods)	20 minutes (except during peak periods)	Not available	86% served within 20 minutes	✘	85% served within 20 minutes (see note)	✘
2. Processing Visitor Rebate applications	4-6 weeks	100%	95%	95%	✔	95% (see note)	✔
3. Reimbursements to duty-free shops	5 working days	100%	99%	99%	✔	99.8%	✔
4. Responding to client-requested adjustments (T1)	8 weeks	100%	7 weeks	7 weeks	✔	7 weeks (see note)	✔
5. Compensation to duty free shops	30 days	100%	99%	99%	✔	90%	✘
6. Validating magnetic media test tapes	30 days	100%	96%	96%	✔	98% (see note)	✔

Figure 16: CCRA Priorities Overall Performance Against Service Standards

Appendix E: Glossary

AFFA	Department of Agriculture, Fisheries and Forestry Australia
ANZFA	Australia New Zealand Food Authority
Baldrige	Malcolm Baldrige Award Criteria
CCRA	Canada Customs and Revenue Agency
CFIA	Canadian Food Inspection Agency
FAO	Food and Agriculture Organization of the United Nations
FSANZ	Food Standards Australia and New Zealand
FSEP ·	Food Safety Enhancement Program
FSIS	Food Safety Inspection Service
HACCP	Hazard Analysis & Critical Control Points
HR	Human Resources
ISO9001	Quality Management System (QMS) requirements
ISO17025	QMS technical requirements for laboratories
ISO14000	QMS for Environmental requirements
MAPAQ	Ministère Agriculture and Pêcheries et Alimentation du Québec
MMI	Modern Management Initiative
MPIP	Modernized Poultry Inspection Program
NQI	National Quality Institute
OGDs	Other Government Departments
OIE	Office international des épizooties (World Organization for Animal Health)
OMAF	Ontario Ministry of Agriculture and Food
OPS	Ontario Public Service
Q	Quality
QA	Quality Assurance
QC	Quality Control
QM	Quality Management
QMP	Quality Management Program (Fish)
QR	Quality Requirements
QMS	Quality Management System
TB	Treasury Board
TQM	Total Quality Management
USDA	United States Department of Agriculture