



# *National Round Table on the Environment and Economy*

## **Modern Management Practices Assessment**

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# Background

## Part I

### Overview of the NRTEE

- ❑ The National Round Table on the Environment and the Economy (NRTEE) was established as a publicly funded, independent agency in 1994 to explain and promote the principles and practices of sustainable development.
- ❑ The NRTEE is a multistakeholder body composed of a chair and a maximum of 24 members from across Canada, who are appointed by the Prime Minister.
- ❑ The NRTEE is supported by a Secretariat in Ottawa that provides analytical, communications and administrative support to the NRTEE members. The Secretariat is responsible and accountable for managing operations. The management practices of the Secretariat are the primary focus of this Capacity Assessment.
- ❑ The Secretariat has an appropriation from Parliament of approximately \$5.6 million and a staff of 28 full-time employees (FTE's).

### Mandate and Strategic Priorities

- ❑ The formal mandate of the NRTEE, as prescribed in the *National Round Table on the Environment and the Economy Act*, is “...to play the role of catalyst in identifying, explaining and promoting in all sectors of Canadian society and all regions of Canada, the principles and practices of sustainable development.”

# Background

- ❑ Recognizing the broad nature of this mandate, the NRTEE focuses on improving sustainable development policy, in particular, demonstrating the intersection and interdependence of the environment and the economy. We do this by providing decision makers and opinion leaders in the federal government and civil society with the information, analysis and recommendations they need to make better policy and operational decisions for an environmentally and economically sustainable future for Canadians. Three strategic priorities guide the work of the NRTEE:
  1. Identifying and examining critical mid- to long-term environmental and economic issues, questions and challenges that need to be addressed in public policy;
  2. Identifying and designing practical solutions and effective recommendations; and
  3. Raising broader awareness and understanding of the issues and their practical solutions.
  
- ❑ In order to deliver on these strategic priorities, the NRTEE establishes and manages a roundtable, multistakeholder process for each sustainable development issue that it examines. This process brings together recognized decision-makers, opinion leaders and experts in a neutral environment to openly examine, discuss and debate critical sustainable development issues and formulate practical solutions and recommendations.

# Background

- ❑ The NRTEE commissions independent research, information and analysis as the issues being examined by the Round Table are so new and the necessary material does not exist. The NRTEE also carries out extensive communication activities to support existing programs and to broaden awareness and understanding of current and past issues examined by the NRTEE.
- ❑ NRTEE programs last on average two years, from the identification of the sustainable development issue to be examined, to the convening of an effective program Task Force to examine, discuss and debate the issue, to the production and dissemination of the final NRTEE *State of the Debate* report containing advice, recommendations and practical solutions.
- ❑ The NRTEE has on average four separate critical sustainable development issues being examined at any one time, complemented with a simultaneous scanning process to identify and scope critical emerging sustainable development policy issues that are on the horizon and of relevance to Canadians.

# Background (cont'd)

- Part II**  
**Background to Modern Comptrollership and Capacity Assessment**
- ❑ The government is undergoing rapid and significant change in the ways in which it both goes about its business, and how it chooses to manage itself. It is changing its culture, the way it manages resources, and the manner in which it holds itself accountable to Canadian citizens. Central to this cultural shift is the government's agenda for management change – ***Results for Canadians***.
  - ❑ Modern Comptrollership is one of the keys to that transformation. At the heart of the 'modern' Comptrollership principles is a significant organizational cultural shift from a primarily financial focus to a broader management perspective based on values and results. Modern Comptrollership requires dedicated action and attention in order to sustain lasting cultural change.
  - ❑ In 1997, the Treasury Board sought advice from the ***Independent Review Panel on Modernization of Comptrollership in the Government of Canada***, to facilitate renewal and change of the comptrollership function in government for the future. Modern Comptrollership is grounded in sound management practices.

## *Background (cont'd)*

- ❑ Traditionally, comptrollership in government has focused on financial controls and accounting functions such as processing transactions, reporting expenditures and tracking budgets. It has been regarded largely as the preserve of functional specialists. According to the **Panel** report, Modern Comptrollership represents a shift from a centralized financial focus to a broader management perspective and thus becomes an integral part of each manager's responsibilities.
- ❑ Modern Comptrollership is about rigorous management of public resources with emphasis placed on performance and not just on following the rules. It is also about linking financial information (budgets, expenditures, revenues, assets, liabilities and inventories) with non-financial information (operational and strategic information, planned results and service information, performance information, outputs and outcomes). It focuses on effective decision making with sound management of resources, including human, financial, capital and technological.
- ❑ Modern Comptrollership integrates this performance information in balance with a mature approach to the management of risk, with values, ethics and ethical practices beyond simple compliance, and with appropriate control systems.

## *Background (cont'd)*

- ❑ On June 1, 2001 the President of the Treasury Board announced the government-wide implementation strategy for Modern Comptrollership. NRTEE launched its Modern Comptrollership initiative later that year.
- ❑ Based on the criteria identified in the **Panel** report, an assessment tool was developed and tested by KPMG Consulting LLP with six pilot departments in the first phase of the Modernization initiative. All of these six pilot departments were large federal departments. This tool, which became known as the Comptrollership Capacity Check, allowed departments to assess their current management practices against the recommendations and findings of the **Panel**, using best-practices benchmarking to determine internal measures. Many of the best practices identified in this tool are inherently more formal and specialized than is appropriate for a very small agency, such as the NRTEE.
- ❑ This assessment report on NRTEE's modern management practices reflects the results of a two-day focus group session, with nine participants from NRTEE (representing 25% of NRTEE's total staff complement), including the interim chair.



## *Background (cont'd)*

- ❑ It is increasingly recognized that “Modern Comptrollership” is broader than simply good management practices. Hence, at NRTEE, the assessment looked at “modern management practices” more broadly. It also looked at opportunities to advance the culture shift as called for in the Panel report.
  
- ❑ NRTEE is committed to instilling a Modern Comptrollership mindset among all staff throughout the organization. The initiative has a broad scope to improve management practices. The department has made progress in the following areas:
  - Performance Measurement – NRTEE is developing and implementing a performance measurement system that support better decision making, program management and reporting. In the summer, 2002, the NRTEE developed and delivered training to managers, policy advisors and assistants on this new system. The NRTEE is also playing the lead role on a TBS Innovations Fund project that is examining how the performance measurement framework and tools the NRTEE is developing can be modified/tailored to meet the needs of the broader Small Agency community;
  - Contract Management –the NRTEE has developed a new contracting policy tailored to address the issues that arose during the Capacity Assessment process. Staff will receive training on contract management, including this new policy.
  - Performance Reporting – the NRTEE’s 2002 Departmental Performance Report and Report on Plans and Priorities for 2003-04 were restructured to focus on the achievement of outcomes and results.

# Background (cont'd)

## Why a Capacity Check?

- ❑ **Assess state of modern management practices within each department against a common standard.** Assess current management practices against recognized best practices and principles as outlined in the *Report of the Independent Review Panel on Modern Comptrollership in the Government of Canada*.
- ❑ **Bring together all the elements of the management framework.** The Capacity Check is intended to integrate the full range of capabilities necessary to implement Modern Comptrollership including leadership, motivated people, shared values and ethics, integrated performance information, mature risk management, rigorous stewardship, and clear accountability management.
- ❑ **Compare against best practices and what makes sense for the organization.** The Capacity Check is based on best practices of other leading very large organizations. By adapting this tool for a very small agency, it provides the opportunity to assess the NRTEE's current management practices and identify key priorities for improvement.

# *Background (cont'd)*

## **Key features of the Capacity Check Assessment**

- ❑ Future oriented: it focuses on what capabilities must be in place in the future to respond to emerging citizen demands in an ever-changing environment.
- ❑ Recognizes that an organization cannot be “best” at everything; it can only focus on a few, key improvement areas at any one time, and the priorities of each department will depend on the nature of its operations.
- ❑ Intended as an indicator for senior management regarding the maturity of modern management practices in the organization.
- ❑ Departmental focus: the NRTEE comptrollership assessment is not intended to compare management practices with other departments, but to assess the broad corporate management practices of all programs collectively.
- ❑ The group collectively discussed each element – outlined current practices, determined if these were sufficient (why or why not), identified opportunities/areas for improvement and assigned a rating.

# Background (cont'd)

## NRTEE's Capacity Check Assessment

- ❑ The NRTEE made a request to the Treasury Board Secretariat (TBS) to conduct an assessment of modern management practices by adapting the KPMG tool, thus better meeting the needs of the specific needs of a very small agency.
- ❑ The project was conducted by a joint consulting team consisting NRTEE's Modern Comptrollership Project Officer and consultants from BDO Dunwoody and Associates Ltd. (BDO) – the “consulting team”.
- ❑ The self assessment covered the complete seven key elements including thirty three assessment criteria of the Capacity Check. Using an adapted version of the Capacity Check tool, an internal multistakeholder focus group was convened to conduct the assessment.
- ❑ Information was gathered through a facilitated management self assessment. The self assessment collected senior managers, middle managers, front line staff and NRTEE member perceptions of practices, procedures, documents, and reporting systems used for management purposes. Participants provided the information for findings and ratings. In contrast, an audit would require that an independent third party verify the findings described by managers to substantiate their accuracy and the validity of the ratings given.

# *Background (cont'd)*

- ❑ NRTEE Focus group participants were asked to assess the organization from a broad perspective, as opposed to assessing their area separately. If they were uncomfortable in assessing or rating an area they could decline to comment.
- ❑ A two-day focus group was conducted by the consulting team (for a list of participants see Appendix on page 55). The consulting team outlined the NRTEE's current management practices for each of the modern comptrollership elements, discussed whether these were sufficient for the NRTEE (why or why not), identified opportunities or areas for improvement and determined a rating. The rating for each of the thirty three assessment criteria were rounded to the nearest half point. These ratings are indicated in the scale included in this report.

## **What's next ?**

- ❑ The NRTEE will use the results of its Capacity Check together with other management reports and performance information to help identify its priorities for improvement and to develop action plans to address them coherently.

# *Overview of the Capacity Check Tool*

- ❑ Assess state of comptrollership practices within each organization against a common standard. Assess current management practices against recognized best practices and principles as outlined in the Report of the Independent Review Panel.
  
- ❑ Bring together all the elements of the management framework. The capacity check is intended to integrate the full range of capabilities necessary to implement modern comptrollership, including leadership, business planning, risk management, performance management, control systems, and accountability management.
  
- ❑ Compare against best practices. The capacity check is based on best practices of other leading organizations, and therefore provides an opportunity for organizations to assess where they stand relative to these best practices. By adapting this tool for the NRTEE, we are able to ensure this capacity assessment is effective and makes sense for a very small federal agency.
  
- ❑ Provide assurance to external clients/stakeholders of the soundness of comptrollership within the organization. The capacity check should help to clarify for external clients and stakeholders (e.g., central agencies, Parliamentarians) the management practices that are currently in place, and to provide some assurance that the overall management framework is in sound order.

# *Overview of the Capacity Check Tool*

- Future oriented - focuses on what capabilities must be in place in the future to respond to emerging client demands/changing environment.
- Focuses on expanding/improving capability rather than downsizing.
- Recognizes that an organization can only focus on selected improvement areas at any one time, and cannot be “best” at everything.
- Intended as a diagnostic tool for senior management of the organization.
- Departmental focus - not intended to compare management practices between areas.
- Directed self-assessment tool - not a review or audit.
- Builds upon changes already underway to existing management processes.

# The Mechanics of the CAPACITY CHECK® Rating Scale

- ❑ Current capabilities are assessed based on each of the areas and elements identified in the KPMG Capacity Check tool.
- ❑ The capability descriptions identified as best practices in the KPMG tool were used as a guide during the focus group discussions to help assess NRTEE’s current management practices and whether these practices were sufficient or if improvements were required.
- ❑ A rating system of “1” to “5” was used. An example of this rating system is depicted below. A high rating does not necessarily mean “goodness”, rather, formality or maturity of capability. The ideal rating for any area is dependent on the needs and goals of the organization. Level “3” is considered the norm.

TOPIC	1	2	3	4	5
<b>Leadership commitment</b>  <i>Awareness and commitment of deputy head and senior management to establishing and implementing a modern management practices environment</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized
		<i>Existing capability</i> ●		● <i>Future capability</i>	
Where the organization may strive to be in the future					



# *Executive Summary*

# Key Themes

Although the Capacity Assessment covered a wide range of different modern management practices, there were some common themes that emerged during this exercise. The following is a summary of these recurring themes.

## ❑ ***An Evolving Federally-Funded Agency***

- The NRTEE has evolved significantly since it was established as an independent agency in 1994. It has shifted from an organization that relies almost exclusively on NRTEE's members to discuss and debate issues, to one that engages a much broader constituency of stakeholders and experts to examine, discuss and debate sustainable development policy issues that intersect the environment and the economy. The issues NRTEE examines today are more complex and contentious than those tackled during the early years of the organization, warranting the engagement of this broader range of stakeholders and the commissioning of expert research and analysis. This evolution highlights the need to review and clarify existing accountability relationships and responsibilities within the Secretariat and between the Secretariat, the membership and the program Task Forces.

## ❑ ***Meeting Demand with Limited Resources***

- The NRTEE's appropriation from Parliament (\$5.4 M in 2001-02) presents significant challenges in terms of meeting the demand for its services; from examining a core number of sustainable development policy issues, to commissioning efficient and effective research and analysis, to raising awareness and understanding of these issues across Canada. The Round Table is continually striving to utilize partnerships (contractual and non-contractual) in order to try and meet demand while maximizing the resources it has available.

# Key Themes (cont'd)

## ❑ ***Innovator and Leader within the Small Agency Community***

- The NRTEE is committed to improving and strengthening its management systems and practices in ways that are both effective and efficient for a very small federally-funded agency. In implementing the government's new Financial Information Strategy (FIS), the NRTEE played a lead role within the FreeBalance Cluster Group by developing and sharing both its detailed accounting policies and its new, comprehensive set of financial statements. The NRTEE is one of the only small agencies to have developed and implemented an Activity-Based Costing (ABC) system; a system that provides full costing information for each of the NRTEE's programs and for the major activities of the organization as a whole. The NRTEE is also leading a TBS Innovations Fund project, involving two other federal agencies, to develop and implement a performance measurement system.

## ❑ ***Program Management Methodology***

- The NRTEE has developed and implemented a comprehensive program management methodology and manual to guide the planning and management of the multi-stakeholder process the Round Table uses for all of its programs. This process involves establishing and managing a program Task Force for each of the environmental and economic policy issues that the NRTEE examines. The NRTEE will look to strengthen this methodology and manual by integrating many of the modern management opportunities identified through the Capacity Assessment process.

# Summary of Management Capacity Self Assessment

TOPIC	1	2	3	4	5	Rating
<b>Strategic Leadership</b>						
1 Leadership commitment			■	■		3.25
2 Managerial commitment		■	■			2.50
3 Strategic Specialty Support		■	■			2.00
4 Planning		■				2.00
5 Resource Management			■	■		3.50
6 Management of partnerships			■			3.00
7 Client relationship management				■	■	4.50
<b>Shared Values &amp; Ethics</b>						
8 Values and ethics framework			■	■		3.00
<b>Mature Risk Management</b>						
9 Integrated risk management		■	■			2.00
10 Integrated management control framework		■	■			2.50
<b>Motivated People</b>						
11 Modern management practices competencies		■	■			2.00
12 Employee satisfaction		■	■			2.00
13 Enabling work environment			■	■		3.00
14 Sustainable workforce			■	■		3.50
15 Valuing peoples' contributions			■	■		3.50
<b>Clear Accountability</b>						
16 Clarity of responsibilities and organization			■	■		2.50
17 Performance agreements and evaluation	■	■				1.50
18 Specialist support (covered in 3)						
19 External reporting				■	■	4.00
<b>Integrated Performance Information</b>						
20 Integrated departmental performance reporting	■	■				1.50
21 Operating information	■	■				1.50
22 Measuring client satisfaction		■	■			2.00
23 Service standards			■	■		3.00
24 Evaluative information		■	■			2.00
25 Financial information			■	■		3.50
26 Cost management information			■	■		3.00
<b>Rigorous Stewardship</b>						
27 Business process improvement			■	■		3.00
28 Management tools and techniques		■	■			2.50
29 Knowledge management				■	■	4.00
30 Accounting practices			■	■		3.50
31 Management of assets			■	■		3.50
32 Internal Audit (n/a)						
33 External Audit				■	■	4.00

# Summary of Strengths and Opportunities

## ❑ **Strategic Leadership**

### **Strengths**

- Within the small agency community, NRTEE is seen as an innovator in applying new innovative approaches to management (ie. Performance Measurement).
- NRTEE plenaries, involving both NRTEE senior management and the members, are held throughout the year.
- NRTEE's budgeting process utilizes ABC costing information.
- NRTEE utilizes both contractual and non-contractual partnerships to leverage resources for obtaining advice, raising awareness, program delivery and communication of information. ( Program Task Forces, Steering Committees etc.).
- NRTEE challenges established views by assisting clients in collectively identifying barriers that prevent progress.
- Feedback mechanisms exist – often verbal feedback.

### **Opportunities**

- Expand orientation and training initiatives and materials to include NRTEE modern management practices and procedures.
- Establish a common understanding of modern management practices throughout the NRTEE and determine how to effectively operationalize these practices (i.e. orientation materials and processes, training, continuous learning). This process should ensure the linkage between the strategic priorities and programs.
- Integrate the internal budget process with the process for preparing the Report on Plans and Priorities and integrate into the performance measurement system.
- Establish key outcomes for all new initiatives and link these to NRTEE's strategic priorities.
- Develop and deliver contract and partnership management training.

# Summary of Strengths and Opportunities

## ❑ **Shared Values and Ethics**

### **Strengths**

- Common values exist within the organization, such as: listening, respect, tolerance, willingness to serve, high motivation to serve public interest and finding common ground.
- A corporate value of “high quality” or “high-quality approach” permeates the organization.
- Informal discussions have been held regarding values and ethics and informal “checks” are undertaken with staff. The NRTEE follows TBS contracting procedures, in that contracting bids are solicited from more than one supplier and donations are refused from private sector suppliers.

### **Opportunities**

- Develop, communicate and promote written policies, principles and guidelines relating to values and ethics that will assist all staff.
- Undertake an assessment on the variety of contractors available to NRTEE and update the “roster” of consultants/expertise in all areas of the organization

# Summary of Strengths and Opportunities

## ❑ **Mature Risk Management**

### **Strengths**

- NRTEE has a program management process and manual which provides for “checks and balances” throughout the program life cycle.
- NRTEE programs are managed differently depending upon a program’s nature and complexity; however, the Program Planning Manual provides overall guidance for the management of programs.
- Program work plans, which include checks and modification points, are created to determine how the program will proceed. Program task force meetings are held two to three times per year to provide guidance, feedback and input; however, there is regular contact between the task force chair and the policy advisor.
- An important factor influencing the success of programs is the relationship between the policy advisor and task force chair.

### **Opportunities**

- Assess and document risks during scoping phase of new program initiatives.
- Identify and prioritize risks for the NRTEE and to establish mitigation techniques.
- For each NRTEE program, bring together key players at the outset and approximately every 6 months thereafter, to review progress to date and to ensure that the program task force chair and NRTEE senior management are in agreement on the direction of the program.

# Summary of Strengths and Opportunities

## ☐ **Motivated People**

### **Strengths**

- NRTEE identifies and supports training opportunities for staff.
- NRTEE runs a transparent organization which helps to create a greater sense of engagement in all staff levels i.e. quarterly staff meetings, monthly policy meetings.
- Senior Management and management are supportive and generous with providing training within funding available.
- Staff participate in the decision-making and planning process, through input at staff and policy meetings and retreats
- NRTEE staff believe their work is meaningful and makes an important difference to society.
- NRTEE supports flexible work arrangements, including working from home, flex time and compressed work hours.
- NRTEE supports and accommodates staff for personal health issues.
- NRTEE rewards the valuable contribution of staff through appropriate means that are consistent with government regulations.

### **Opportunities**

- Design training on modern comptrollership areas through an introductory module or orientation session for new employees.
- An assessment of modern management skills is required during the hiring process.
- Discuss employee satisfaction techniques with the PSC in order to develop mechanisms to detect employee issues earlier.
- Host individual two-way discussions with staff members to discuss employee satisfaction issues and receive feedback.
- Continue acknowledging the valuable contribution that staff make to the organization (written and verbal communication).
- Investigate using a more formalized skills self-assessment process as part of the annual review process.
- Utilize a proactive approach towards time management that fosters more opportunities for meetings with employees.



# Summary of Strengths and Opportunities

## ❑ **Clear Accountability**

### **Strengths**

- NRTEE meets all external (including legislative) financial and non-financial reporting requirements.
- NRTEE's financial information is reported monthly through Central Financial Management Reporting System.

### **Opportunities**

- Clarify and communicate the Policy Advisor's:
  - role and responsibility throughout the organization;
  - level of input in delivering initiatives
  - visibility levels
- Strengthen accountability by reviewing and revising the NRTEE's program manual to clearly articulate the process relating to the management of programs and the inherent roles and responsibilities of each of the key players.
- Provide training on roles and responsibilities to NRTEE members who take on the position of task force Chair.
- Ensure greater clarity at the outset of programs or initiatives, while still providing flexibility to make adjustments as priorities change.
- Develop a simple structure to determine desired program results and to establish measures and indicators against which performance will be measured.
- Consider the degree of involvement that task force chairs have in contributing to the evaluation of the work of policy advisors
- Consider linking employee performance evaluations to strategic/business plans.
- Revamp the NRTEE's RPP and DPR to focus on outcomes and results versus outputs and to effectively link financial and non-financial information in these reports.

# Summary of Strengths and Opportunities

## ❑ **Integrated Performance Information**

### **Strengths**

- NRTEE monitors the quality of programs through informal dialogue and feedback from stakeholders, task force members and consultation participants.
- The efficiency of NRTEE's programs is measured through an ongoing review of actual progress against program plans. Program work plans and activity based costing information provide the financial and non-financial information to assess performance and make necessary adjustments.
- As part of FIS, the NRTEE reviewed and improved financial information systems, policies, procedures and processes to ensure that reliable financial information is produced on a timely basis.
- The NRTEE has developed and implemented an activity-based-costing (ABC) system to effectively track and report actual direct and indirect costing information on a program-by-program basis as well as by the major activity.

### **Opportunities**

- Implement performance measurement throughout NRTEE so as to measure performance, including progress towards results (outputs and outcomes) on a consistent and objective basis.
- Modify the NRTEE's Performance Measurement framework based on the experience gained from piloting it on the Domestic Emissions Trading program and feedback from staff.
- Design the Performance Measurement system to ensure that non-financial information is gathered and utilized to support objective decision-making, evaluation and reporting.
- Strengthen the NRTEE's utilization of costing information on an ongoing basis.
- Examine an effective mechanism to effectively integrate the estimated value of leveraged services information into the NRTEE's performance measurement system.
- Provide training for staff and NRTEE Executive on new performance measurement system.

# Summary of Strengths and Opportunities

## ❑ **Rigorous Stewardship**

### **Strengths**

- The NRTEE's Program Management manual describes the basic business processes and the critical paths for programs (i.e. the program life cycle).
- Communication plans and financial budgets are integrated into program plans.
- NRTEE has strengthened its records management system.
- NRTEE is fully compliant with the government's Financial Information Strategy (FIS).
- Senior managers receive monthly financial reports, other managers are made aware of their budgets for their programs. Management's financial information is centralized.
- All assets over \$2,000 are capitalized in NRTEE's books and recorded and tracked on the NRTEE's Capital Assets spreadsheet.
- NRTEE undergoes a full financial audit by the OAG every year, resulting in an independent audit opinion on the NRTEE's financial statements.

### **Opportunities**

- Investigate modifications to the Program Planning manual and other NRTEE business processes.
- Develop templates that describe processes or activities which are undertaken instinctively.
- Develop tools to improve contractor selection and evaluation process.

*Summary of Findings, Opportunities,  
Ratings and Rationale  
(by assessment criteria)*

# *Strategic Leadership*

# Strategic Leadership

## Leadership Commitment - Findings

- NRTEE entered in the Modern Comptrollership process in 2001. This was formalized by way of a letter to Treasury Board.
- Modern management is a philosophy that has been adopted within the organization. This is demonstrated through the NRTEE's integrated program management methodology and its multistakeholder ("horizontal") approach to exploring new sustainable development issues that intersect the environment and the economy. This applies from the beginning stage of new initiatives through to the communication of results and evaluation. This process utilizes a team approach (program task forces, policy advisors, senior management, NRTEE membership) and identifies roles and responsibilities.
- NRTEE is recognized as a leader by the FreeBalance cluster group for the implementation of financial accounting policies and procedures.
- NRTEE was recognized by the OAG and Receiver General as a leader in the development of new financial statement presentation.
- The organization is only one of very few federal departments and agencies to have implemented full cost and Activity-based Costing (ABC).
- Within the small agency community, NRTEE is seen as an innovator in applying new innovative approaches to management (ie. Performance Measurement).

## Opportunities

- Focus on the implementation of modern management practices and procedures in an open and creative environment.
- Build on current efforts to engage all personnel in modern management practices and obtain feedback on these efforts.
- Create a systematic continuous learning environment that would encompass capturing, storing and communicating (between staff and NRTEE members), best practices and lessons learned.
- Expand orientation and training initiatives and materials to include NRTEE modern management practices and procedures.

TOPIC	1	2	3	4	5
<b>Leadership commitment</b>  <i>Awareness and commitment of deputy head and senior management to establishing and implementing a modern management practices environment</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

The President and Chief Executive Officer and Senior Management have an understanding of modern management practices and have put in place a team to institute modern management practices. The NRTEE is committed to modern management practices which is demonstrated through their commitment to complete the Modern Comptrollership process and through their ongoing efforts to implement lessons learned from this exercise into their daily working environment. The NRTEE has adopted a modern management philosophy within its structure and is seen as an innovator in applying new approaches to management (i.e. performance measurement). Risk are discussed openly by senior management.

# Strategic Leadership

## Managerial Commitment - Findings

- An inherent understanding of modern management practices exists amongst managers; however, there is no formal nor mutual definition of modern management practices and their application at NRTEE.
- Limited training has been offered on modern management practices.
- Administrative processes and related information are centralized given the relatively small number of staff (28 FTE's in 2001/02).

## Opportunities

- Establish a common understanding of modern management practices throughout the NRTEE and determine how to effectively operationalize these practices (ie. orientation materials and processes, training, continuous learning).

TOPIC	1	2	3	4	5
<b>Managerial commitment</b>  <i>Awareness of managers of their modern management practices responsibilities, and commitment to implementing them.</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/internally recognized

## Rationale

Managers are aware of their modern management responsibilities on an inherent level; however, there is no formal nor mutual definition of modern management practices and their application at NRTEE. Plans and initiatives are not subject to a business case analysis beyond the funding issue. Managers see the continuous improvement of management practices as part of the job and seek the support of functional specialists as required.

# Strategic Leadership

## Strategic Specialty Support - Findings

- Managers feel they are able to obtain advice concerning internal administrative areas when required.
- Managers have a challenge obtaining the necessary research, information and insight into new sustainable development research areas (e.g. Brownfields) as the expertise, information and analysis into these areas is often limited or non-existent and the NRTEE has limited resources to meet this challenge. However, within its available funding, the NRTEE utilizes various methods to try and address this challenge, including:
  - Support/fund the development of the necessary expertise;
  - Contract externally for the necessary expertise; and
  - Leverage stakeholders and participants in the consultation process.
- A further challenge exist in maintaining policy advisor continuity due to the small size of the organization and nature of the programs (each program runs on average for 2 years).

## Opportunities

- Seek a considerable increase in A-base funding to create more depth and capacity for required expertise in order to deliver desired results e.g. building an in-house research and analytical team and continue procuring top-notch external expertise as required.

TOPIC	1	2	3	4	5
<b>Strategic Specialty Support</b>  <i>Extent to which senior departmental functional authorities and supporting organizations are used for objective commentary and independent advice</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Managers are able to obtain advice concerning internal administrative areas when required. However, in the area of expert research and analysis, the NRTEE requires an increase in A-base funding in order to build or continue to procure more in-depth research and analysis into the complex and new areas being examined. NRTEE seeks the advice and input of functional specialists prior to undertaking a new program.



# Strategic Leadership

## Planning - Findings

- The corporate identity is well understood both internally and externally; however a gap exists between the corporate identity , strategic priorities and program planning.
- Strategic priorities do exist; however these are not always coherent nor fully understood by all managers and NRTEE members.
- NRTEE plenaries, involving both NRTEE senior management and the members, are held throughout the year. These meetings serve as an effective forum for reviewing, modifying and approving strategic priorities and program plans.
- The strategic priorities require revision.
- It is perceived that no formalized approach exists; however there is an instinctive sense of “where we are going”.
- Management is quick to seize opportunities (major issues facing the environment) to move the organization forward and maximize efforts in areas generating the greatest impact.

## Opportunities

- The Secretariat of NRTEE should undertake a process through which we can arrive at common strategic priorities for the organization. This process should ensure the linkage between the strategic priorities and programs.
- We should develop a consistent approach for implementing and communicating these priorities to everyone in the organization in order to help ensure a universal and common understanding of the strategic priorities and their link to program plans.

TOPIC	1	2	3	4	5
<b>Planning</b>  <i>Strategic, business and operational planning, and the linkages between them and to resource allocation</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

The NRTEE Secretariat was originally established to provide support the services to NRTEE members who were responsible for examining, debating and reporting on sustainable development issues. As the issues being examined by NRTEE have become increasingly complex and contentious, the Secretariat has evolved and assumed a greater responsibility for program management, research and analysis. As a result, a gap exists between the corporate identity, strategic priorities and the program plans. Meetings, such as NRTEE plenaries are held throughout the year, serve as an effective forum for reviewing, modifying and approving strategic priorities and program plans. However, NRTEE strategic priorities require more long-term vision and definition in order to be fully understood by all managers and NRTEE members.

# Strategic Leadership

## Resource Management - Findings

- Resources are allocated to operational priorities through the use of an effective and transparent internal budgeting process.
- The budget process is iterative and collaborative in that managers and key functional groups (including Policy Advisors, Communications and Finance) contribute their input and feedback throughout each stage of the budget process.
- Budgeting process utilizes ABC costing information.
- Final budget is reviewed and approved by the NRTEE Executive Committee.

## Opportunities

- Commence the operational budget process earlier in the year – allows more time for input and feedback.
- Integrate the internal budget process with the process for preparing the Report on Plans and Priorities and integrate into the performance measurement system.
- Implement a more structured monitoring process through “quarterly snapshots” and reallocation of resources when required.

TOPIC	1	2	3	4	5
<b>Resource management</b>  <i>Mechanisms for ranking program options, identifying funding requirements and allocating resources, and budgeting and forecasting</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

Resource planning models are used to estimate resource requirements i.e through the NRTEE internal budgeting process. Managers and key functional groups (including Policy Advisors, Communications and Finance) contribute their input and feedback throughout each stage thereby making this a transparent process. The resource allocation culture within the NRTEE supports openness and flexibility.

# Strategic Leadership

## Management of Partnerships - Findings

- NRTEE utilizes both contractual and non-contractual partnerships to leverage resources for obtaining advice, raising awareness, program delivery and communication of information. Examples of these partnerships include working with firms on a contractual basis, with other organizations on a cost-sharing basis, and with stakeholders (experts, opinion leaders and decision makers) to obtain input, insight and information.
- In partnerships with financial implications, a formal Memorandum of Understanding (MOU) or contract is established. The key features of these arrangements are as follows:
  - A standard format exists for contracts with external parties. This standard format has been reviewed by legal counsel.
  - These contracts establish clarity from the onset of a program initiative, relating to the roles and responsibilities of the parties, performance expectations and timelines.
  - A Statement of Work to be performed is part of the contract; however, given the unique and specialized nature of much of the work to be done, it is often difficult to specify clear and binding performance standards and requirements. This makes it difficult for Policy Advisors to monitor the work being done and take the required actions for lack of performance.
- Non-contractual partnerships primarily relate to those arrangements without direct financial implications (ie. Program Task Forces, Steering Committees etc.). A Terms of Reference or other form of written communication are often prepared to guide the work of these partnerships.

## Opportunities

- Improve the development, implementation and monitoring of appropriate performance standards
- Establishment key standardized success factors for all new initiatives. Link to NRTEE's strategic priorities.
- Develop and deliver contract and partnership management training.

TOPIC	1	2	3	4	5
<b>Management of partnerships</b> <i>Partnerships are used extensively by the organization in support of service delivery by leveraging the capabilities of external stakeholders, partners, and other government organizations</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE utilizes both contractual and non-contractual partnerships to leverage resources for obtaining advice, raising awareness, program delivery and communication of information. In partnerships with financial implications, a formal Memorandum of Understanding (MOU) or contract is established. For non-contractual partnerships a Terms of Reference or other form of written communication is often prepared to guide the work of these partnerships.

# Strategic Leadership

## Client Relationship Management - Findings

- Given the nature of the NRTEE's business, many of the clients are also viewed as stakeholders in that they may be impacted or affected by the NRTEE's recommendations.
- The NRTEE's main clients are the Prime Minister and Cabinet Ministers. NRTEE provides advice and recommendations to assist them in achieving their stated objectives.
- Other key clients include Industry, Associations, environmental groups, First Nations, Labour, (list to come).
- Stakeholders are utilized to deliver and formulate advice, analysis and recommendations
- NRTEE ensures its clients are serviced effectively and that their needs are met through: the building of trust and "bridges" between groups, managing with respect, consulting with client groups during the program planning phase and throughout the process, actively listening and providing unbiased advice.
- NRTEE provides a neutral safe haven to openly discuss and debate sustainable development issues.
- Utilization of interviews/survey to solicit advice and identify views which are formally collected in the form of transcripts of discussions.
- NRTEE challenges established views by assisting clients in collectively identifying barriers that prevent progress.
- NRTEE commissions, publishes and disseminates research, information and analysis that complements the work being done by many of our partners
- Database exists (program database) which contains the stakeholders (clients), what they represent, size, who may be involved or interested in the process. Each policy advisor develops and maintains their own database.
- Collectively determine who should be involved in process and ensure all groups are represented.
- Feedback mechanisms exist – often verbal feedback.
- NRTEE has an electronic advocacy process that builds virtual communities for support to keep stakeholders involved and informed

## Opportunities

- Seek additional A-base funding to accomplish the following:
  - Additional validation of the NRTEE's work by reconvening and communicating with NRTEE task forces after completion of a program
  - Systematically and objectively measure performance and the achievement of results on an ongoing basis
  - Increase awareness and understanding across government and in civil society of these critical issues through more multi-stakeholder forums to explain findings, raise awareness of challenges and show Canadians there is a way forward
  - Improve media communications to reach a broader constituency of clients and stakeholders

TOPIC	1	2	3	4	5
<p><b>Client relationship management</b></p> <p><i>Commitment to consciously strengthening relationships with client organizations, and to integrating and coordinating how client services are developed and delivered.</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/internally recognized

## Rationale

The NRTEE is doing a unique and effective job and is recognized across Canada and internationally for its multistakeholder process. Over the past year the NRTEE met with 7 international delegations to share and educate them on the Round Table's multistakeholder and program management process. NRTEE commissions, publishes and disseminates leading-edge research, information and analysis that complements the work being done by many of our partners

# *Shared Values & Ethics*

# Shared Values and Ethics

## Values and Ethics Framework - Findings

- NRTEE has an open door policy that fosters an environment of trust, respect and empowerment within the organization.
- Common values exist within the organization, such as: listening, respect, tolerance, willingness to serve, high motivation to serve public interest and finding common ground.
- A corporate value of “high quality” or “high-quality approach” permeates the organization.
- Informal discussions have been held regarding values and ethics and informal “checks” are undertaken with staff. Consultations are undertaken with peers.
- Values and Ethics are neither documented nor identified specifically; staff “seek them out”.
- The NRTEE follows TBS contracting procedures, in that contracting bids are solicited from more than one supplier and donations are refused from private sector suppliers. This process serves to ensure staff act in an ethical manner when dealing with external suppliers.

## Opportunities

- Develop, communicate and promote written policies, principles and guidelines relating to values and ethics that will assist all staff.
- Engagement of staff in the development of these policies, principles and guidelines.
- Undertake an assessment on the variety of contractors available to NRTEE and update the “roster” of consultants/ expertise in all areas of the organization.

TOPIC	1	2	3	4	5
<p><b>Values and ethics framework</b></p> <p><i>Leadership of policies and activities that visibly support the ethical stewardship of public resources and give priority to “modern management practices”</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE has an open door policy that fosters an environment of trust, respect and empowerment within the organization. Common values exist within the organization. A corporate value of “high quality” or “high-quality approach” permeates the organization.

# *Mature Risk Management*

# Mature Risk Management

## Integrated Risk Management - Findings

- Risks are instinctively/intuitively identified and balanced by managers; however a formal process has not been developed to identify the integrated corporate risks.
- Managers rely on the instinct and savvy of staff to manage risks as their judgment has been effective to date. The NRTEE's open door policy facilitates the transfer of information from more experienced/senior staff to others.
- NRTEE has a program management process and manual which provides for "checks and balances" throughout the program life cycle. This includes careful scoping of issues before a program plan is undertaken and the review and approval of program plans by senior management and NRTEE members.
- Although some risk analysis is undertaken during the scoping and program planning phases, this analysis is not standardized nor specifically documented.

## Opportunities

- Assess and document risks during scoping phase of new program initiatives.
- Conduct group sessions to identify and prioritize risks for the NRTEE and to establish mitigation techniques.
- Design training sessions for existing and new employees to communicate risks and mitigation activities.

TOPIC	1	2	3	4	5
<p><b>Integrated risk management</b></p> <p><i>Measures are in place to identify, assess, understand, act on, and communicate risk issues in a corporate and systematic fashion</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Risks are instinctively/intuitively identified and balanced by managers; however a formal process has not been developed to identify and mitigate corporate and program risks. Although a formal, integrated risk management process may not be feasible, the NRTEE should look to integrate risk management into its existing strategic and program planning and management processes. Staff should also receive risk management training as required.



# Mature Risk Management

## Integrated Management Control Framework - Findings

- NRTEE programs are managed differently depending upon a program's nature and complexity; however, the Program Planning Manual provides overall guidance for the management of programs.
- Program work plans, which include checks and modification points, are created to determine how the program will proceed. This is part of the ongoing process to discuss program issues, deal with roadblocks and move the program forward.
- The President & CEO and Corporate Secretary & Director of Operations strive to meet with with policy advisors and task force chairs on a monthly basis to review progress on NRTEE programs (i.e. achievement of goals and objectives, budget etc.). However, the regularity and frequency of these meetings is dependent upon the accessibility of managers.
- Program task force meetings are held two to three times per year to provide guidance, feedback and input; however, there is regular contact between the task force chair and the policy advisor.
- Quarterly plenary meetings of the full NRTEE membership are held to track initiative progress and review and approve program plans and reports as required.
- An important factor influencing the success of programs is the relationship between the policy advisor and task force chair.
- Several different perspectives exist in terms of the role of policy advisor. These range from filtering task force directives to creating directions.
- Timeliness of decisions regarding initiatives has improved in recent years.
- Task forces sometimes deviate from the "marching orders" or directions of members who have approved NRTEE program plans. Chairs do not always exercise control to alleviate this deviation.

## Opportunities

- For each NRTEE program, bring together key players at the outset and approximately every 6 months thereafter, to review progress to date and to ensure that the program task force chair and NRTEE senior management in agreement of the direction of the program.
- Utilize a more rigorous application of a management control framework may alleviate some of the issues identified – look to integrate it with the NRTEE Program Management Manual.
- Apply more rigor in designing and managing a program by defining and clarifying the mandate, program objectives and deliverables at the beginning of the initiatives could lessen deviations.

TOPIC	1	2	3	4	5
<b>Integrated management control framework</b>  <i>Appropriateness of management controls in place, and linkages between controls through an integrated control framework</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

The President & CEO and Corporate Secretary & Director of Operations strive to meet with with policy advisors and task force chairs on a monthly basis to review progress on NRTEE programs (i.e. achievement of goals and objectives, budget etc.). Program task force meetings are held two to three times per year to provide guidance, feedback and input; however, there is regular contact between the task force chair and the policy advisor.

# *Motivated People*

# Motivated People

## Modern management practices competencies - Findings

- NRTEE has not undertaken a skills assessment exercise; however, senior management has identified the key skills required to delivering initiatives as “program management skills”.
- Senior management has identified a need for more training in financial and communication areas.
- In order to effectively address the seven key areas of Modern management practices, areas that require more focus are performance management, contract management and risk management.
- Policy Advisors and other managers require some technical knowledge in the research areas of the initiatives or program areas but also need training in the areas of modern management practices.
- No formal or generic list of management skills is available when hiring managers; however, senior management perceives that a “balance of skills” is important to NRTEE. This balance includes self-starting ability, mediation skills, the ability to “manage multiple personalities” and a passion for creating social change.

## Opportunities

- Design training on modern comptrollership areas through an introductory module or orientation session for new employees.
- Utilize a more formal process to gather “best practices” and “lessons learned” on NRTEE programs, ensuring feedback and input from task force chairs and others as required.
- Assess modern management skill required during the hiring process.
- Conduct a team assessment to establish gaps and determine how modern management practices could be applied given the nature of the organization.

TOPIC	1	2	3	4	5
<b>Modern management practices competencies</b>  <i>Extent to which modern management practices competencies are defined and managers have access to training</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE has not undertaken a skills assessment exercise; however, senior management has identified the key program management skills required to effectively manage an NRTEE program. Senior management has identified a need for more training in financial and communication areas.

# Motivated People

## Employee Satisfaction - Findings

- Given the small size of the organization, NRTEE uses informal indicators of employee satisfaction versus formal employee surveys.
- A general and open receptivity for solving issues, exists within NRTEE.
- NRTEE fosters a team spirit and employs an open door policy to help monitor and address staff morale and relations. In addition, staff morale is discussed during the staff renewal process for managers.
- NRTEE utilizes exit interviews as another way to obtain feedback and gain a sense of the reasons for staff departures (this point relates primarily to policy advisors as communications and finance do not experience a high degree of turnover).
- As there is not a formal administrative staff performance evaluation process, employee satisfaction issues are not specifically discussed with administrative staff on a formalized basis.
- NRTEE identifies and supports training opportunities for staff.

## Opportunities

- Discuss employee satisfaction techniques with the PSC in order to develop mechanisms to detect employee issues earlier.
- Host individual two-way discussions with staff members to discuss employee satisfaction issues and receive feedback.
- Provide more formality and rigor in performance evaluations.

TOPIC	1	2	3	4	5
<b>Employee satisfaction</b>  <i>Mechanisms in place to monitor employee morale and staff relations</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Given the small size of the organization, NRTEE uses informal indicators of employee satisfaction versus formal employee surveys. NRTEE fosters a team spirit and employs an open door policy to help monitor and address staff morale and relations.

# Motivated People

## Enabling Work Environment - Findings

- NRTEE runs a transparent organization which helps to create a greater sense of engagement in all staff levels i.e. quarterly staff meetings, monthly policy meetings.
- Staff are able to voice their need for help or training as required (without fear or impunity). Senior Management and management are supportive and generous with providing training within funding available.
- NRTEE provides a flexible and accommodating work environment that provides for time off in-lieu of overtime, flex time and other arrangements that benefit both staff and the organization. This helps support a balanced work/life.
- Everyone is treated as a "responsible colleague" and therefore they govern themselves accordingly.
- In communications, NRTEE attempts to accommodate work assignments based on areas of interest.
- Staff participates in the decision-making and planning process, through input at staff and policy meetings and retreats

## Opportunities

- Continue acknowledging the valuable contribution that staff make to the organization (written and verbal communication).
- Identify barriers to an enabling work environment that may arise and deal with them accordingly.

TOPIC	1	2	3	4	5
<b>Enabling work environment</b>  <i>Practices for communication, wellness, safety and support that enable staff to provide client-focussed delivery while reaching their full potential</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE runs a transparent organization which helps to create a greater sense of engagement in all staff levels i.e. quarterly staff meetings, monthly policy meetings. Staff participates in the decision-making and planning process, through input at staff and policy meetings and retreats.

# Motivated People

## Sustainable Workforce - Findings

- NRTEE staff believe their work is meaningful and makes an important difference to society.
- The peaks and plateaus of workloads are managed by assigning staff time to higher volume areas and/or bringing in external resources as needed.
- Lines of communication are continuously open between staff and management so morale is maintained and solutions can be explored collectively.
- The initiative of staff is looked upon positively and is recognized with rewards as appropriate and consistent with government regulations and guidelines.
- NRTEE supports flexible work arrangements, including working from home, flex time and compressed work hours.
- NRTEE supports and accommodates staff for personal health issues.

## Opportunities

- Investigate using a more formalized skills self-assessment process as part of the annual review process.

TOPIC	1	2	3	4	5
<b>Sustainable workforce</b>  <i>The energies of staff are managed wisely to help sustain the organization's viability</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

The peaks and plateaus of workloads are managed by assigning staff time to higher volume areas and/or bringing in external resources as needed. The initiative of staff is looked upon positively and is recognized with rewards as appropriate and consistent with government regulations and guidelines. NRTEE supports flexible work arrangements, including working from home, flex time and compressed work hours.

# Motivated People

## Valuing peoples' contributions - Findings

- Staff contributions are publicly recognized on a regular basis through verbal and written communications.
- NRTEE encourages and supports a collegial and respectful environment.
- Staff are continuously and openly encouraged to contribute their knowledge, ideas and suggestions to improve/strengthen their work and the results of the organization. For example, policy advisors contribute their expertise and ideas to one another's programs as well as their own and all program plans are shared with staff. However, due to schedules and time, employees face the challenge of not having as much opportunity as they would like to communicate and provide input.
- NRTEE rewards the valuable contribution of staff through appropriate means that are consistent with government regulations. However, as performance pay is only available to senior management, there is no financial reward mechanism available for over 90% of the staff.

## Opportunities

- Utilize a proactive approach towards time management that fosters more opportunities for meetings with employees.
- When planning for the next year, include staff in a one-day session at the NRTEE plenary meeting.
- Hold an annual retreat to include all levels of the organization.

TOPIC	1	2	3	4	5
<b>Valuing peoples' contributions</b> <i>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 behavior.</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE encourages and supports a collegial and respectful environment. Staff are continuously and openly encouraged to contribute their knowledge, ideas and suggestions to improve/strengthen their work and the results of the organization.

# *Clear Accountability*



# Clear Accountability

## Clarity of responsibilities and organization - Findings

- The NRTEE's governance structure is not the original concept envisaged as it has evolved due to the complexity of the research issues being addressed. This original concept was based on the debates of twenty-five members who were directly responsible for developing recommendations on sustainable development issues. This concept has shifted to a role that encompasses significant amounts of expert research and the input of outside stakeholders and experts, in addition to the discussions and debates that are held between NRTEE members. This shift, gives rise to governance challenges within the organization.
- NRTEE has a centralized administrative process where information and responsibility is held. As a result, there are clear responsibilities and accountabilities for administrative processes, including human resources and finance.
- Although NRTEE's program management manual outlines roles and responsibilities; there is still a need for greater clarity of roles and responsibilities. Examples where greater clarity is needed are as follows:
  - the reporting structure between NRTEE members, the Chair of the task force, and the President & CEO.
  - The sometimes overlapping role of the task force Chair and the President and CEO - the task force Chair performs his/her function in addition to being a member of the board and the President & CEO is responsible for the initiatives of the Secretariat as well as providing professional advice and input as a member of the task force.
  - ownership over recommendations - some task force members perceive they have "ownership" over recommendations and not the NRTEE members.
  - the approval process - it is perceived that this is not specific enough to differentiate reports which include NRTEE recommendations (which are approved by the board members) and those that are informative in nature (which are not approved by the board members, but which are often publicly distributed as NRTEE documents).
  - the role and responsibility of the policy advisor in terms of their contribution for the research and reporting. The lack of clarity manifests itself in the varying visibility levels of the Policy advisors as they are not always seen as a crucial part of the the task force's thinking team.
  - deviations from the objective of research established by the Board members and the directions undertaken by task force chair.

## Opportunities

- Undertake an exploration to determine whether a new mandate and governance structure is required in order to address the change from the original NRTEE concept to the scope and profile of the work and process currently undertaken by the NRTEE.
- Clarify and communicate the Policy Advisor's:
  - role and responsibility throughout the organization;
  - authority level in developing and providing professional research content in each initiative,
  - relationship with the Chair in the delivery of initiatives,
  - level of input in delivering initiatives
  - visibility levels
- Strengthen accountability by reviewing and revising the NRTEE's program manual to clearly articulate the process relating to the management of programs and the inherent roles and responsibilities of each of the key players.
- Provide training on roles and responsibilities to NRTEE members who take on the position of task force Chair.
- Hold a meeting at the initiation of a program to clarify the program's objectives and approach and to identify the roles of "key players". This should involve the task force Chairs, President & CEO, Corporate Secretary & Director of Operations, senior management, policy advisor, communications, and finance.
- Continue to develop and implement the performance measurement system in order to strengthen the management and reporting of programs against stated objectives and to assist in making adjustments to program processes, as required.
- Review and clarify the ownership, approval processes and dissemination of NRTEE reports and information (including the use of disclaimers as required)/ for reports) and ensure that this clarification is be communicated throughout the organization.

TOPIC	1	2	3	4	5
<p><i>Clarification of Responsibilities and organization</i></p> <p><i>Clarity of assignment of responsibilities and accountabilities throughout the organization</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE has a centralized administrative process where information and responsibility is held. As a result, there are clear responsibilities and accountabilities for administrative processes, including human resources and finance. Although NRTEE's program management manual outlines roles and responsibilities; there is still a need for greater clarity in this area.

# Clear Accountability

## Performance Agreements and Evaluations - Findings

- Formal performance agreements are in place only for senior management. However, given the nature of the organization, rigorous formal performance agreements may not be appropriate for all staff.
- Some guided self assessments are undertaken on an adhoc basis.
- Performance evaluations of middle management, including policy advisors, are not linked to the NRTEE's strategic and business plans.
- The task force chair has no responsibility for assessing the work of the policy advisor.

## Opportunities

- Ensure greater clarity at the outset of programs or initiatives, while still providing flexibility to make adjustments as priorities change.
- Develop a simple structure to determine desired program results and to establish measures and indicators against which performance will be measured.
- Consider the degree of involvement that task force chairs have in contributing to the evaluation of the work of policy advisors
- Consider linking employee performance evaluations to strategic / business plans.

TOPIC	1	2	3	4	5
<b>Performance agreements and evaluations</b>  <i>Extent to which the achievement of financial and operating results is embedded in performance agreements</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Performance agreements are in place for senior management that define accountabilities and establish priorities and measures of performance vis-à-vis accountabilities. Performance evaluations of middle management, including policy advisors, are not linked to the NRTEE's strategic and business plans.

# Clear Accountability

## External Reporting - Findings

- NRTEE meets all external (including legislative) financial and non-financial reporting requirements.
- NRTEE makes every effort to meet reporting deadlines for the RPP and DPR and to date we have not received any negative feedback on these reports.
- The NRTEE's RPP is not directly linked to the ABC system.
- Difficulty exists in utilizing actual monthly financial information for the DPR.
- The RPP and DPR in their present form are not fully useful for senior managers.
- NRTEE's financial information is reported monthly through CFMRS.
- NRTEE's Financial Statements were used as a model by the OAG and the FreeBalance Cluster Group. These financial statements, which are a key requirement under FIS, are based on generally accepted accounting principles (GAAP).
- NRTEE is audited annually by the OAG and we respond quickly to their recommendations.

## Opportunities

- Revamp the NRTEE's RPP and DPR to focus on outcomes and results versus outputs and to effectively link financial and non-financial information in these reports.

TOPIC	1	2	3	4	5
<b>External reporting</b>  <i>Extent to which Parliamentary, central agency and key stakeholder information reporting requirements are met</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

The NRTEE meets all external financial and non-financial reporting requirements. This is a significant achievement considering the limited resources the agency has available to meet the extensive external reporting requirements.

# *Integrated Performance Information*

# Integrated Performance Information

## Integrated departmental performance reporting - Findings

- NRTEE does not currently have a formal set of organization-wide performance measures; however, one area that is measured is the recommendations/advice provided through the “Greening of the Budget” process.
- Other performance measures and indicators that are gathered and integrated into internal performance reports (ie. NRTEE plenary “progress reports”) include verbal and written feedback from task force members, workshop participants and others together with various communication measures and indicators including the number of media and website “hits”.

## Opportunities

- Continue the development and implementation of the NRTEE’s performance measurement system that will enable us to systematically measure and report on performance and results on an ongoing basis for all of their programs.

TOPIC	1	2	3	4	5
<p><i>Integrated departmental performance reporting</i></p> <p><i>Key measures exist to monitor overall organization-wide performance and best-value results</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE does not currently have a formal set of organization-wide performance measures; however, one area that is measured is the recommendations/advice provided through the “Greening of the Budget” process.

# Integrated Performance Information

## Operating Information - Findings

- NRTEE monitors the quality of programs through informal dialogue and feedback from stakeholders, task-force members and workshop participants.
- Efficiency of programs is measured through ongoing review of actual progress against program plans. Program work plans and activity based costing information provide the financial and non-financial information to assess performance and make necessary adjustments.

## Opportunities

- Implement performance measurement throughout NRTEE so as to measure performance, including progress towards results (outputs and outcomes) on a consistent and objective basis.
- Provide hands-on training for staff on the use of this new performance measurement system.

TOPIC	1	2	3	4	5
<b>Operating information</b>  <i>Measures and systems to monitor service quality and efficiency of program delivery</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE monitors the quality of programs through informal dialogue and feedback from stakeholders, task-force members and workshop participants. Efficiency of programs is measured through ongoing review of actual progress against program plans.

# Integrated Performance Information

## Measuring Client Satisfaction - Findings

- NRTEE primarily uses client-satisfaction surveys at the end of most major conference/workshops in order to obtain feedback and measure the “success” of that particular event. This is often done on a program-by-program basis.

## Opportunities

- Examine a more effective process and tools for surveying clients and key stakeholders in order to obtain objective, useful feedback on our programs, activities and outcomes.

TOPIC	1	2	3	4	5
<p><i>Measuring client satisfaction</i></p> <p><i>Utilization of client survey information on satisfaction levels, and importance of services</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE primarily uses client-satisfaction surveys at the end of most major conference/workshops in order to obtain feedback and measure the “success” of that particular event. This is often done on a program-by-program basis.

# Integrated Performance Information

## Service Standards - Findings

- The NRTEE does not utilize specific services standards; however, they have developed and utilize a Program Management Manual that guides the work of the Round Table's programs. This manual focuses on each step in the NRTEE's process with the objective of strengthening the quality of the programs' processes and deliverables.
- This manual helps to maximize the relevance and usefulness of the time spent by participants (ie. Task force members, workshop/conference participants etc.), the resulting intellectual capital and the recommendations put forward by each of the task forces.

## Opportunities

- Focus on improvements that could be made to the multistakeholder process that generates the information, analysis and advice.
- Review and update the NRTEE's Program Management Manual to integrate it with the related elements of modern comptrollership (ie. Planning, risk management, performance measurement, accountability etc.).

TOPIC	1	2	3	4	5
<b>Service standards</b>  <i>Monitoring against client service standards and maintaining and updating standards.</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Due to the fact that NRTEE is an advisory organization versus an organization that delivers a set service or product, the development and implementation of set service standards is a complex process for the NRTEE. However, the Round Table has developed and utilizes a comprehensive Program Management methodology and manual to guide the work of the individual programs.



# Integrated Performance Information

## Evaluative Information - Findings

- Formal program evaluations are not done at the present time; however, the NRTEE has drafted a Performance Measurement Framework that provides the foundation for implementing an integrated performance measurement system at the Round Table.
- This new system was piloted on the Domestic Emissions Trading program the Round Table carried out last fall.
- The NRTEE has developed a Results-Chain that articulates and links the NRTEE's outputs to the expected outcomes and ultimate results. This is a key element of the new performance measurement system, including the DPR.
- Given the NRTEE's size (ie. 28 FTE's) no separate evaluation group exists within the organization.

## Opportunities

- Provide training to staff (program, finance, admin support) and NRTEE Executive on performance measurement.
- Modify the NRTEE's Performance Measurement framework based on the experience gained from piloting it on the Domestic Emissions Trading program and feedback from staff.
- Design of the Performance Measurement system to ensure that non-financial information is gathered and utilized to support objective decision-making, evaluation and reporting.

TOPIC	1	2	3	4	5
<b>Evaluative information</b>  <i>Utilization of non-financial information related to program effectiveness and outcomes</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Formal program evaluations are not done at the present time; however, the NRTEE has drafted a Performance Measurement Framework that provides the foundation for implementing an integrated performance measurement system at the Round Table.

# Integrated Performance Information

## Financial Information - Findings

- As part of FIS, the NRTEE reviewed and improved financial information systems, policies, procedures and processes to ensure that reliable financial information is produced on a timely basis.
- The Manager of Finance and Administration, works closely with the Director of Operations and the Policy Advisors to ascertain the integrity and reasonableness of the NRTEE's financial information.
- No issues exist with respect to the integrity or accuracy of the financial information given the expertise, training and experience of the Finance Unit staff.
- The Director of Operations will be provided with hands-on training to enable him to access financial information and reports on-line, as required.
- Although there is a need for maintaining some separate systems/processes from FreeBalance (ie. the Capital Assets spreadsheet), the cost/benefit involved in maintaining these separate systems clearly outweigh the cost/benefit of integrating them within one single financial system.

## Opportunities

- No specific opportunities for improvement have been identified; however, Finance staff should continue their current practice of continuously modifying and improving processes, procedures and policies as required.

TOPIC	1	2	3	4	5
<b>Financial information</b>  <i>Reliable financial information is available in a timely and useful fashion</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Although the NRTEE constantly strives to improve current practices and systems, the current financial information systems does not require specific improvement at the present time. The Manager of Finance and Administration, works closely with the Director of Operations and the Policy Advisors to ascertain the integrity and reasonableness of the NRTEE's financial information.

# Integrated Performance Information

## Cost Management Information - Findings

- The NRTEE has developed and implemented an activity-based-costing (ABC) system to effectively track and report actual direct and indirect costing information on a program-by-program basis as well as by the major activity.
- The accuracy and integrity of financial data has not been an issue as Finance staff that helped develop and implement this ABC system. Finance currently supplies this information to Senior Management every 6 months.
- NRTEE has developed a useful tool to estimate the value of the services that the Round Table leverages in the delivery of various programs

## Opportunities

- Strengthen the NRTEE's utilization of costing information on an ongoing basis.
- Examine an effective mechanism to effectively integrate the estimated value of leveraged services information into the NRTEE's performance measurement system.

TOPIC	1	2	3	4	5
<p><i>Cost management information</i></p> <p><i>Mechanisms for using activity/product/results-based costs</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

The NRTEE has developed and implemented an activity-based-costing (ABC) system to effectively track and report actual direct and indirect costing information on a program-by-program basis as well as by the major activity.

# *Rigorous Stewardship*

# Rigorous Stewardship

## Business Process Improvement - Findings

- The NRTEE's Program Management manual describes the basic business processes and the critical paths for programs (program life cycle).
- Communication plans and financial budgets are integrated into program plans.
- The NRTEE is perceived as a learning organization, facilitated through the documentation of the various program phases, lessons learned, minutes of meetings, report summaries and summaries for steering committees.

## Opportunities

- Provide more opportunities for discussions between policy advisors regarding process improvements, sharing of ideas and experiences.
- Solicit input and feedback to identify which NRTEE processes function more effectively and efficiently and why.
- Investigate modifications to the Program Planning manual and other NRTEE business processes.

TOPIC	1	2	3	4	5
<p><b>Business process improvement</b></p> <p><i>Extent to which processes are clearly understood, are conducted in a uniform fashion, and are continuously improved in line with best practices</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Main service delivery processes are documented and understood across the organization through the NRTEE's Program Management manual which describes the basic business processes and the critical paths for programs (I.e. program life cycle).

# Rigorous Stewardship

## Management Tools and Techniques - Findings

- Consistent templates are established and utilized for planning and budgeting.
- Each program follows a series of checks that are required to be addressed during the course of a program.
- Capacity for analytical techniques for costs and benefits are maintained by the Corporate Secretary & Director of Operations.
- Managers generally do not feel that they require additional management tools in the delivery of their programs; however, activities which are undertaken instinctively could be developed into tools that may result in an increase the efficiency and effectiveness of NRTEE processes.

## Opportunities

- Develop templates that describe processes or activities which are undertaken instinctively.
- Realign program budgets to effectively reflect budgeted costs in accordance with the NRTEE's financial system (ie. Sub-program, funding source, reporting group etc.)
- Develop tools to improve the process for evaluating and selecting contractors.

TOPIC	1	2	3	4	5
<b>Management tools and techniques</b>  <i>Range of analytical techniques (e.g., cost-benefit, sensitivity, life cycle, benchmarking) available to managers</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

Given the nature of the organization, managers generally do not feel that they require additional management tools in the delivery of their programs; however, activities which are undertaken instinctively could be developed into tools that may result in an increase the efficiency and effectiveness of NRTEE processes.

# Rigorous Stewardship

## Knowledge Management - Findings

- NRTEE documents events, presentations, program summaries and evaluations in hard copy which are made available to everyone in the organization. As well, a virtual library exists which allows access to commissioned research, State of the Debate Reports and plenary minutes.
- Task Force meeting agendas, minutes, key working documents, invitations, letters and presentations are not currently maintained in a central information "data bank".
- Guidance is being provided for the development of a system to store and transfer information for NRTEE employee use.
- NRTEE has established a central archival system.
- A comprehensive contact database is maintained in ACCESS. All employees are trained on its usage.
- Additional information regarding contractors and contract deliverables would be useful when seeking contract services (ie. Independent research) in the future.

## Opportunities

- Improve the central electronic database system used for storing and accessing key program and management information.

TOPIC	1	2	3	4	5
<b>Knowledge management</b>  <i>Performance/management information is readily accessible to internal and external users via technology, and lessons learnt are shared across the organization</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE documents events, presentations, program summaries and evaluations in hard copy which are made available to everyone in the organization. Task Force meeting agendas, minutes, key working documents, invitations, letters and presentations are not currently maintained in a central information "data bank". NRTEE maintains a comprehensive contact database for individual NRTEE programs and the organization as a whole in ACCESS and staff are trained in the utilization of this software.

# Rigorous Stewardship

## Accounting Practices - Findings

- NRTEE is fully compliant with the government's Financial Information Strategy (FIS).
- Senior managers receive monthly financial reports, other managers are made aware of their budgets for their programs. These reports include only direct program expenditures.
- Management's financial information is centralized.
- Managers are not required to manage their complete budgets.

## Opportunities

- Ensure information on accounting practices and procedures is readily available for managers.
- Develop a budget template which will relate to the financial statements to the needs of managers.

TOPIC	1	2	3	4	5
<b>Accounting practices</b> <i>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)</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

NRTEE is fully compliant with the government's Financial Information Strategy (FIS).



# Rigorous Stewardship

## Management of Assets - Findings

- Computers and other small office equipment represent the majority of the NRTEE’s capital assets.
- All assets over \$2,000 are capitalized in NRTEE’s books and recorded and tracked on the NRTEE’s Capital Assets spreadsheet.
- There is no formal process in place to track NRTEE assets less \$2,000; however, these assets are labeled and the related financial information is aggregated to enable them to be effectively tracked and retrieved.
- The NRTEE has a process in place to ensure assets removed from the premises (ie. Computers, cell phones, printers etc.) are effectively controlled and tracked.

## Opportunities

- Look to utilize a bar-coding system to control and track capital assets, including valuable assets less than \$2,000.

TOPIC	1	2	3	4	5
<b>Management of assets</b> <i>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</i>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a “model”	Outstanding practices; nationally/ internally recognized

## Rationale

The NRTEE has the necessary controls in place to effectively manage and account for all assets capitalized.

# Rigorous Stewardship

## External Audit - Findings

- NRTEE undergoes a full financial audit by the OAG every year, resulting in an independent audit opinion on the NRTEE's financial statements. This is a significant undertaking for an organization with a budget of just over \$5 million.
- All OAG audit recommendations are carefully reviewed and acted upon in a timely manner.

## Opportunities

No opportunities identified.

TOPIC	1	2	3	4	5
<p><b>External audit</b></p> <p><i>Process for ensuring adequate attention to results and recommendations of external audits of department operations</i></p>	Limited awareness; need significant improvement	General weakness and need for improvement	Current practices are appropriate and meet our needs	Excellent practices; regarded as a "model"	Outstanding practices; nationally/ internally recognized

## Rationale

The OAG audits the NRTEE on an annual basis, resulting in a clean audit opinion on the agency's financial statements.

# Appendix

## **List of Focus Group Participants**

The following is a list of the participants in the NRTEE's Capacity Assessment focus group:

- ❑ David McGuinty, President and Chief Executive Officer
- ❑ Jean Belanger, Interim Chair, NRTEE Membership
- ❑ Gene Nyberg, Corporate Secretary and Director of Operations
- ❑ Pierrette Guitard, Manager Finance and Administration
- ❑ Moira Forrest, Manager of Communications
- ❑ Carolyn Cahill, Policy Advisor
- ❑ Nathalie Chalifour, Executive Assistant to the President and CEO
- ❑ Julianna Bravo, Administrative Assistant to the President and CEO
- ❑ Laurel Murray, NRTEE Modern Comptrollership Project Management Office
- ❑ Charles Docherty, Focus Group Facilitator, BDO Dunwoody
- ❑ Julia Hunt, Focus Group Recorder, BDO Dunwoody