



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

**Deloitte
& Touche LLP**

Atlantic Canada Opportunities Agency

Modern Business Management

Capacity Review

Final Report

November 22, 2004

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Executive Summary

ACOA conducted a Comptrollership Capacity Assessment in 2002, then developed and implemented a Corporate Action Plan to address opportunities for improvement. During the winter of 2004, it was decided that the Agency needed to confirm progress in the area of Modern Business Management and adjust its course of action for the years to come.

The consultant firm Deloitte & Touche LLP was contracted to oversee this Capacity Review.

Over the period of May 2004 to June 2004, Capacity Review individual and focus group interviews were undertaken with a cross-section of senior staff throughout the Agency. The purpose was three-fold:

- to review the state of modern management practices in ACOA against a common standard for the original Modern Comptrollership elements and sub-elements;
- to provide a baseline reading for additional new elements from the Management Accountability Framework (MAF); and
- to move the Agency's Modern Business Management focus from Modern Comptrollership to MAF.

On August 25, 2004, a Validation Team composed of two Vice-Presidents and six managers from across the Agency met in Moncton to validate the results of the Capacity Review. The team confirmed a preliminary ranking of the sub-elements of the Capacity Review Framework on a scale of 1 to 5, with 1 being « Non-existent or Undeveloped Practice » and 5 being « Industry Best Practice ».

The overall Agency average is a ranking of 3.4, which is between « Good Management Practice » and « Advanced Management Practice »; this shows an improvement from the 3.0 average in 2002.



Executive Summary (cont'd)

The Executive Committee met in November 2004 to discuss the Capacity Review Final Report. Based on the overall results of the assessment and the recommendations of the Validation Team, the committee accepted the Capacity Review, agreed to the preparation of a detailed action plan, and approved four focus areas as follows:

1. Planning
2. Human Resources
3. Outreach
4. Corporate Management

The President will continue to provide leadership commitment for the MBM agenda and will rally the Vice-Presidents to ensure senior management's commitment. The Executive Committee will continue to have ongoing responsibility for ensuring progress of MBM.

A Corporate Action Plan will be prepared over the next few months and after consultation with stakeholders in the Agency. The plan will detail the work to be done, who will do it, the timeframe, the expected results and estimated cost. The Corporate Action Plan will be presented for approval at a winter 2005 Executive Committee meeting.



Introduction

This document presents the detailed results of the Modern Business Management Capacity Review conducted within the Atlantic Canada Opportunities Agency (ACOA) over the period of May and June 2004. The consultant firm Deloitte & Touche LLP was contracted to oversee the Capacity Review.

The objective of the Modern Business Management Capacity Review was to carry out a comprehensive review of the state of modern management practices within ACOA in relation to the 2002 Capacity Assessment, and to provide a baseline reading for additional elements from the Management Accountability Framework (MAF). The 2004 results are compared with the 2002 results where available.

Similar to the 2002 Capacity Assessment, the 2004 Capacity Review took into consideration the recommendations made in the Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada. Furthermore, in consultation with Deloitte & Touche LLP, the original Capacity Check tool was enhanced to ensure that elements of the MAF were assessed.

Focus group and individual interviews were conducted with 40 managers and executives from across the Agency, representing all functions and organizational units within the Agency. The President and the Vice-Presidents were interviewed directly or were members of the Validation Team.

A validation workshop was conducted in August 2004 with eight managers and executives from across the organization, and a presentation was made to the Executive Committee on November 22 2004. Interviewees, validation workshop participants and Executive Committee members are listed in Appendix A.



Introduction (cont'd)

The original 7 pillars of Modern Comptrollership are embedded in the 10 MAF elements. In order to tailor these to ACOA's reality, the Agency has pulled the essence of Modern Comptrollership and the MAF to create ACOA's 10 Modern Business Management elements.

10 Modern Business Management Elements:

Strategic Leadership	This element refers to the commitment of creating and sustaining a climate for change that fosters the integration of modern management / comptrollership concepts for day-to-day decision-making.
Integrated Information	This element combines the most critical financial and non-financial data and appropriate advice in support of planning, budgeting, resource allocation, results-based management, and reporting.
Motivated People	This element focuses on establishing a workplace that is a learning, challenging, and rewarding environment, where employees exercise key competencies and skills to achieve expected results.
Mature Risk Management	This element is composed of a comprehensive framework for identifying and assessing risks, and integrating risk management concepts into planning, decision making, and monitoring.
Clear Accountability	This element involves the clarity of roles and responsibilities, closer links with stakeholders, increased transparency, and public confidence gained through improved reporting practices.



Introduction (cont'd)

10 Modern Business Management Elements (cont'd):

Shared Values & Ethics	This element supports values that result in ethical behaviour, attitudes and decisions. Shared values support an open, accessible, values-driven and results-oriented environment.
Rigorous Stewardship	This element includes responsibilities to safeguard public assets, to develop, operate, and support key control systems, management processes, infrastructure, standards and measures of success.
Policy and Programs	This element focuses on the development of analytical capacity as well as the improvement and use of strong policies enabling the delivery of quality programs.
Citizen-Focused Service	This element focuses on the citizen-centered services, outside-in development of policies and programs, and effective use and management of partnerships.
Learning, Innovation and Change Management	This element focuses on managing through continuous innovation and transformation, promoting organizational learning, valuing corporate knowledge, and learning from performance.



Introduction (cont'd)

The following pages present an outline of the review information collected, the opportunities for improvement identified, and the ratings for each Modern Business Management sub-elements.

Strategic Leadership

- *Leadership commitment*
- *Managerial commitment*
- *Senior departmental functional authorities*
- *Planning*
- *Resource management*

Clear Accountability

- *Clarity of responsibilities and organization*
- *Performance agreement and evaluations*
- *Specialist support*
- *External reporting*

Shared Values & Ethics

- *Values and ethics framework*

Motivated People

- *Modern management practices competencies*
- *Employee satisfaction*
- *Enabling work environment*
- *Sustainable workforce*
- *Valuing people's contributions*

Mature Risk Management

- *Integrated risk management*
- *Integrated management control framework*

Integrated Performance Information

- *Integrated departmental performance reporting*
- *Operating information*
- *Evaluative information*
- *Financial information*
- *Cost management information*



Introduction (cont'd)

Modern Business Management sub-elements (cont'd):

Rigorous Stewardship

- *Business process improvement*
- *Management tools and techniques*
- *Knowledge management*
- *Accounting practices*
- *Management of assets*
- *Internal audit*
- *External audit*

Learning, Innovation and Change Management

- *Investments in organizational learning and corporate knowledge*
- *Perception of organizational adaptability, change and innovation*
- *Performance measurement used to improve organizational results*

Policy and Programs

- *Departmental research and analytic capacity*
- *Quality policy and program development*
- *Linkage to government priorities*
- *Confidence of the Minister and citizen engagement*
- *Succession planning for policy community*

Citizen-Focussed Service

- *Management of partnerships*
- *Client relationship management*
- *Measuring client satisfaction*
- *Service standards*
- *Meeting citizen needs and expectations (i.e. GOL)*



Key Characteristics of the Review

- ❑ Future oriented – focusses on what capabilities must be in place in the future to respond to emerging client demands/changing environment.
- ❑ Focusses 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.
- ❑ Agency focus – not intended to compare management practices between Branches/Regions.
- ❑ Directed review tool – not an audit. Information is collected through focus groups and interviews, and then validated.
- ❑ Builds upon changes already underway in existing management processes.



Approach to the Review

Similar to the 2002 Capacity Assessment, a self-assessment approach was used to conduct the Modern Business Management Capacity Review of ACOA. Focus group and individual interviews were conducted with 40 representatives covering all regions of the Agency, and a validation workshop was organized to validate the information and ranking for each of the 42 sub-elements. Focus Areas were then identified to serve as the basis for action planning.

An overview of team members and their roles and responsibilities for the project is outlined below.

- Project Director: Overall responsibility to provide direction for the work conducted, and quality assurance for the deliverable produced.
 - Janet Lewell, Partner, Deloitte & Touche LLP
 - Lucienne Godbout, Acting Director General, Finance, Administration and Modern Business Management, ACOA
New title since November 2004 – Director General Corporate Planning Division
- Project Team Members: Shared responsibility to conduct interviews, gather and document relevant information, organize a validation session, prepare preliminary rankings and assist in developing priority areas.
 - Pat Stone, Senior Manager, Enterprise Risk Services, Deloitte & Touche LLP
 - Pauline Pitre-Savoie, Corporate Planning Analyst, Modern Business Management, ACOA
 - Chantal Leger, Business Management Analyst, Modern Business Management, ACOA
 - André LeBlanc, Analyst, Modern Business Management, ACOA



Definitions

Strategic Leadership

- **Leadership commitment**
Awareness and commitment of deputy head and senior management to establishing and implementing a modern management practices environment
- **Managerial commitment**
Awareness of managers of their modern management practices responsibilities, and commitment to implementing them.
- **Senior departmental functional authorities**
Extent to which senior departmental functional authorities and supporting organizations are used for objective commentary and independent advice
- **Planning**
Strategic, business and operational planning, and the linkages between them and to resource allocation
- **Resource management**
Mechanisms for ranking program options, identifying funding requirements and allocating resources, and budgeting and forecasting

Integrated Performance Information

- **Integrated departmental performance reporting**
Key measures exist to monitor overall organization-wide performance and best-value results
- **Operating information**
Measures and systems to monitor service quality and efficiency of program delivery
- **Evaluative information**
Utilization of non-financial information related to program effectiveness and outcomes
- **Financial information**
Reliable financial information is available in a timely and useful fashion
- **Cost management information**
Mechanisms for using activity / product / results-based costs

Motivated People

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

Mature Risk Management

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



Definitions (cont'd)

Clear Accountability

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

Shared Values & Ethics

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

Rigorous Stewardship

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



Definitions (cont'd)

Policy and Programs

- ***Departmental research and analytic capacity***
Departmental research and analytic capacity is developed and sustained to assure high quality policy options, program design and advice to ministers
- ***Quality policy and program development***
Measures to ensure the development of quality policies and programs
- ***Linkage to government priorities***
Strong links between department priorities and government priorities
- ***Confidence of the Minister and citizen engagement***
Minister's confidence in the department and citizen engagement
- ***Succession planning for policy community***
Measures to ensure succession in the department's policy community

Citizen-Focussed Service

- ***Management of partnerships***
Partnerships are used extensively by the organization in support of service delivery by leveraging the capabilities of external stakeholders, partners, and other government organizations
- ***Client relationship management***
Commitment to consciously strengthening relationships with client organizations, and to integrating and co-ordinating how client services are developed and delivered.
- ***Measuring client satisfaction***
Utilization of client survey information on satisfaction levels, and importance of services
- ***Service standards***
Monitoring against client service standards and maintaining and updating standards
- ***Meeting citizen needs and expectations (i.e. GOL)***
Progress made in implementing on-line services

Learning, Innovation and Change Management

- ***Investments in organizational learning and corporate knowledge***
Organizational learning and corporate knowledge investments are important for changing environments
- ***Perception of organizational adaptability, change and Innovation***
Culture adaptability, flexibility and innovation
- ***Performance measurement used to improve organizational results.***
Improving results through the use and analysis of performance measures



Context of ACOA

Mission

To foster, in a strategic partnership with the people of Atlantic Canada, the long-term economic development of the region through the renewal of the Atlantic entrepreneurial spirit.

Legislative Mandate

The Agency derives its mandate from Part I of the *Government Organization Act, Atlantic Canada 1987, R.S., c. G-5.7*, otherwise known as the *Atlantic Canada Opportunities Agency Act*. The purpose of the Agency *“is to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region”*.

Goals

ACOA pursues two distinct goals in fulfilling its Legislative mandate:

- 1) *To ensure that a wide variety of business development tools and resources are available to serve the diverse needs of the region’s emerging and existing entrepreneurs.*
- 2) *To ensure that all economic development programs and activities in Atlantic Canada are coordinated and designed to improve the climate for business growth.*



Context of ACOA (cont'd)

Organization and Program Composition

ACOA has three strategic outcomes as defined in its new Program Activity Architecture: Enterprise Development, Community Development, and Policy, Advocacy & Co-ordination.

- **Enterprise Development:** Effort under this strategic outcome is intended to improve growth and competitiveness of Atlantic small and medium-sized enterprises (SMEs), leading to increased productivity, earned incomes and job creation.
- **Community Development:** Effort under this strategic outcome is intended to provide economic opportunities for Atlantic Canada through community economic development.
- **Policy, Advocacy & Co-ordination:** Effort under this strategic outcome is intended to ensure adequate representation of the interests of Atlantic Canada in national economic policy, program and project development and implementation.

Corporate Administration

This function ensures that ACOA's resources are efficiently and effectively managed and that administrative systems and services are in place to enhance management decision making, managerial accountability and operational control.



Context of ACOA (cont'd)

Organization Structure

ACOA's Head Office is located in Moncton, New Brunswick. Head Office components include the President's Office, Policy and Programs, Finance and Corporate Services, Legal Services and Human Resources.

Regional Vice-Presidents are located in the capital city of each of the Atlantic provinces and are responsible for the delivery of ACOA programs within their respective province. The Vice-President for Prince Edward Island is also responsible for the Agency's Tourism activities in Atlantic Canada. In Sydney, Nova Scotia, the Vice-President of Enterprise Cape Breton Corporation (ECBC) is responsible for delivering most of ACOA's programs in Cape Breton. Each Vice-President has Ministerial delegated authority to approve most projects and proposals occurring in his or her area of responsibility.

Through its Ottawa office, ACOA advocates the interests of Atlantic Canadians in the development of national policies and programs, including the interests of the region's entrepreneurs in matters related to federal procurement.



Context of ACOA (cont'd)

Corporate Priorities and Strategies

ACOA's approach to economic development is based on the partnerships it has forged with the business community (SMEs and business associations), the provinces, other government departments and agencies, educational institutions, and various public and community-based economic development organizations. Because regional economic development is a long-term, complex, multi-dimensional undertaking, the solution involves a wide variety of stakeholders. Virtually all of ACOA's work involves partnerships.

ACOA Priorities

ACOA's overall approach is guided by the following priorities:

- Enterprise Development:
 - Innovation
 - Entrepreneurship and Business Skills Development
 - Trade and Investment
 - Tourism
 - Other support to SMEs
- Community Development
- Policy, Advocacy and Coordination



Context of ACOA (cont'd)

Service Lines

ACOA links its priorities to its clients through programs or service lines which are grouped as :

Core Activities

- ***Business Development Program (BDP)***: The BDP is designed to help SMEs establish, expand or modernize by offering access to capital in the form of interest-free, unsecured, repayable contributions. It has a focus on those intangible projects critical to competitiveness and often not considered bankable by conventional lenders.
- ***Community Economic Development (CED)***: CED is based on grassroots action by members of a community to improve their local economic conditions. Government can help by making its own resources more accessible and by forging links and partnerships among private and public sector stakeholders.
- ***Canada Business Service Centres (CBSCs)***: CBSCs are located in all four Atlantic provinces and provide business-related services and products to SMEs and aspiring entrepreneurs.
- ***Atlantic Policy Research Initiative (APRI)***: The APRI is a multi-year program designed to fund policy research that enhances understanding of the Atlantic economy and how it is evolving.



Context of ACOA (cont'd)

Atlantic Investment Partnership (AIP):

- **AIP:** The Atlantic Investment Partnership launched in June 2001, builds on the success of ACOA programming by extending further support to productivity and competitiveness. The AIP takes a balanced and comprehensive approach to implementing ACOA's strategic priorities.
- The AIP is a Pan-Atlantic initiative and encourages partnerships between key stakeholders including different levels of government, communities, businesses, universities, colleges and research institutes. AIP programs include: Atlantic Innovation Fund (AIF); Strategic Community Investment Fund (SCIF); the Trade, Tourism and Investment Initiative; and the Entrepreneurship and Business Skills Development Initiative.

Non-Core Activities

- Taking advantage of its established network and knowledge of the Atlantic region, ACOA delivers special development initiatives (e.g. Infrastructure Canada Program) on behalf of the federal government. These contribute to the general economic health of the region. They include adjustment initiatives to assist communities in developing alternative employment opportunities and diversifying their economies in response to major economic problems such as: the downturn in the Atlantic groundfish industry and the Saint John Shipyard Adjustment program.



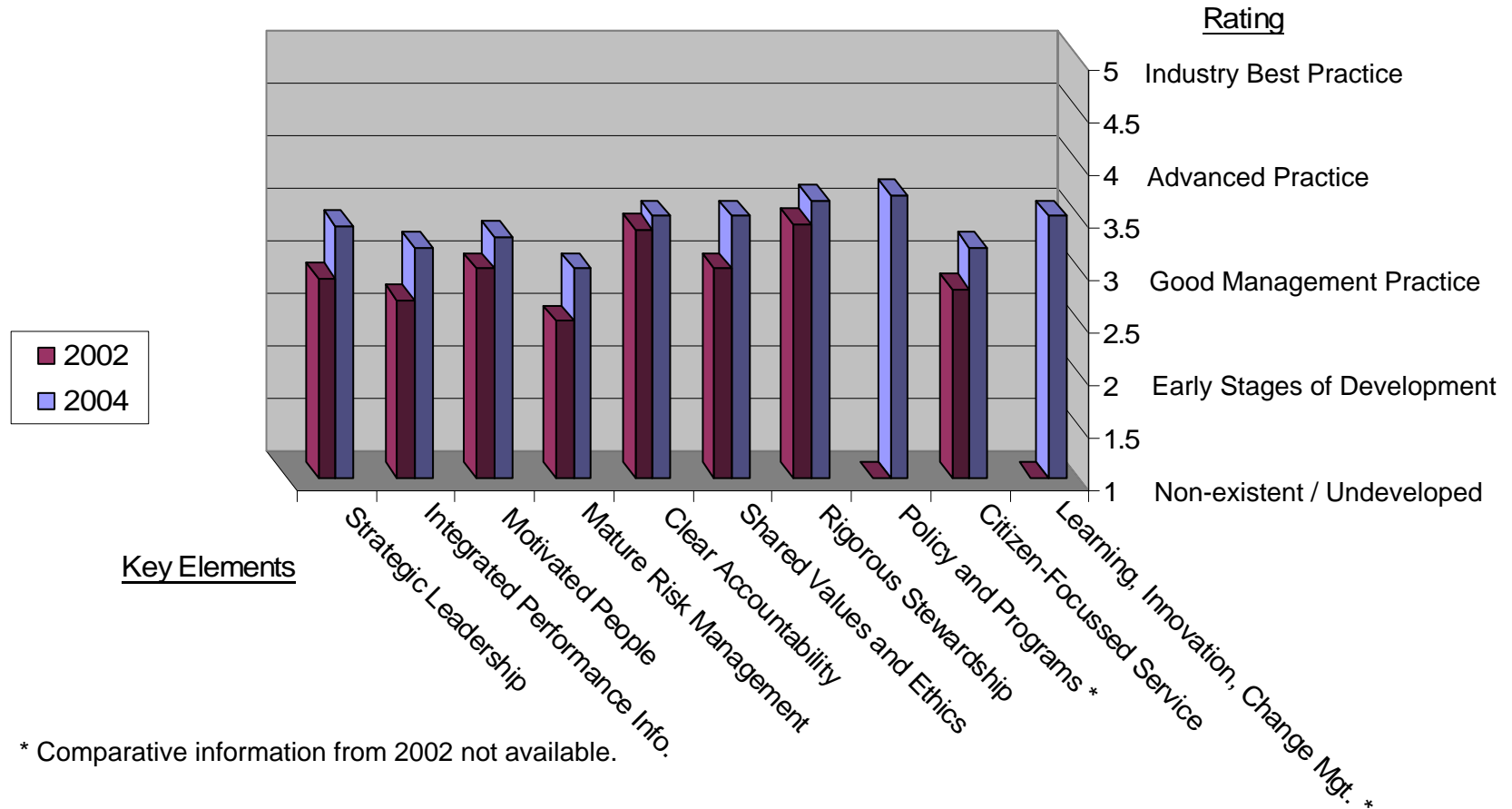
2004 Review Summary Chart

		1 Non-existent / Undeveloped	2 Early Stages of Development	3 Good Management Practices	4 Advanced Practice	5 Industry Best Practice
Strategic Leadership	Leadership commitment					
	Managerial commitment					
	Senior departmental functional authorities					
	Planning					
Integrated Performance Information	Resource management					
	Integrated departmental performance reporting					
	Operating information					
	Evaluative information					
	Financial information					
Motivated People	Cost management information					
	Modern management practices competencies					
	Employee satisfaction					
	Enabling work environment					
	Sustainable workforce					
Mature Risk Management	Valuing peoples' contributions					
	Integrated risk management					
	Integrated management control framework					
Clear Accountability	Clarity of responsibilities and organization					
	Performance agreements and evaluations					
	Specialist support					
Shared Values and Ethics	External reporting					
	Values and ethics framework					
Rigorous Stewardship	Business process improvement					
	Management tools & techniques					
	Knowledge management					
	Accounting practices					
	Management of assets					
	Internal audit					
Policy and Programs	External audit					
	Departmental research and analytic capacity					
	Quality policy and program development					
	Linkage to government priorities					
	Confidence of the Minister and citizen engagement					
Citizen-Focussed Service	Succession planning for policy community					
	Management of partnerships					
	Client relationship management					
	Measuring client satisfaction					
Learning, Innovation and Change Management	Service standards					
	Meeting citizen needs and expectations (i.e. GOL)					
	Investments in organizational learning and corporate knowledge					
	Stakeholder / staff perception of organizational adaptability, change and innovation					
	Performance measurement used to improve organizational results					



Summary Results : 2002 – 2004 Variations

Modern Business Management Capacity Review



Detailed Results : 2002 – 2004 Variations

General Findings:		2002	2004	Variation
	Overall Average:	3.0	3.4	+0.4
Key Elements				
1 Strategic Leadership				
	Leadership commitment	2.5	3.5	+1.0
	Managerial commitment	3.0	3.5	+0.5
	Senior departmental functional authorities	3.0	3.5	+0.5
	Planning	3.0	3.0	unch
	Resource management	3.0	3.5	+0.5
		2.9	3.4	+0.5
2 Integrated Performance Information				
	Integrated departmental performance reporting	3.0	3.5	+0.5
	Operating information	2.5	2.5	unch
	Evaluative information	3.5	4.0	+0.5
	Financial information	3.0	3.5	+0.5
	Cost management information	1.5	2.5	+1.0
		2.7	3.2	+0.5
3 Motivated People				
	Modern management practices competencies	2.0	2.0	unch
	Employee satisfaction	3.0	4.0	+1.0
	Enabling work environment	3.0	4.0	+1.0
	Sustainable workforce	3.5	3.0	-0.5
	Valuing people's contribution	3.5	3.5	unch
		3.0	3.3	+0.3
4 Mature Risk Management				
	Integrated risk management	2.0	3.0	+1.0
	Integrated management control framework	3.0	3.0	unch
		2.5	3.0	+0.5
5 Clear Accountability				
	Clarity of responsibilities and organization	3.5	3.5	unch
	Performance agreement and evaluations	3.0	3.5	+0.5
	Specialist support	3.0	3.0	unch
	External reporting	4.0	4.0	unch
		3.4	3.5	+0.1



Detailed Results : 2002 – 2004 Variations (cont'd)

General Findings:		2002	2004	Variation
Overall Average:		3.0	3.4	+0.4
Key Elements				
6 Shared Values and Ethics				
Values and ethics framework		3.0	3.5	+0.5
		3.0	3.5	+0.5
7 Rigorous Stewardship				
Business process improvement		3.5	3.5	unch
Management tools and techniques		3.5	4.0	+0.5
Knowledge management		3.5	3.5	unch
Accounting practices		3.5	3.5	unch
Management of assets		3.0	3.5	+0.5
Internal audit		3.5	3.5	unch
External audit		3.5	4.0	+0.5
		3.4	3.6	+0.2
8 Policy and Programs				
Departmental research and analytic capacity		n/a	4.0	n/a
Quality policy and program development		n/a	4.0	n/a
Linkage to government priorities		n/a	4.0	n/a
Confidence of the Minister and citizen engagement		n/a	3.5	n/a
Succession planning for policy community		n/a	3.0	n/a
		n/a	3.7	n/a
9 Citizen-Focussed Service				
Management of partnerships		2.5	3.5	+1.0
Client relationship management		4.0	4.0	unch
Measuring client satisfaction		2.5	3.0	+0.5
Service standards		2.0	2.5	+0.5
Meeting citizen needs and expectations (i.e. GOL)		n/a	3.0	n/a
		2.8	3.2	+0.4
10 Learning, Innovation and Change Management				
Investments in organizational learning and corporate knowledge		n/a	2.5	n/a
Stakeholder / staff perception of organizational adaptability, change and innovation		n/a	4.0	n/a
Performance measurement used to improve organizational results		n/a	4.0	n/a
		n/a	3.5	n/a



Analysis of progress and remaining gaps at ACOA

There has been progress in all Key Elements.

❑ Strategic Leadership

- Manager awareness and in-depth knowledge of MBM was improved by:
 - the work under the Leadership Priority Area (PA) (i.e. MBM poster and newsletter, Manager's Conference, as well as ongoing promotion); and
 - the sustained support from the Executive Committee and senior management, their extreme openness and enthusiasm for MBM.
- We need to keep the momentum and simplify the message to reach all employees.
- The Planning sub-element was unchanged; however, once the Planning PA is implemented at ACOA, it will contribute to increasing the Agency's rating even more.

❑ Integrated Performance Information

- The GX (financial information management system) Salary Costing module has provided a vehicle for allocating costs over a wide range of activities and programs. This helped to increase the rating of this area.
- We are expecting a further rating increase when the Financial Reporting Regime project under the Cost Management and Financial Reporting PA is complete.
- Training in GX and QAccess (program and client information management system) are still in demand.



Analysis of progress and remaining gaps at ACOA (cont'd)

❑ Motivated People

- Employee satisfaction has been measured extensively over the last two years (Public Service-wide Employee Survey and the Workplace of Choice PA).
- Sustaining 4.0 rating under the Employee satisfaction sub-element may be a challenge. Apart from the Employee Suggestion Box* and the performance appraisal process, monitoring of employee satisfaction is informal.
- Otherwise, employees feel that they have the support, the information and the tools they need to work. The Enabling work environment sub-element increased by a rating of 1.0. Continued work in the Transparency and Internal Communication PA will ensure we keep moving forward in this area.
- Workloads are still an issue; the Sustainable workforce sub-element has decreased by 0.5.
- The competencies sub-element remains at a low 2.0. Continued work on the Competencies PA will help the Agency address its overall training framework/needs.

❑ Mature Risk Management

- Progress in this element is due to the Risk Management PA.
- Roll-out of the Corporate Risk Profile, and full implementation of the Integrated Risk Management Framework will ensure an even stronger rating.

* The Employee Suggestion Box was launched as a Low-Hanging Fruit.



Analysis of progress and remaining gaps at ACOA (cont'd)

❑ Clear Accountability

- A minor improvement can be attributable to:
 - promotion and enforcement of, and training on, the use of performance appraisals; and
 - enhancements to the development and dissemination of Performance Management Agreements (PMA)*.
- Weaknesses in the human resources area continue to be a sore point (Specialist support sub-element). HR Modernization will address most of these weaknesses (from staffing to planning), but the Agency needs to prepare for its implementation.

❑ Shared Values and Ethics (V&E)

- Progress in this area is due to a revitalized Agency V&E document**, V&E training and case studies. Continued work in this area will ensure ACOA stays on track with the government-wide V&E strategy.

❑ Rigorous Stewardship

- Minor improvement in an already strong area.
- Work under the Service Quality PA and the Business Process Improvement PA has supported the Agency in this area.

* Improvements to the performance appraisal and PMA processes were done in the context of Low-Hanging Fruit.

** Work on Values and Ethics was partly done in the context of Low-Hanging Fruit.



Analysis of progress and remaining gaps at ACOA (cont'd)

- ❑ Policy and Programs
 - Comparative information from 2002 not available.
 - This section is the strongest one; however, succession planning for the Policy community, and indeed the Agency, was identified as an area for improvement.

- ❑ Citizen-Focused Service
 - Improvement in this area is again attributable to the Service Quality PA and Business Process Improvement PA.

- ❑ Learning, Innovation and Change Management
 - Comparative information from 2002 not available.
 - The approach to learning is mostly on an individual basis at ACOA instead of being at the organizational level. There is also concern that corporate knowledge is not being actively preserved.



Detailed Review

1 - Strategic Leadership



Leadership commitment

Review Information

See following page

Issues / Opportunities for Improvement

See following page

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<p>Leadership commitment Awareness and commitment of deputy head and senior management to establishing and implementing a modern management practices environment</p>	<p>Deputy head and senior management have only limited knowledge of the modern management practices focus.</p>	<p>Deputy head and senior management have a broad understanding of the concept of modern management practices, and recognize the need for change. Deputy head has initiated steps to report performance on an integrated and consolidated basis, including financial and non-financial. Deputy head has developed a short and longer-term plan to improve modern management practices, and has put in place an organization to promote modern management practices. Performance information, accountability and stewardship are high on senior management's agenda.</p>	<p>Deputy head and senior management are highly committed and supportive of modern management practices mindset, and commit resources to implementing modern management best practices. Senior management has established mechanisms to report performance on an integrated and consolidated basis. Deputy head is able to report on extent to which government-wide standard for modern management practices has been met in the department, and makes periodic representations to the Minister and central agencies.</p>	<p>A modern management practices ethos permeates the department and its decision-making process. Deputy head and senior management have created a climate wherein creativity and responsible risk taking are encouraged, barriers are broken down between functions, and business decisions are challenged. Risks are discussed openly by senior management. Senior management is actively reviewing service delivery mechanisms. Deputy head is able to report to the Minister and Parliament with confidence on performance results achieved.</p>	<p>Department is recognized among peers for leadership in implementing modern management practices. Deputy head has earned a high level of trust from central agencies and Parliamentarians, who have high level of confidence in the effectiveness and integrity of the systems used to administer programs, and in the accuracy and completeness of the information about that administration. Deputy head and senior management have established a forward-looking approach to modern management practices to assess department's capacity to sustain desired performance levels in the future.</p>
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Leadership commitment (cont'd)

Review Information

- There is a broad awareness of modern business management (MBM). The way it affects managers and staff on a day-to-day basis is intermittent. It's not top of mind in many units.
- Resources, both financial and human resources, have been dedicated to MBM.
- In response to the first Capacity Assessment, implementation of the majority of the Priority Area Action Plans is now complete.
- A Reporting Regime is in place to track progress in the Modern Comptrollership area for the Agency as a whole. The President and select members of senior management have made numerous presentations to Central Agencies, and submit official reports on quarterly and yearly bases.
- MBM is a regular agenda item at the Executive Committee (EXCOM) meetings. The EXCOM continues to openly discuss risk issues, but perhaps now in a more structured way in the context of developing the Integrated Risk Management Framework.
- EXCOM members have all been involved by championing one or a few MBM priority areas.
- Some directors/managers have also been involved as team leaders of Agency-wide working groups.
- The organizational structure of the Agency has been modified to establish a permanent unit to address management issues and capacity.
- Most senior managers are aware of MBM. A Manager's Conference in December 2003 gave the initiative profile, and provided a lot of information. Following the manager's conference, managers from Newfoundland and Labrador conducted information sessions for staff in their respective units on how the Agency should operate and conduct its affairs.
- MBM knowledge is slightly less at levels below senior management.
- Senior management is committed to sound management practices.

Issues / Opportunities for Improvement

- Ensure continued senior management support to MBM.
- Report progress of Modern Business Management Priority Areas to staff more often.
- Continue promotion of Modern Business Management, including a quarterly newsletter.
- Conduct another Manager's Conference.
- Ensure that people are not spending too much time on performance reporting instead of performing.



Managerial commitment

Review Information

- ❑ Managers are supportive of the Agency's Executives in achieving their goals as set out in their Performance Management Agreement. As such, they commit both financial and human resources to activities associated with Modern Business Management (MBM).
- ❑ Following the December 2003 Manager's Conference, most regions held information sessions for their staff. This gave MBM more profile and provided a lot of information to staff.
- ❑ There is a sense that many managers are practicing MBM without really thinking about the initiative. There are a lot of MBM practices occurring without being labeled as such.
- ❑ Training sessions on specific MBM elements were offered throughout 2003 and 2004, including Governance and Values and Ethics.
- ❑ When developing their operational and business plans, managers consider cross-functional issues.
- ❑ This initiative has allowed managers to have more interaction between regions. Despite this, managers seem to be more aware and, therefore, more committed, to the priority area of their own regional Vice-President.

Issues / Opportunities for Improvement

- ❑ Conduct more training on modern business management items for general staff because there is still a lack of awareness of Modern Business Management in lower management and staff.
- ❑ Conduct another Manager's Conference.
- ❑ Provide managers with tools to conduct information sessions on the elements of the Management Accountability Framework.

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Managerial commitment

Awareness of managers of their modern management practices responsibilities, and commitment to implementing them

Control is seen as "compliance" and is still considered the main ingredient of comptrollership by both operational and financial managers. Operational managers focus on running the business and count on "corporate" to ensure that the rules, regulations and reporting requirements are being met. They are not familiar with modern management best practices. Financial concerns primarily evolve around availability of funds to carry out initiatives.

Managers understand their management authorities, (e.g., financial, contracting) and those of their staff. They are aware of their responsibilities for probity and prudence and the protection of assets under their control. Plans and initiatives are not subject to a business case analysis beyond the funding issue. Program initiatives are developed without any specialist input. Managers are not always familiar with functional specialties and vice versa.

Managers see the continuous improvement of management practices as part of the job and seek the support of functional specialists. Managers are aware of their modern management responsibilities, and accept accountability for resources entrusted to them. Management implications (e.g., financial, HR, information technology, asset management) are assessed in operational plans and new program initiatives.

Managers are highly committed and supportive of the modern management practices mindset, and have committed resources to implementing improved management practices. Managers develop and integrate the supporting modern management practices (e.g., financial, HR, IT, procurement, asset management) when implementing new program or service delivery initiatives.

Managers see controls as mechanisms to identify risks, opportunities and respond to the unexpected. They apply modern management concepts in their day-to-day operations. Managers integrate financial and non-financial information in their decision-making. Managers are always seeking new and innovative management practices, and share best practices across the organization.



Senior departmental functional authorities

Review Information

- ❑ Managers are aware of functional specialist advice capability. It's a collaborative environment. Senior departmental functional authorities and staff are seen as business partners, and they play a good advisory role. There is a good balance between the leadership and support, and there is a good collective sense of what role everybody plays.
- ❑ Although communication with functional staff is good, direct communication with senior departmental functional authorities is sometimes lacking. Although they may be making advances for us in the background, we may not know about it until later in the developments. This being said, managers and staff of non-functional areas are increasingly required to participate in the development of systems, procedures, etc. Everyone has the opportunity to provide input. The balance is good. Example: Many individuals throughout the Agency participated in the development of QAccess, the Agency's program and client relationship management system.
- ❑ There is much communication and interaction between Executive Committee (EXCOM) members and Senior Departmental Functional Authorities. (Directors General of Human Resources (HR) and Communication are also members of EXCOM.)
- ❑ There is no local HR expertise in the regional offices and this is perceived as a problem. HR is seen as less of a business partner/less integral to decision-making process.

Issues / Opportunities for Improvement

- ❑ Integrate the HR function to a greater extent with other areas of the Agency.
- ❑ Improve/increase the HR presence in the regions; explore redistribution of authority to the regions. If changes not possible, communicate reasons to regions.
- ❑ Continue to have Agency-wide HR conferences to ensure greater communication and support in HR community.
- ❑ In some areas of the Agency, Communications branch should continue efforts to become more involved and proactive in dealings with other parts of the Agency.
- ❑ Non-functional areas to continue to get functional area involvement as issues arise.

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Senior departmental functional authorities

Extent to which senior departmental functional authorities and supporting organizations are used for objective commentary and independent advice

No clear functional authorities (e.g., SFO, HR, CIO) within the organization. Role of functional authorities is seen primarily as transaction or process oriented (e.g., maintaining records and controls, processing). Advice is focused mainly on the process.

Senior departmental functional authorities and staff assist the executive team in assessing the management implications of major decisions (e.g., financial, HR). Senior functional authorities are often called upon to provide strategic advice, while supporting organization is primarily transaction or process oriented.

Senior departmental functional authorities and staff are senior members of the executive team, and are often called upon to provide strategic advice and support in new program initiatives/ changes. Scope includes not only functional matters, but also effectiveness/efficiency of service delivery and management controls and practices required.

Senior departmental functional authorities and organization are playing a leadership role in integrating processes and systems to ensure the department is making sound business decisions, maintaining controls, managing long term risks, and achieving high standards of performance. Role of functional authority is well understood and highly valued.

The senior departmental functional authorities and their organizations are recognized as leaders among peers, and are perceived within the department as having strong technical and strategic expert advisory capabilities.



Planning

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Planning

Strategic, business and operational planning, and the linkages between them and to resource allocation

Business plans are developed independently of strategic plan. Little or no effort is made to reconcile the two. Business planning is done on an inconsistent basis across the organization. Corporate business plan meets central agency reporting requirements but is primarily focused on financial information. No effort is made to link/reconcile branch business plans. Plans, once prepared, are seldom used in support of program delivery.

Strategic and business plans are prepared independently. Branches prepare business plans independently. Business plans are primarily focused on meeting central agency reporting requirements. HR, IM, and other horizontal issues are addressed on a project-by-project basis, and are only partially reflected in business plans. Some effort is made to ensure consistency between business plans and strategic plan or to reconcile branch business plans.

Desired results, strategic priorities and resources are clearly stated in business plans. Strong linkages exist between strategic objectives and priorities, business plans, and operational plans and budgets. Business plans are comprehensive and reflect resources from all functional areas. Resources are adjusted annually to reflect priorities. Strong linkages between branch business plans. Results achieved in business plans are monitored against strategic priorities.

Strategic and business plans highlight organization-wide issues, major risks, and the resource implications. Assumptions are periodically challenged to ensure continued relevance. Plans reflect needs of clients/ stakeholders who are consulted as part of the process. Business plan resources/ performance targets reflect strategic priorities. Results achieved are monitored on a trend basis against strategic priorities. Plans/ resources are adjusted to reflect performance results.

Clients participate in the business planning process. Plans are used as an integral component in program management. Program outcomes are reported regularly against both strategic and business plans on a trend basis. The plans and process are highly integrated. Plans are cascaded across the organization, and are easily accessible through organization-wide information system. Plans and resources are revised periodically to reflect performance results.



Planning (cont'd)

Review Information

- ❑ At a high level, the Agency allocates monies by strategic centres and by programs, based on the Agency's Strategic Priorities and desired results. The Agency costs out programs, with input from regions, and allocates monies based on a multi-year approach, allowing for yearly updates based on results. This is the link between business plans and resource allocation: it is done at the front end of program agreements. All budgets are linked to strategic priorities, though this may not be well understood at lower levels.
- ❑ Expected results are clearly stated, although some outcomes are very long term. The Agency monitors results and outcomes that are linked to strategic priorities.
- ❑ There is also another mechanism to help with the alignment of objectives: the Executive Performance Management Accords. These ensure that Government of Canada and Agency priorities and goals trickle down.
- ❑ Models used for planning at regional levels vary slightly, reflecting provincial or regional differences. The various regions then report to Head Office on how they have met their priorities, including quantitative and qualitative information. Despite this, there are certain weaknesses in terms of regional planning in certain areas.
- ❑ There is great participation from various branches and various levels, although different planning methods and models are used.
- ❑ Great improvement has been made in terms of the comprehensiveness of plans, which now include more detailed information on functional area implications.
- ❑ There is no Strategic Planning Information System per se. The monitoring of results against strategic priorities is still largely a manual process.
- ❑ An integrated planning process has been developed for the Agency and has been approved by the Executive Committee. Implementation is at the early stages.

Issues / Opportunities for Improvement

- ❑ Continue implementation of the Planning Priority Area.
- ❑ Integrate the *Planning* and the *Planning and Performance Information* Priority Areas into one Priority Area.
- ❑ Integrate Human Resources and Communications representation into the Planning Committee.
- ❑ Ensure planning is kept simple, brought below the bureaucratic high level, and that it reflects the tactical level of the Agency.
- ❑ Ensure planning reaches the front line staff on a day-to-day basis.
- ❑ Revisit the development of an integrated planning system.



Resource management

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Resource management

Mechanisms for ranking program options, identifying funding requirements and allocating resources, and budgeting and forecasting

No systematic/formal approach or process to resource allocation, budgeting or forecasting. Resource levels are adjusted on an incremental basis from year to year. Budgets are primarily concerned with allocating expenditure or cash targets. Limited consultation or involvement of operational staff in budgeting and forecasting. No commentary on budget or forecasts, and assumptions are not documented. Financial information and analysis is not integrated into the evaluation of program options and priorities.

Resource levels are reviewed periodically through program and other funding reviews. Resource levels are adjusted for new activities/priorities, and are managed independently by each organizational unit (e.g., branch, region). There is a clear formal process for budgeting. Budgets and forecasts are prepared by finance based on a broad understanding of longer term plans and base assumptions provided by operational staff. Forecasts are not reviewed for realism of assumptions. Actual results rarely correspond to forecasts. Reforecasts are infrequently prepared and in little detail. There is limited commentary prepared for the financial assumptions.

Resource planning models are used to estimate resource requirements. Mechanisms are in place to facilitate resource re-allocations between branches/regions. A business case approach is used to allocate resources. Budgets are prepared by operational staff with advice and input from finance staff, and are clearly linked to strategic/ business plans. SFO and staff develop the budgeting framework and communicate it to managers. The budget clearly identifies objectives and assumptions. Elements are budgeted on basis of assumed consumption. Lifecycle costing is used to identify the full resources required. Forecasts are reviewed for realism of assumptions, and quarterly re-forecasts made. Managers conduct variance analysis and justify variances. SFO and staff provide both a challenge and advisory function to managers.

Mechanisms are in place at the organization level to help make choices between competing priorities and to reflect changes in business plan objectives/assumptions. Managers at all levels are involved in resource allocation/ re-allocation decisions. Budget re-allocations decisions are fully transparent. The resource allocation culture supports openness and flexibility. Budgets are closely linked to the costing approach, and link resources to activity and program/product costs. The processes for budgeting and forecasting are streamlined. Data is input directly into a financial planning mode (e.g., what-if analysis). Managers are held accountable for budget variances, and are rewarded/ penalized accordingly.

Resources are re-allocated between programs based on priorities that reflect results achieved and "value for money". All management levels are highly committed to, and participate actively in, the resource allocation process. The budgeting approach is closely focused on outcomes and results. Budgets are closely linked with resource allocation priorities and performance results achieved.



Resource management (cont'd)

Review Information

- ❑ The budgetary process is led by the Finance Unit at Head Office (HO) using financial models. Regional operational requirements are identified at the beginning of the year, budgets are set and monthly meetings are conducted to review forecasts, make adjustments, review individual line items and identify surpluses and additional requirements.
- ❑ Budgets are distributed by responsibility centre; managers are delegated authority to manage their budgets. The budget is managed on two levels: commitments and expenditures (the latter is extensively controlled). Toward the end of year, there is a corporate management of dollars, with reallocation between regions, based on results and needs. However, some branches find HO does not sufficiently explain variances with the regions' business case submissions.
- ❑ Forecasting is largely based on past expenditures and by assessing contracting activity, but can be difficult due to individual client fluctuations. Regular forecasting reports are submitted to management for review.
- ❑ Variances are challenged both at a regional level through peer reviews, and at a corporate level through the HO Finance branch.
- ❑ The Finance Unit at HO keeps the Executive Committee (EXCOM) informed. EXCOM reviews budgets and resource needs and approves reallocations as required.
- ❑ Adjustments are made quickly, and finger-tip access to financial information is available in real-time through GX, the on-line financial information management system.
- ❑ GX also provides the budgeting and control framework used to manage Agency resources, while the EXCOM reviews and approves the strategy to be followed in budget setting.

Issues / Opportunities for Improvement

- ❑ When asked to take on national delivery role, central agencies do not provide sufficient funds or resources to properly deliver programs.
- ❑ Ensure Finance branch and regional Finance officials communicate to other branches and regions the criteria used when analyzing budget allocations.
- ❑ Ensure Finance branch and regional Finance officials communicate to other branches and regions clear explanations where variations exist between submissions and final allocation.



2 - Integrated Performance Information



Integrated departmental performance reporting

Review Information

- ❑ Key performance indicators have been established at the strategic priority level. Performance targets are reported on each year by program and by service line. Organization-wide performance measures and indicators have been identified, though on the functional side of the Agency, these are mostly identified and regulated by Central Agencies. On the Programs side, these were developed internally.
- ❑ At the program level, goals and indicators have been established through the Results-based Management and Accountability Framework. Measures are standard at the project level and are tracked through the Agency's QAccess system.
- ❑ When reporting on departmental performance, quantitative and qualitative information is used and compiled into two main reports: the annual Departmental Performance Report, and the Five-year Report. Information is pulled from our systems, but there is also a manual process involved.
- ❑ Results are tracked over time and are used when developing new programs or adjusting existing ones. Strong links to the Agency's strategy and vision are, therefore, sustained.

Issues / Opportunities for Improvement

- ❑ Continue to identify performance measurements in non-commercial area of program delivery.
- ❑ Pursue implementation of the Planning Priority Area, and integrate into it the Planning and Performance Information Priority Area.
- ❑ Continue work on the Program Activity Architecture, including communication/presentation to all staff.

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Integrated departmental performance reporting

Key measures exist to monitor overall organization-wide performance and best-value results

No departmental performance measures.

Each Branch measures performance at organization-wide level independently. Department-wide priority areas to be measured have been identified. Departmental performance measures have been organized in a organization-wide reporting framework (e.g., balanced scorecard). The methods of collecting the information, and sources of information, have been identified.

High level strategic measures for the department are in place, and are linked to strategic vision and priorities. Linkages between measures are evident. Performance measures have been communicated, and agreed upon. Staff have received training. Measures cover both financial and non-financial, and provide historical and future oriented view. Information on the results of the performance measures is available in part. A mix of quantitative and anecdotal information is used.

Performance results are reported for the organization as a whole over time. Results are monitored against targets and the department's strategic objectives. Information is valued by senior management and the Minister, and is often used for decision-making and external reporting. Results are used to make trade offs in organization-wide priorities. Departmental measures are refined on an ongoing basis.

Performance results indicate positive improvement. Strategic and business plans are modified accordingly based on results achieved. Information is readily accessible through executive information systems. Information needs and systems are periodically reassessed based on changing business needs and identified reporting gaps. Performance information is available so that the department can report performance to stakeholders on a horizontal portfolio basis, e.g., health portfolio.



Operating information

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Operating information

Measures and systems to monitor service quality and efficiency of program delivery

Information on operating measures is not collected or reported on a systematic basis. Systems used for tracking operating results are either non-existent, unreliable or incompatible.

Operating measures exist to varying degrees by organizational unit (e.g., branch). Operating performance is monitored on an ongoing basis. Formal systems are in place to track operational performance, though systems do not always have full functionalities required. In some cases, managers maintain separate records for management purposes in addition to formal systems. System links and data flows are not well understood.

High level information is available for key operational indicators but with limited "drill-down" capability. Operating performance measures and targets are in place in most organizational units. Operating results are monitored on an ongoing basis, and actions are initiated by program managers to improve results. Staff receive training in use of performance measurement systems. Formal systems in place to track operating results are considered timely, accurate and reliable. Systems are "stovepiped", however system links and data flows are well understood.

Information on operating results is easily accessible in organization-wide performance information systems. Service delivery teams use information on an ongoing basis to initiate process improvements. Strong linkages exist between operating results and business plans. Information is an integral element of resource allocation decisions. Operating systems are linked and interfaced/ integrated with financial and other systems. Re-keying and manual intervention is rarely needed. Customized reports are available with limited effort.

Operating results are monitored over time. Key operational measures show positive or stable trends in results. Different measures are in place for different client groups. Measures are added and deleted as priorities change. Operating measures are cascaded throughout the organization and are linked to strategic objectives and priorities. Staff can easily obtain the operating information they require through online access to drill down facilities or simple user friendly report writers. The information is accurate and timely.



Operating information (cont'd)

Review Information

- ❑ Evaluations are conducted at the program level and the requirements for evaluations are very formal. Data are captured consistently, and readily available, especially on the effectiveness of the program. However, the assessment or analysis of the data is not easily available; it is done at a higher level (e.g. when preparing the Report on Plans and Priorities and the Departmental Performance Report).
- ❑ The Agency has a Review Committee, chaired by the President, that reports on the results of various evaluations and audits. It has a three-year plan, which is linked to business plans.
- ❑ Monitoring reports are produced monthly indicating such things as clients visited, processing times, and number of projects approved. Customized reports are easily available.
- ❑ Public opinion research is done to find out how the Agency is perceived. The Agency also surveys its clients. This is also done at a regional level.
- ❑ The Executive Information System provides high-level information on grants and contributions, operating and maintenance, and salary dollars. The system offers limited drill-down capability.

Issues / Opportunities for Improvement

- ❑ Continue to implement the Strategic Plan for Service Quality.
- ❑ Improve/enhance the Executive Information System and make available to all managers. Provide training.
- ❑ Continue training on GX to pertinent staff, including managers, to ensure they can access the information they need; this will help ensure that captured information is used in decision-making.
- ❑ Increase QAccess training to reduce/eliminate other programs/processes used instead of QAccess.
- ❑ Provide training for developing non-commercial projects. While trying to keep everything pan-Atlantic, consider different needs in different regions.
- ❑ Continue to establish standards for operations (especially non-commercial).



Evaluative information

Review Information

- ❑ Evaluation is a requirement in each program (they are part of the program and can occur mid-term and at the end, depending on the program). Evaluation is seen as an integral part of program management Agency-wide. Every contribution program has a Results-based Management and Accountability Framework (RMAF). It is a very well formalized process.
- ❑ Programs live or die by the quality of the results achieved. Adjustments are made to comply with recommendations.
- ❑ External consultants and Head Office Review Services conduct evaluations, and action plans are prepared immediately after receiving the results of the evaluation. Results and action plans are also reported to Treasury Board Secretariat.
- ❑ The Agency has an Audit and Evaluation Review committee chaired by the President. The committee approves the Review Plan, considering areas of risk and strategic priorities.

Issues / Opportunities for Improvement

- ❑ Develop performance measures for business support projects (non-commercial).

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Evaluative information
Utilization of non-financial information related to program effectiveness and outcomes

No formal approach to program evaluation. Evaluations are carried out on an ad hoc basis. Information on program outcomes is limited. Methodologies for collecting the information need to be put in place.

Evaluation frameworks are in place for some program areas. Evaluations are carried out as issues arise. Information on some program outcomes is available in some program areas. An evaluation plan is in place, and is based on strategic priorities.

Evaluation frameworks, and data gathering procedures, are in place for all major program areas. Program delivery outcomes are clearly defined and are linked to the strategic priorities of the department. Performance measures are in place to measure these outcomes, and performance information is collected to measure these outcomes. Evaluative information is included in external reporting documents.

Methodologies for measuring outcomes are periodically re-assessed. Evaluation results are commonly used by managers for decision-making and input into strategic and business planning. Evaluation is seen as an integral part of program/regional management. Evaluation prioritization is closely linked to business planning and the department's risk profile.

The department is seen as a leader in measuring program outcomes. Methodologies are "state of the art". Linkages between program outcomes and resource allocation are considered in strategic and business planning. Evaluation results play a major role in redirecting focus of program design, and in determining the type of information required by the organization to measure its success.



Financial information

Review Information

- ❑ Regional finance offices produce reports on historical data for managers on a monthly basis. A complete set of monthly financial reports for the Agency is also compiled within five days of month end by Finance Head Office, and is published on the Agency's intranet site.
- ❑ The financial system provides real-time financial information to managers. But the quantity of information is sometimes overwhelming, and some people are better trained at obtaining the information in the format required than others. Also, towards year end, the challenge is maintaining current data input to ensure that the system is providing up-to-date information.
- ❑ External reporting requirements (i.e. Treasury Board, Parliament) are consistently on time and of high quality.
- ❑ System integration is not complete: HR system is not yet linked with the financial and the client relationship and information management systems.

Issues / Opportunities for Improvement

- ❑ Continue to implement the Financial Reporting Regime Priority Area (subsection of the Priority Area on cost management information and financial management reporting).
- ❑ Continue training on GX.

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Financial information

Reliable financial information is available in a timely and useful fashion

Voluminous hard copy reporting dictated by financial reporting timetable with monthly/ quarterly/ annual reporting taking up to six weeks. Commentary on results prepared solely by finance. There are persistent problems with data accuracy. Standard reporting from financial accounting system but its inadequacies lead managers to maintain their own records and reports which are not checked for consistency with other sources of information.

Mostly hard copy reporting to financial timetables with some on-line access to supporting data. Reporting based on information from various sources but coordination is haphazard and data integrity not assured. Detail to support high level information is not readily accessible. Finance prepares commentary on results with limited input from operational staff. Financial reporting cycles are not always in sync with operating information reporting cycles. Finance is responsible for meeting overall organization financial information requirements.

Appropriate reporting frequency. Monthly information available within one to five days. All reports and data available in appropriate media. Data availability and accuracy are seldom an issue. Financial information is available from a single source, but requires manual intervention for interfacing with other operating information. Finance works closely with operational managers to understand results and jointly prepare commentary. Managers have strong sense of ownership of financial information. External reporting requirements (e.g., Parliament) are consistently met.

Fully integrated on line, real time systems with flexible reporting. All transactions in financial, asset, human resource and other operating systems (e.g., outputs, cycle time, workload) are linked and interfaced/integrated to meet business requirements. Rekeying and other manual intervention is rarely needed for data gathering. Financial information is considered to be a corporate asset, and is fully transparent across the organization.

Information is integrated from various sources (e.g., data warehouse) with data integrity assured and with senior management clearly responsible for integrity of output. Reporting systems are linked to allow drill-down to appropriate level of detail. Low cost transaction processing providing accurate and timely information.



Cost management information

Review Information

- ❑ Salaries account for over 55% of the Agency's operating and maintenance costs. A salary costing module is integrated with the Agency's Financial Information Management System. Salary costs are allocated based on time spent on each activity. Employees update their time allocation each year, unless a major change occurs during the year. Costs can then be rolled up by branch, region, program, etc. This information is then used for forecasting, although fine tuning is sometimes done manually.
- ❑ Other costs are not tracked by activity, but rather by unit/branch. Adhoc analysis is done periodically as needed.
- ❑ Cost-benefit analysis of implementing full activity-based costing at ACOA completed. Consensus was reached: this is not an approach that the Agency can support at this time.

Issues / Opportunities for Improvement

- ❑ The GX Salary Costing module has provided a vehicle for allocating costs over a wide range of activities and programs. Continue work in this area. Ensure consistent use across the Agency.

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Cost management information

Mechanisms for using activity / product / results-based costs

Cost information is maintained based on traditional object-based ledger (e.g., salaries, travel, O&M) for each organizational unit.

Cost information is available at the activity level across the organization. Activity costs are rolled up to provide costs at the program level. Systems are in place to maintain this activity cost information. Additional analysis is done to obtain useful cost information for decision-making.

Costing systems are in place that trace costs from resources (salaries, O&M) to activities, and then from activities to specific products, services or programs. Employees update time spent on activities on a periodic basis. Product and service cost information is used for planning purposes.

Costing systems are in place that trace costs from activities to results. Costing systems consolidate cost information from many sources. Employees update time spent through an automated interface. Cost information is readily accessible through the server. Costing information is used to guide management decisions. Costing systems and budgeting approach are closely linked.

Activity, product, service, and results cost information is an integral part of management decision-making. Cost information is readily accessible to all managers in a format that can be customized for process improvement, outsourcing decisions, cost recovery, business planning and performance measurement.



3 - Motivated People



Modern management practices competencies

Review Information

- ❑ A leadership competencies profile is being developed for the Agency in parallel with the national effort. Modern business management (MBM) competencies are included in this initiative.
- ❑ Otherwise, competencies are identified through position descriptions and statements of qualifications. General competency gaps are identified through yearly performance appraisal. Training requirements are then established jointly between the managers and the employee. Training tends to be related to general management, specific job needs or personal development. In addition to training, assignment opportunities are greatly used to fill competency gaps.
- ❑ Last year, there was a pilot project in the New Brunswick region that determined the required competencies of four work groups (managers, account managers, development officers and administrative assistants). They went through a process to determine what are the jobs and their competencies. They did some survey work and asked the individuals to validate the information and then identified if training was needed. A three-year plan was developed.
- ❑ The Agency does skills and ability testing.

Issues / Opportunities for Improvement

- ❑ Pursue the Modern Management Competencies Priority Area to identify training needs related to modern business management elements.
- ❑ Continue to communicate and increase awareness of Modern Business Management.

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<p>Modern management practices competencies Extent to which modern management practices competencies are defined and managers have access to training</p>	<p>Little or no information exists on competency requirements for modern management practices for either functional specialists or managers.</p>	<p>Modern management practices competencies have been defined. Additional knowledge requirements for modern management practices have been identified. Skills gaps have been established. There has been limited focus on improving modern management practices competencies (e.g., training, sharing of best practices).</p>	<p>Managers' skills gaps in modern management practices are being addressed. Learning plans have been developed. Training requirements on modern management practices are being sourced. There is "cross-fertilization" between functional specialists and line managers. Mechanisms are in place to share best practices.</p>	<p>Managers are applying modern management practices in their day-to-day operations. Training and funding in modern management practices have high priority. Functional specialists and managers have been trained. Modern management practices are an integral element of the departmental training program.</p>	<p>Modern management practices competencies and training are an integral component of goal setting/ performance evaluation. Managers have suitable knowledge of modern management practices, and are knowledgeable of functional disciplines and legislation. Functional specialists are knowledgeable of programs and operations.</p>
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Employee satisfaction

Review Information

- In addition to the Public Service-wide Employee Surveys, the Agency has conducted an Agency-wide Employer of Choice survey. Both sources of information are scrutinized, recommendations are developed for areas of improvement, and focus is given to sustaining strong areas. There are deliberate attempts to address issues. Results and plans of action are communicated to all staff.
- In a more informal manner, managers have staff meetings on a regular basis which provide a forum for discussion on satisfaction issues. Middle managers are invited to regional executive meetings periodically. There is an open door policy in the Agency. Action is taken on issues as they arise.
- Through the performance appraisal process staff have an opportunity to raise concerns.
- An Agency-wide suggestion box has been implemented with a formal resolution process.
- Human Resources indicators (turnover, grievances, etc.) are monitored and actions are determined as required.
- The Agency has an integrity officer.

Issues / Opportunities for Improvement

- Continue to monitor and follow-up on employee satisfaction.
- Provide periodic reminders to staff that the ACOA suggestion box is a mechanism for their use.
- Encourage the integrity officer to travel to regional offices to promote his/her role and responsibilities.

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Employee satisfaction

Mechanisms in place to monitor employee morale and staff relations

Information on employee satisfaction is collected on an informal and ad hoc basis.

Different arrangements for surveying employee satisfaction exist across the organization. Limited monitoring and analysis of results on a trend basis.

Formal mechanisms are in place to survey employee satisfaction on a regular basis, and results are tracked over time. Results are communicated across the organization. Improvement teams are created to develop plans to address high priority issues.

Employee satisfaction is a key consideration in strategic and business planning, and in the performance evaluation of managers. Employee satisfaction issues are addressed on an ongoing basis. Results of employee satisfaction surveys have been improving.

Employee satisfaction survey tools are regularly reviewed and improved. New programs are introduced as appropriate to improve employee satisfaction. The linkage between employee satisfaction and organizational performance is quantified. The organization is recognized externally for its leadership in this area.



Enabling work environment

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Enabling work environment

Practices for communication, wellness, safety and support that enable staff to provide client-focussed delivery while reaching their full potential

The prevailing culture reinforces compliance and risk averse behaviour where staff are expected to follow orders and defined procedures. Communication tends to be downward, with management controlling and limiting information to staff. Changes are decided by management and communicated as necessary to staff. Staff have little input into decisions. Cross-functional communication is limited. Staff have little influence over their work or work environment.

Though there is management control, staff are encouraged to increase productivity and look for efficiencies. Staff provide input and are allowed to make suggestions when changes occur. Information is available for monitoring purposes and shared among functions where interrelationships exist. Newsletters and bulletins are used to keep staff informed of changes and initiatives. Work/life balance is emphasized.

Staff are acknowledged as a key asset and programs are implemented to allow growth on the job. Staff are given opportunities to provide input, to modify procedures and to make decisions regarding their immediate work. Staff are consulted before major decisions are made, and are often enrolled in cross-functional taskforces to recommend solutions. Information flows freely within functional areas, and is shared between functional areas.

The importance of employees is emphasized through the supportive role of management. Open and rapid communication and information flow are apparent. Staff have access to process and client service data so they can make decisions independently for continuous improvement. Communication with clients and stakeholders is open and constant, with information and decisions being shared in partnership arrangements. Staff are involved in all decisions regarding their work environment.

Staff are treated as partners in the business with managers. Both can share ideas and assist each other in service delivery. Continuous learning is emphasized. Internal information systems are constantly used to share information, give feedback and celebrate achievements and initiatives. External communication and media use are highly rated by stakeholders. Individuals and teams are challenged to take decisions or make suggestions on any process or product that would improve client service.



Enabling work environment (cont'd)

Review Information

- An internal communications committee has done research and focus group interviews to identify and address weaknesses in the Agency's internal communications practices, and they have identified best practices as well.
- Staff have a tremendous appetite for wanting to know what is going on. Attempts are made to keep staff informed by being honest and transparent. The good news as well as the bad is shared, through emails, memos, and formal and informal information sessions. Newsletters and bulletins are sent to all staff to keep them up-to-date on various issues. An intranet site is established to inform staff on "what's new" in each branch.
- Within the Agency, you are free to try different things. There is no problem to foster a good idea. If something needs to be changed because it makes sense to change it, it is done.
- Great opportunities are given to staff to share their opinions when developing new programs. Thinking back when the Atlantic Investment Partnership was being developed, staff had the opportunity to provide their input.
- Employee family life balance is given importance through flexibility in work arrangements, such as reduced weekly hours, 4 day weeks, income averaging, etc.
- Staff know how far they can go in the decision-making process, with account managers having a lot of discretion when working with clients.

Issues / Opportunities for Improvement

- Continue to monitor the Management Training Inventory, promote it, and explore the feasibility of including evaluations of courses from ACOA participants.
- Ensure that wellness seminars are conducted across the Agency.



Sustainable workforce

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Sustainable workforce

The energies of staff are managed wisely to help sustain the organization's viability

No measures exist for determining productivity or expected outputs. Work assignment is based on incoming volume with little consideration of capacity or priorities.

Work measurement methods have been applied to determining approximate times for completion of some tasks and work volumes are assigned on this basis. Standards are adjusted for new technology and experience gained.

Workloads and deadlines are assigned in accordance with performance standards and business plans. Staff have input into establishing standards that are used to measure their productivity and rate performance. Climate surveys are used to obtain staff feedback on pace and volume of work. The organization provides for flexibility in how work is carried out (e.g., flexible work arrangements).

Performance contracting is practiced for establishing agreed-to performance standards and expected outcomes. Staff are involved in the process and may request adjustment for unforeseen delays and other priorities. Managers survey staff to ensure workload expectations are reasonable, and to look for signs of stress and assist employees in coping.

Individual differences are acknowledged in both staff and clients, and workloads are adjusted accordingly. Teamwork is encouraged and work distributed in line with individual competencies and preferences. Balance between work and personal lives is encouraged and managers model the personal workload management they expect from staff. Staff surveys show that workload demands are considered reasonable and controllable.



Sustainable workforce (cont'd)

Review Information

- ❑ One recent employee survey showed that there is a workload issue. In the New Brunswick region, a committee was created to look at the issue and a report is currently being drafted proposing possible solutions with possible Agency-wide application.
- ❑ Work measurement methods are only used in certain branches and regions. Staff have had input in establishing these methods.
- ❑ Many managers check workloads regularly, because some people take on too much work. Managers will also assess priorities and individual capabilities when assigning or reassigning work.
- ❑ To some extent, employees are responsible for managing their own workload. They have to inform their managers when they are overloaded, or if priorities change. They also have flexibility in work arrangements.
- ❑ The Agency has developed new programs but hasn't increased its capacity in Human Resources to match the increase in work, and Communications are just starting to catch up.
- ❑ On a day to day basis, managers try to get individuals to focus on priorities and balance work and life. ACOA has a very highly engaged staff.
- ❑ Access to the Employee Assistance Program is promoted and encouraged.
- ❑ In certain regions, to support the need for additional human resources, managers are asked to conduct workload capacity assessments.

Issues / Opportunities for Improvement

- ❑ Continue to address workload issues, particularly on the non-commercial side of program delivery. Build on the workload analysis that the Newfoundland and Labrador region has completed, which compares commercial vs non-commercial workloads.
- ❑ Enhance Human Resource planning in implementation of programs to ensure support, innovation, and flexibility in approaches for program delivery.
- ❑ ACOA is partnering more than ever before, and this also adds to the workload issue.



Valuing peoples' contribution

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Valuing peoples' contributions
Extent to which the organizational culture fosters staff participation, team building, sharing of ideas, risk taking, innovation, and continuous learning; and rewards or provides incentives for such behavior

Traditional "we-they" relationship exists between management and staff. Considerable resistance to change. High level of skepticism exists within organization. Mixed messages are given to staff. New initiatives tend to be delayed or never implemented. Little or no interaction between organizational units. Rewards, recognition and incentives programs are not perceived to be linked to peoples' contributions.

People are consulted and given opportunity to participate in major change initiatives. A cautious approach is taken to implementing change. People tend to be risk averse. Organizational units tend to work independently with some interaction. Government-wide rewards, recognition and incentive programs are applied.

People in the organization are treated with value and respect. People are able to speak out and participate in discussions without fear of reprimand. Information is shared openly within the organization, and with external clients/stakeholders. Strong sense of teamwork exists across the organization. A mix of national and local rewards, recognition and incentive programs are in place. A strong link exists between incentives, rewards, recognition and peoples' contribution.

People are empowered to take responsible risks, and are encouraged to be innovative. Culture barriers that prevent efficient delivery of services by staff are removed. Organization fosters a culture of continuous learning and participation. Pro-active effort is made to share new ideas and approaches across the organization. Major investments are made in the development of people. Incentives are place to reward consistently high performers.

People are highly committed to the success of the organization. High level of pride exists in the organization. Strong fit exists between organizational and individual aspirations. People are continuously cited for their exemplary behavior. Organization is continuously renewing competencies required. Value of human capital in the organization is measured and tracked over time. Incentive, rewards and recognition systems are constantly being improved, and customized to the needs of the organization.



Valuing peoples' contribution (cont'd)

Review Information

- ❑ Employees and managers are encouraged to give their input, and are provided opportunities to do so in various forms.
- ❑ Autonomy is one of the biggest ways to foster employee participation and team building. Recommendations by account managers and program delivery officers are rarely second guessed. The Agency empowers its front line delivery officers. Our support staff is afforded a lot of latitude, and more than anything this motivates them. They feel respected.
- ❑ Instant Awards as well as the Outstanding Achievement Awards are available for staff. In addition, managers find other unofficial ways to reward staff by giving time off, conference attendance, training opportunities, etc. Managers are hesitant to celebrate achievements publicly, because of public scrutiny.
- ❑ Informally, staff successes are acknowledged at regular staff meetings.
- ❑ Executive staff have the opportunity to obtain performance pay. Also, comparatively, employees are well paid.
- ❑ The Agency supports people who are interested in undertaking an assignment. This also creates a strong sense of teamwork and helps in sharing new ideas across functions.
- ❑ To a large degree, the work that ACOA does is a motivator and helps to create a sense of value: working with the private sector, seeing the end results of efforts, seeing organizations grow, seeing clients succeed, etc.
- ❑ A diversified workforce is growing within the Agency, which in turn increases the efficiency of service delivery in new areas.

Issues / Opportunities for Improvement

- ❑ Continue to make use of awards programs, and promote the need for rewarding consistent high performers, and not always the one-time "special project" high performers.



4 - Mature Risk Management



Integrated risk management

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Integrated risk management

Measures are in place to identify, assess, understand, act on, and communicate risk issues in a corporate and systematic fashion

No formal risk management measures are in place. Concept of risk management is not well understood.

Risk management policies and guidelines are in place for specific operational areas. Risk assessment is done extensively at the operational level. Risk management is applied primarily to major initiatives involving significant resources. No policy or guidelines exist at the department-wide level. Department-wide issues are dealt with on a "one-off" basis as they arise. Contingency/ reserve funds are in place to deal with unforeseen events. Potential liabilities have been identified and strategies have been developed and implemented to manage them. The organization is beginning to use a common risk management language.

An integrated risk management framework is in place. The department maintains a corporate risk profile. Management direction on risk management and organizational risk tolerance is communicated, and senior managers champion risk management. Major risks are identified and plans developed to manage risks. Risk management is integrated into decision-making. Managers are trained in and apply risk management concepts, techniques and tools. A common risk management process is applied at all levels. There is a consistent understanding of what risk management means. Consultation with stakeholders is ongoing. Evaluation and reporting mechanisms are being developed to report on risk performance.

Integrated risk management is embedded in the department's corporate strategy and shapes the department's risk culture. Continuous risk management learning is encouraged. The results of risk management are integrated in organizational policies, plans and practices. Learning from experience is valued, and lessons are shared. Various tools and methods are used for managing risk (e.g., risk maps, modelling tools). The department reviews its risk tolerance over time. Sharing best practices and experiences is used to increase managers knowledge base. Advisors help integrate a corporate focus on risk management.

Risk management supports a cultural shift to a risk-smart workforce and environment. The integration of risk management into decision-making is supported by a corporate philosophy and culture that risk management is everyone's business. The department embraces innovation and responsible risk-taking. Results of risk management are used to support innovation, learning and continuous improvement. The department is seen as a leader in risk management.



Integrated risk management (cont'd)

Review Information

- The Agency has developed a Corporate Risk Profile. Major risks have been identified and mitigation plans have been developed. The Integrated Risk Management Framework is finalized and needs to be approved by the Executive Committee.
- At the program level, the Agency does a risk analysis and mitigation analysis for each new program proposal. Policies and procedures are then developed accordingly.
- At the project and client level, complex risk ratings and monitoring procedures are in place. Risk management is built into the due diligence process that managers need to follow when doing a formal commitment, as well as in the approval process. Therefore risk management practices are integrated with decision making and priority setting when assessing the exposure of the Agency on projects and clients.
- There is a formal process to manage our information and how we mitigate risks. Environmental scans give us early warning signs of trouble, and the culture of the organization is to flag these early on in the project. We have a culture of advance warning.
- Regarding conventional risks such as health and safety, we have committees that ensure that our staff has the proper equipment needed, and that occupational hazards are as low as possible.
- Despite this, some still feel that risk management is not well understood in this organization.

Issues / Opportunities for Improvement

- Continue implementation of the Risk Management Priority Area and ensure appropriate training to staff.
- Integrate risk management with the Planning Priority Area.



Integrated management control framework

Review Information

- ❑ There are many controls, checks and balances in the system. The finalized Integrated Risk Management Framework needs to be approved by the Executive Committee.
- ❑ The concept of materiality is somewhat applied, and guidelines are not carved in stone; people are empowered, but they know their boundaries.
- ❑ Projects are approved with management knowledge, thanks to controls built into the program and client information management system.
- ❑ Some people find that the control environment for staff does not reflect the comparatively minimal dollars involved (ex. travel), and seems more strict than the control environment for clients (ex. program approval and spending).
- ❑ The Agency has an internal audit division, and post payment audit procedures are in place. Periodically there is an audit on contracting, which results in adjustments in controls and procedures.

Issues / Opportunities for Improvement

- ❑ Same as Integrated risk management (previous page).

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Integrated management control framework

Appropriateness of management controls in place, and linkages between controls through an integrated control framework

Transaction controls are largely paper based. Multiple approval levels in place. Account verification is done on a 100% basis without regard to materiality or risk. Revenue controls are weak. Fixed asset records are incomplete, verification is not done regularly. Delegation records are not regularly maintained. Controls are perceived to be impeding decision making and managers' ability to fulfill their accountabilities. Policies and procedures are not up-to-date.

Systems are in place to control overspending, manage accounts receivable and assets. Limited systems integration, and controls redundancies exist in operating systems. Limited use of statistical sampling based on risk. Approval levels and authorities are documented and reviewed periodically. The authority structure is seen as a control instrument rather than a strategic tool. Authorities are applied inconsistently across the department.

Effective systems in place and integrated or interfaced where necessary. Taking materiality, sensitivity and risk into account, there is an adequate system of internal control over assets, liabilities, revenues, expenditures, contracts and contribution agreements. All legislation, regulations and executive orders are complied with, and spending limits are observed. Comprehensive authority structure exists for most functions of the organization, and is updated periodically. Delegation of authorities are consistent with operating responsibilities.

Control framework is in place and fully integrated. Controls are built into, not onto processes. Controls are working as intended, and are integrated functionally to avoid unnecessary duplication. Controls are regularly reviewed as to risk (potential benefit or amount of exposure to loss). Processes are in place to ensure that corrective action is taken. Alternative controls are developed, where appropriate. Strong fit exists between the authority structure and the corporate values and culture of the organization. Authorities support responsive service delivery to clients.

Managers conduct self-assessments of controls required. Managers are made aware of potential control weaknesses. Control framework is used strategically to support strong ethics and values in the organization. Authority structure is closely related to the organization-wide policy on risk management. Authorities are used as a strategic enabler in the management of the organization.



5 - Clear Accountability



Clarity of responsibilities and organization

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Clarity of responsibilities and organization

Clarity of assignment of responsibilities and accountabilities throughout the organization

Management and specialist roles and responsibilities are generally not well understood in the organization. Confusion exists in accountabilities for achieving and reporting results.

Some confusion exists as to responsibilities of management and specialists. Some overlap in roles and responsibilities among managers and/or specialists. Not clear as to who has final authority for resource allocation in case of disagreement.

Authority, responsibility, and accountability are clearly defined and aligned with the organization's objectives. Accountabilities are clearly defined at each management and specialist level, and are well understood throughout the organization. Little or no overlap in responsibilities. Accountability issues are resolved quickly. Accountabilities for controlling resources, and reporting and achieving results are clearly delineated.

Responsibility within the department for dealing with new and emerging financial and non-financial issues is clear. There is a clear understanding of responsibilities that provides the framework for modern management practices such as resource management and performance reporting.

Management and specialist responsibilities are constantly reviewed in light of external client/stakeholder and central agency requirements. Changes to structure and responsibilities are made pro-actively.



Clarity of responsibilities and organization (cont'd)

Review Information

- Job descriptions lay out roles and responsibilities. In addition, responsibilities are articulated by face-to-face meetings between managers and employees. Objectives are set through the performance appraisal process. What should be done in the upcoming year is outlined. Input from managers is obtained. This is not a problem; people understand their roles.
- Some regions build a unit work plan, and then individual work plans that define roles and responsibilities.
- Governance sessions were held throughout the region. The following subjects were discussed: modern business management; what goes on in Ottawa; ACOA's mandate; powers; signing authority; controlling an account receivable portfolio; write-offs; etc. These governance sessions were well received.
- Delegation of authority is specific. The chain of command is well understood.
- New employees may not have a good understanding of their responsibilities. Some find that more orientation is needed, despite having a complete orientation manual available online to all employees.
- Giving people the opportunity to give input to planning allows them to have ownership of it, and therefore be accountable. They have clearly defined roles and responsibilities within the plan. Having dialogue/follow-up between the staff and managers is very important.

Issues / Opportunities for Improvement

- As a regional development agency, ACOA is implicated in horizontal issues and programs. Sometimes the Agency's responsibilities in these horizontal initiatives, and expectations from central agencies, are not made clear to staff. Furthermore, these horizontal issues and programs are often added over and above the Agency's capacity, which hinders employee efforts in the delivery of the Agency's core programs, and is an impediment to employees identifying priorities of action.
- Continue training on governance/management issues.
- Promote the online New Employee Handbook for new and existing employees.



Performance agreements and evaluations

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Performance agreements and evaluations

Extent to which the achievement of financial and operating results is embedded in performance agreements

No performance agreements are in place.

Performance agreements are in place for senior executives that define accountabilities, and establish priorities and measures of performance vis-à-vis accountabilities. Achievement versus performance agreements is a key consideration in the evaluation of the performance of the senior executives of the organization. Systems to consolidate and report performance information against financial and operating goals are not yet in place.

Performance agreements are in place on a widespread basis for most managers. The agreements reflect organizational objectives, and are closely aligned with business plans, work plans and budgets. Performance agreements are seen as a key driver of business planning and performance reporting, and form the principal basis for the evaluation of performance of managers. Performance information is collected to measure achievement of financial and operating results specified in performance agreements.

The performance agreements at the various management levels are closely linked. Information in performance agreements is shared openly between managers and staff. Managers' performance agreements are adjusted, as required, to reflect changes to priorities and business and work plans, due to changes in the environment. Performance information is available on a trend basis to measure achievement of financial and operating results specified in performance agreements.

Priorities and performance targets in performance agreements are cascaded to the individual objectives and goals of staff. Performance agreements are revised periodically to reflect new organizational priorities and changes in strategic and business plans. Performance reporting systems and accountability agreements are closely aligned. Achievement of modern management practices responsibilities is assessed and deviations explained.



Performance agreements and evaluations (cont'd)

Review Information

- ❑ The Performance Management Agreements (PMA) for executive staff feeds to the Vice-Presidents' Agreement with the President. The PMA can be adjusted during the year. Strong links exist among Clerk of the Privy Council – President – VPs – executives. The process cascades down. Included in the PMAs are financial, operational, and modern management items.
- ❑ The annual performance appraisal process sets goals and objectives, and employees are evaluated at the end of the year on the extent to which they achieved them. Some regions/units use work plans in addition to the official performance appraisals.
- ❑ The timing of new priorities may not always coincide with the beginning of the performance appraisal process. Although there is ongoing discussion between employees and managers, no official modifications to objectives in the performance appraisals or to the PMAs are made during the year. A year-end rationalization exercise occurs to justify gaps and variances between objectives and results.
- ❑ Each year, the Executive Committee reviews every executive's PMA to ensure consistency and accountability.
- ❑ Some feel that the appraisal process is hard to manage. The performance reviews are largely in word processing format, text based, and narrative. Although the financial and program management systems provide financial and operational information, this information, along with the text based performance information, is not used on a trend basis for evaluation of performance.

Issues / Opportunities for Improvement

- ❑ Continue to refine the Performance Appraisal (PA) process by integrating modern business management elements (at all staff levels). Continue training of managers and staff in the PA process.
- ❑ Continue to monitor and report on the yearly PA percentage of completion, to help ensure all staff obtain a PA.
- ❑ Ensure Performance Management Agreements (PMA) are on intranet sites – promote posting to staff.
- ❑ Try to realign PMA and PA processes.



Specialist support

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Specialist support

Availability of top-flight counsel to help managers make judgment calls on modern management and operational issues

Role of specialists is primarily transaction processing. Functional specialists carry out basic analysis of information required by management to support decision making in response to specific requests and as part of their control mandate.

Departmental capacity in analytical techniques has been updated within specialists' organizations. Specialists respond to requests from managers for both process and strategic advice. Specialists are not always familiar with the operations. The quality of service is inconsistent between functional areas.

Service is responsive. Specialists' advice is readily available when required. Functional specialists are technically competent and work with line managers in providing both strategic and process analysis and advice. Are seen as value added partners in analysis and decision-making rather than a barrier. Specialists are proactive in suggesting new tools and techniques to managers.

Specialists work closely with managers by providing value added information, technical and citizen-responsive advice for priority setting, planning, decision-making and program design. Specialists are very familiar with the operations, and knowledgeable of the analytical techniques to support the line manager. Specialists maintain a current knowledge of related policy areas. Specialists are aware of trends in their discipline.

Challenge and expert advisory role of specialists is valued by all levels of management. Specialists are seen as key enablers in initiating change, and are often asked to assume a leadership role in change initiatives. Functional specialists are often called upon by their peers to provide advice and support in other organizations, or to speak at conferences on new trends or best practices.



Specialist support (cont'd)

Review Information

- ❑ The Agency is well supported by functional specialists. This organization has a clear functional direction. There is good information technology (IT) support, and exceptional support from Finance and Legal Services. In the past few years, Communications has made considerable strides to become much more proactive and involved. Generally, the functional specialists are very accessible.
- ❑ The Agency has a number of internal mechanisms that enable support for front line staff. It also has standing offers for external experts from which it can draw.
- ❑ Most of the front line workers at ACOA are officers, with a high level of education.
- ❑ For some matters, functional specialists have no authority over regional or programs areas, and occasionally find that their advice or counsel is not integrated with the decision at hand.
- ❑ ACOA's increase in staff over in the past three years has put a strain on the functional areas, whose staff have not increased significantly. It has been a struggle for functional areas to remain proactive.
- ❑ Human Resources (HR) is a bothersome area, as it is centralized in Head Office. Therefore, advice and expertise is not resident in-house for regional offices. In addition, regional HR staff have no delegated staffing authority. HR activities (classification, staffing, etc.) are delayed because of the geographical distance that HR Head Office has from the regions. It is felt that HR in general is overworked and under staffed.

Issues / Opportunities for Improvement

- ❑ Integrate the Human Resource (HR) function to a greater extent with other areas of the Agency.
- ❑ Improve/increase the HR presence in the regions; explore redistribution of authority to the regions; increase HR communications with regions and explore the possibility of setting up an HR working group.
- ❑ Address and prepare for the implementation of HR Modernization.



External reporting

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External reporting

Extent to which Parliamentary, central agency and key stakeholder information reporting requirements are met

Information reported satisfies minimum external reporting requirements.

Process for consolidating financial and non-financial information required for external reporting is reviewed on a regular basis. Close contacts are maintained with central agencies, Parliamentarians and key stakeholders to ensure information meets their requirements. External reports are aligned with planning and accountability structures within the department.

Organization is recognized by external agencies (e.g., TBS), Parliamentarians (e.g., Public Accounts Committee), and key stakeholders (e.g., provincial agencies) for producing useful, consistent, and credible financial and non-financial information in a user-friendly format. External reports are easily understood and are meaningful to users. Information in external reports is reported on a trend basis so that changes can be monitored over time.

Strong linkages exist between information reported externally and strategic and business plans. Integrated information input by functional specialists and managers in strategic and business plans is used to prepare external reports. Senior management plays an active role in preparing and communicating external reports.

Department is seen as a leader in the quality of its external reporting documents. External reports demonstrate innovation. The department is often used as a pilot site for government-wide changes to external reporting processes.



External reporting (cont'd)

Review Information

- The capability of preparing external reports is mature and the responsibility largely rests with Head Office. Functional areas, programs and regional offices are implicated in providing information to create the reports, and in reviewing the drafts.
- The Agency has received an award for its results reporting. The reports are clear and easy to read, and, when applicable, contain multi-year information for comparisons.
- The Report on Plans and Priorities (RPP) and the Departmental Performance Report (DPR) processes work well, as they identify quantifiable objectives and results for the strategic priorities.
- The reporting process is straightforward, highly mechanized, and has become routine. People see it as part of the job.
- The process, while efficient, is seen as somewhat reactive to reporting requirements. Despite this, very good reports come out of the process.
- The reports are often referred to when dealing with partners and clients. Officers and managers use the reports often to realign day-to-day work.
- The DPR and RPP are available on the Agency's and Treasury Board's Web site.
- In most regions, realignment of planning exercises has reduced the workload associated with the reporting requirements, and has also reduced duplication or recreation of information.
- Reporting on Employment Equity, Official Languages, Staffing, and other items in the Human Resources realm is facilitated through the Human Resources Information System. This system is not yet integrated with the Financial Information and Programs and Client Relationship and Information Management Systems.

Issues / Opportunities for Improvement

- Encourage managers to review/explain/promote DPR and RPP to their staff, making the link with their work plans, etc.
- Continue implementation of Planning Priority Area.



6 - Shared Values and Ethics



Values and ethics framework

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Values and ethics framework

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

No clearly enunciated ethics and values policy. Policy statements are issued on an ad hoc basis. Limited attention has been given to values and ethics. No clear direction has been provided. There is an absence of dialogue on the subject. The organization follows minimum guidelines such as a code of conduct.

Values and ethics are recognized as an issue. The organization has engaged staff in a dialogue on ethics and values. Leadership has been demonstrated in championing values and ethics—for example, a champion has been identified. The organization participates in government-wide surveys involving values and ethics. The organization may have a values and ethics statement.

The department has put a structure in place and resourced it to promote values and ethics (e.g., champions, ombudsman, ethics counselor). Written policies have been communicated across the organization, and are generally understood. Values and ethics are incorporated in departmental training programs. The organization is developing a better understanding of how to deal with ethical dilemmas.

Ethics and values principles/guidelines are well understood by staff, and are reflected in organization-wide documents and communications. Senior managers demonstrate a consistent ethical leadership. There is consistent application of processes on values and ethics. Demonstrated ethical behaviors are assessed in performance evaluation. An atmosphere of mutual trust exists at all levels. There is ongoing monitoring, assessment and evaluation of trends in values and ethics.

The organization is recognized externally as a leader in establishing an ethics and values program. Ethics and values are consistently reflected in organization practices and actions. All levels in the organization participate in the development of ethics and compliance related policies and programs. Values and ethics are integrated into processes and the workplace in general. There is consistent behaviour at large. Ethics and values assessments and surveys are carried out regularly.



Values and ethics framework (cont'd)

Review Information

- The Public Service Values and Ethics Code has been distributed to every staff member.
- The Agency's Code of Professionalism has been updated and is available on the Agency's intranet site.
- Conflict of interest guidelines are available on the intranet site. Employees are reminded of their obligations on a yearly basis or on a as-needed basis (ie. 2004 federal elections), and all conflicts of interest are formally reported.
- Employees understand values and ethics, and it is felt that they are committed to a high standard of ethical behaviour.
- A values and ethics case study was held in 2003 at the Agency's Managers' Conference. The Agency has also conducted values and ethics sessions throughout the regional offices.
- The Agency is a strong supporter of both the Values and Ethics Code and the Policy on Internal Disclosure of Information Concerning Wrongdoing in the Workplace.
- When faced with an ethical dilemma, staff members know where to go for help. The Agency has an integrity officer whose role is to receive and act on disclosure of wrongdoing.
- Values and ethics are monitored informally.
- Unethical behavior, though rare, is dealt with on a case by case basis.
- Senior managers set the tone for values and ethical behavior by walking the talk.
- Although values and ethics guidelines are available, some feel that it does not clearly define what an employee can or cannot do.

Issues / Opportunities for Improvement

- Continue training on values and ethics, offer more case study sessions to the regional offices.
- Develop more guidelines on ethical/non-ethical behaviors as a support tool for staff; provide training. Explore what OGDs have developed in-house and determine if it can be applied to ACOA.
- Encourage the integrity officer to travel to regional offices to promote his role and responsibilities.



7 - Rigorous Stewardship



Business process improvement

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Business process improvement

Extent to which processes are clearly understood, are conducted in a uniform fashion, and are continuously improved in line with best practices

Major differences exist in the way services are delivered among regions/programs. Processes are not well defined. There are no systems or processes which support the analysis and assessment of service delivery options.

Processes are defined to varying degrees depending on service area. Process improvement projects are initiated on an ad hoc basis. No or limited work done regarding "most efficient organization". Little change in processes in last three years.

Main service delivery processes are well documented and understood across the organization within each service area. Some best practice assessment has been carried out and processes updated. Major process improvements and/or most-efficient organization analyses are underway to improve program delivery. Key processes are monitored to ensure consistency in program delivery.

There are systems and processes to identify and assess service delivery options. Processes are improved on an ongoing basis. A variety of analytical techniques are used to support process improvement including best practice reviews and benchmarking. Processes are assessed on a cross functional or cross organizational basis, with client/stakeholder involvement. Parts of the organization are ISO 9000 accredited.

The department is recognized across government for innovation and success in its service delivery processes. The organization is commonly benchmarked against, and is often called upon to provide advice and participate in interdepartmental fora to explain its business processes. Major parts of the organization are ISO 9000 accredited.



Business process improvement (cont'd)

Review Information

- There is a detailed policy and procedures manual for program delivery. There are policies and procedures documents that cover finance and administration areas. Most of these can be found on the Agency's intranet site.
- Process maps have been prepared Agency-wide for the Business Development Program commercial and Strategic Community Investment Fund (SCIF) delivery. The New Brunswick office and Head Office Finance have looked at their processes and have made improvements in client service. Other Agency regions have also evaluated their processes.
- Processes are designed to permit latitude, thus adjusting service delivery to regional realities. However, the Agency has an overriding framework, the same contracts are used; the same systems are used (GX & QAccess) which ensures process compliance and a certain level of standardization. QAccess has, in itself, the functions of a procedural manual.
- The Client Satisfaction Survey and process mapping have resulted in the development of a Service Improvement Plan, which is being implemented.
- Business processes have been improved, are well understood, and are an integral part of service delivery.
- Client Service Standards have been developed, and are awaiting approval from the Executive Committee.
- Through TBS's Modern Comptrollership Innovation Funds, the Agency has completed a project that examined how knowledge is transferred during decision-making.

Issues / Opportunities for Improvement

- Complete programs process mapping, and expand to functional areas.
- Pursue rollout of procurement module in GX; provide training.



Management tools & techniques

Review Information

- ❑ Processes for completing evaluations, such as the Project Summary Form, are equipped with many tools and techniques for financial and non-financial information.
- ❑ Policies and procedures, as well as program guidelines, are very well defined and understood.
- ❑ The Agency has a very educated staff, and expertise can often be found within the Agency. The Agency also has access to consultant expertise, other government departments, credit bureau, etc. for in-depth information and analysis.
- ❑ The Agency has data management tools, report builders, QAccess and GX. These financial and non-financial tools are used by staff, and are an integral part of decision-making.
- ❑ Q-Access allows Account Managers to track all client information, rather than discrete project information.
- ❑ For the Atlantic Innovation Fund, a peer review process and outside boards were used for project evaluations.
- ❑ Managers and staff alike have access to research through the Agency's Policy Group.

Issues / Opportunities for Improvement

- ❑ Promote Agency tools, and provide training.
- ❑ Explore the promotion of QAccess as a management tool for managers.

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Management tools and techniques

Range of analytical techniques (e.g., cost-benefit, sensitivity, life cycle, benchmarking) available to managers

Limited tools and techniques available at a departmental level to assist managers in conducting business case analysis. Managers tend to use their own individual approach.

Techniques such as life cycle costing, cost benefit analysis and benchmarking are primarily financially focused. Departmental capacity in analytical techniques is maintained within the organization of the functional authority.

Managers at all levels are exposed to tools and techniques. Managers have access to various analytical models and techniques (e.g., project management) and decision making support tools that integrate financial and non-financial information. Managers use tools in close partnership with functional specialists.

Well developed and a wide range of decision support tools and techniques are available and fully understood and used by all staff. Tools are an integral part of decision-making by managers. Analysis is done using integrated information. A consistent suite of tools is used across the department.

Managers have on-line access to information through sophisticated decision support tools and models. Tools and models are assessed on a periodic basis and updated based on the most recent trends and technology. A consistent suite of tools is used government-wide.



Knowledge management

Review Information

- Knowledge and best practices are shared formally through audits and reviews.
- There is informal sharing of information between regions through e-mails, and the Agency's Web and intranet sites.
- Regular group meetings such as the Policy Network, the Trade and Investment Group, the Entrepreneurship and Business Skills Working Group, Account Managers Workshops, Program Directors Group, Finance Directors Group, EX retreat, and staff days are vehicles used to exchange and disseminate information and best practices.
- Team services sites are used by various groups, units and committees to share information, ideas, etc.
- The Agency has an extensive intranet site. Corporate knowledge reflected in manuals, reporting tools, guidelines, Report on Plans and Priorities, Departmental Performance Report, etc. can be found on the site. Much of this information is also available on the Agency's Web site.
- Q-Access is a good tool for knowledge sharing.
- Shared directories are commonly used throughout the Agency.
- There is a searchable database of projects available to the public on the Agency's Web site. If we produce a research document, it is made available to the public.

Issues / Opportunities for Improvement

- Continue to develop knowledge sharing methodology, and promote throughout the Agency.

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Knowledge management
Performance/management information is readily accessible to internal and external users via technology, and lessons learnt are shared across the organization

The organizational culture is not conducive to a knowledge sharing environment and limited information management processes are in place. Mechanisms or structures to encourage organizational learning or the acquisition and dissemination of modern management practices related knowledge are not evident.

Deployment of the organizational learning concept has been initiated and processes exist to support information acquisition and storage. Access to intellectual capital and knowledge sharing across organizational boundaries is limited.

Organizational learning initiatives are widespread at the organizational unit level. Senior management recognizes the importance of knowledge sharing and is supportive of collaborative mechanisms and structures to encourage knowledge transfer and lessons learned.

Organization-wide knowledge sharing technologies (e.g. groupware) have been implemented to capture, create and disseminate knowledge and best practices. The sharing of knowledge and best practices to support modern management practices is encouraged and rewarded.

The concept of organizational learning is incorporated into the values of the organization and is consistently applied to improve all management processes. Organizational learning processes within the organization are continuously assessed and revised in light of world class practices.



Accounting practices

Review Information

- A desktop Executive Information System provides drill down capabilities to look at any region/branch budget, commitments, forecasts and expenditures.
- The Agency's financial information is FIS compliant, and meets user requirements.
- The Agency complies with all government accounting and reporting policies.
- Managers are familiar with fundamental accounting practices. Accounting policies and guidelines, various regulations and legislation can be found on the Agency's Web site.
- The Chart of Accounts reflects the organization's structure and is regularly revised.
- The Agency has pre-authorized debit payments for repayments of contribution, and electronic payments for payments of claims.

Issues / Opportunities for Improvement

- Pursue rollout of procurement module in GX, and provide training.

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Accounting practices

Records of financial transactions are kept on a consistent and useful basis for purposes of audit and reporting, and are consistent with generally accepted accounting practices and the Financial Information Strategy (FIS)

Basic financial records are maintained. The program structure does not reflect the organization and responsibility of the organization. Significant effort is required each year to produce basic government reporting requirements including the public accounts. Cost information, when used, is expenditure based. Records are maintained primarily to meet the needs of the finance organization. Little or no use of technology enablers (i.e., credit cards) for process consolidation.

Legislative procedural and control requirements are met and transactions are accounted for as required. The program structure reflects the organization and responsibilities for program delivery. Costing information is primarily expenditure and/or FTE based. Coding structures are basic and do not meet the needs of managers for financial information. The department has taken initial steps to implement GAAP/FIS.

The cost assignment framework is largely aligned to the activities of the organization. Acceptable level of accuracy in costing records is maintained. Most of manager's needs are met. Records are maintained on a consistent and useful basis for purposes of audit and reporting. Chart of accounts reflects the organizational structure, and is regularly reviewed. Accounting is done in accordance with GAAP/FIS. Line managers are familiar with fundamental accounting practices.

Low cost transaction processing providing accurate and timely payments fully integrated with purchasing. High level of accuracy in costing records. All government accounting and reporting policies, directives and procedures are complied with. Specialists and line managers are fully aware of GAAP/FIS requirements and implications. Managers use the information in support of informed decision-making. Auditable financial statements are prepared in accordance with GAAP.

Accounting practices are state of the art. Information is available quickly relative to government-wide standards. High integration exists with departmental information systems. Information is used in support of planning, budgeting, and performance measurement. Maximum use of electronic applications and interfaces (e.g., EDI, EAA, purchasing cards).



Management of assets

Review Information

- ❑ A framework exists for managing the Agency's loan portfolio, which is considered to be its biggest asset. The Agency has an excellent control system in QAccess; it does detailed monitoring of the loan portfolio. There are risks associated with each loan in the portfolio, and performance reports are in place.
- ❑ Apart from its loan portfolio, the Agency does not have significant capital assets. However, it does have a minor capital plan to replace its information systems and vehicles.
- ❑ The Vehicle Capital Plan is based on the TBS guidelines. The Information Management Capital Plan involves replacement of corporate servers every 4-5 years, depending on market conditions.
- ❑ Treasury Board policies are followed for asset management.

Issues / Opportunities for Improvement

- ❑ Continue to rigorously manage the Agency's loan portfolio and its other assets.
- ❑ Continue to ensure that relevant asset management policies are in place, and are understood and applied by appropriate staff.

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Management of assets

Assets are managed and utilized efficiently based on a lifecycle approach, records of assets are maintained, and assets are accounted for on an accrual basis according to GAAP/FIS

Asset policies exist but are not understood or applied in a consistent manner. Assets are managed on a fragmented basis across the organization. Information on the asset inventory is not up-to-date. A number of assets exceed their target life expectancy, and rust-out is a major concern. A number of assets are obsolete and do not meet program requirements. Safety, reliability and supply integrity are major concerns.

Asset management policies are clear and well understood. Service standards have been established, and asset replacement cycles have been established. Up-to-date information is available on the asset inventory and the value of the assets. Periodic inspections are made of the condition of the assets. Assets meet minimum health, safety and environmental requirements.

Assets meet program operational requirements in a reliable and timely manner. Assets are managed using a lifecycle approach. A long term asset management plan is in place, and is closely aligned with the departmental strategic and business plans. A lifecycle approach is taken to determining the funding level required to sustain the assets. Accounting of assets is done on an accrual basis as per FIS. Asset funding decisions are supported by a business case and risk assessment.

Asset management is closely integrated with program management and decision-making. Asset planning is done on an integrated basis for all assets (e.g., facilities, equipment) across the department. Assets are replaced in a timely manner so as to minimize lifecycle costs and "rust-out". Efforts are made to improve service levels and seek savings (e.g., energy-reduction, consumption reduction). Close integration between asset inventory, procurement, financial and operational information.

Facilities and equipment foster a more efficient and productive work environment. Asset lifecycle costs are decreasing while reliability and responsiveness are improving. Best practices are followed to minimize the impact on the environment, and to foster employee health and well being. The department is recognized as a leader amongst its peers.



Internal audit

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Internal audit

Strong internal audit program is in place, and audit results are a critical input to management decision-making

No formal approach to internal audit. Audits are carried out on an ad hoc basis. There is limited understanding of and use of, modern audit techniques and tools. No departmental audit committee exists to discuss findings and ensure follow-up where required.

A yearly audit plan is developed with input from branch managers. Main focus of audits is on compliance. The head of internal audit is unimpaired to carry out responsibilities. The internal audit function has unlimited access to all departmental documents. The internal audit function in its operations respects the spirit and intent of the Access to Information and Privacy Acts. Audit conclusions are based on a set of suitable criteria. Audit reports are issued in a timely manner and are accessible by the public with minimal formality in both official languages. Reports respect federal government internal audit reporting standards. Audit reports include a statement of assurance by the internal auditor where appropriate.

Audit provides assurance of financial and non-financial performance information used by management, and effectiveness of control mechanisms. Audit results are used by managers as an integral part of program management. Audit plan addresses department-wide issues and risks as well as specific branch issues. Audits are comprehensive, and focus on all aspects of service delivery. Audit methodologies are in place and understood by managers. Reports are reviewed by an audit committee chaired by a senior departmental executive, and a formal process exists for follow up action and continuous monitoring. A mutual respect exists between management and the internal auditor. A high level of audit standards is maintained.

Audits have a results-based focus and audit results play a role in identifying improvements to program delivery, and in determining the type of performance reporting that should be used by the organization. The internal audit approach and integrated risk management framework are aligned. Audit methodologies are constantly being refined and updated. The departmental internal audit plan identifies the expected level of assurance to be provided. The internal audit function is called on to assist managers with non-assurance services including consulting studies, and management assistance engagements.

Innovation is pursued in audit approaches and methodologies (e.g., self-assessment teams). The audit organization is seen as a leader in internal audit among its peers. Audit is seen as an attractive waypoint for top operational managers in their career progression.



Internal audit (cont'd)

Review Information

- Internal audits are seen as important, and are taken seriously. Managers do find audits helpful and act on their recommendations.
- The Agency has a three-year Review Plan linked to strategic priorities detailing in-progress, completed and proposed audits and evaluations reviewed by the Review Committee, comprised of ACOA senior management and the President as chair. The Committee meets three times annually.
- Evaluations are submitted to TBS as required by the terms of the Result-based Management and Accountability Framework's (RMAF) and Result-based Audit Framework's (RBAF).
- Internal audits are considered an integral part of program delivery, and are taken seriously.
- Audit staff is responsive to regional requests.
- Summaries of evaluations and audits are posted on the Agency's Web site.

Issues / Opportunities for Improvement

- Continue Internal Audit's commitment to communicate audit results and recommendations to staff that can act on them. Continue briefings to staff affected by the audit.



External audit

Review Information

- Recommendations from external audits are taken very seriously by the Agency. Formal responses are prepared to address identified problem areas.
- The Agency is pro-active in identifying and addressing problem areas. There is a process in place to monitor follow-up of recommendations.
- A representative from the Auditor General (AG) sits on the Agency's Review Committee, which ensures good liaison with the AG office.
- The Agency feels that external audits are opportunities for improvement, and is open to suggestions.

Issues / Opportunities for Improvement

- Continue to address Auditor General recommendations in a prompt manner.

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External audit

Process for ensuring adequate attention to results and recommendations of external audits of department operations

Results of external audits are responded to on a "one-off" basis.

Coordination is carried out to ensure results of external audits are disseminated to managers, and follow-up is done.

Results of external audits are used as input into strategic and business plans. Action plans are developed to address audit findings, and project implementation teams are created where appropriate. Good linkages exist between internal audit and external audit and review. A good working relationship exists between the external and internal auditor. A formal coordination role exists in the department to monitor external audit activity.

Detailed follow-up is made to ensure decisions and plans resulting from external audits are implemented in the long term, and results are reported back to external auditors. The department is pro-active in identifying priority areas to be addressed by external auditors.

External audits are seen as a critical source of information for management, and are used to initiate changes to program delivery processes and performance measurement systems. A mutual respect exists between management and the external auditor.



8 - Policy and Programs



Departmental research and analytic capacity

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Departmental research and analytic capacity
Departmental research and analytic capacity is developed and sustained to assure high quality policy options, program design and advice to ministers

Limited departmental research and analytic capacity.

Departmental research and analysis are conducted, but results are used on an ad-hoc basis when developing program and policy options.

There is evidence of commitment to strengthening departmental policy and analytical capacity. Results from departmental research and analytic capacity are consistently used to assure high quality policy options, program design, and advice to ministers.

The department is recognized as a policy leader by its stakeholders and counterparts in the region. There is a policy network in place. A departmental research plan is in place to develop and sustain high quality policy options, programs design, and advice to ministers.

The department is recognized as a policy leader by central agencies.



Departmental research and analytic capacity (cont'd)

Review Information

- ❑ Corporate policy research activities are supported by a dedicated research program. The Atlantic Policy Research Initiative (APRI) supports region-wide research projects, and contributes to the development of external policy research capacity of Atlantic Canada.
- ❑ APRI research actively involves public and private sector partners, informs Agency advocacy efforts and program design, and results are posted on the Agency's Web site and distributed to various stakeholders.
- ❑ ACOA's economic analysis capacity provides regular reports on the regional economy, analytical reports on key horizontal issues and developments, impact analysis, and provision of various socio-economic information and data for the Agency.
- ❑ The Agency is definitely seen as a policy leader in the region. In the last few years, ACOA's policy capacity has been more recognized by central agencies. However, the Agency has more work to do to promote itself as a policy leader in Ottawa.
- ❑ Policies and programs are developed to support and promote growth in the Atlantic economy. This activity is supported by the Agency's Policy, Advocacy and Co-ordination function.
- ❑ The Agency has added policy resources at Head Office (HO) and regions over the past three years. This has enabled the Agency to exercise greater policy leadership with other regional government stakeholders, and vis-à-vis non-government stakeholders.
- ❑ A Corporate Policy Network has been established to better engage Agency-wide resources on corporate policy initiatives to provide an internal "think tank" on policy issues, and enhance co-ordination of ACOA positions on key issues such as federal-provincial relations and sectoral or horizontal strategies.
- ❑ ACOA is heading the new Atlantic Executive Network to engage National Capital Region Executives and improve their understanding of regional issues. The network will strengthen ties between members' organizations, and will provide them with support for their policy positions and in their role as advocates for Atlantic Canada. The network will also promote ACOA as a point of contact for information on economic issues in Atlantic Canada.

Issues / Opportunities for Improvement

- ❑ Continue making efforts to promote ACOA as a policy leader to central agencies.
- ❑ Continue to develop and advance the Atlantic Executive Network, and increase its membership base.



Quality policy and program development

Review Information

- Policy and program development standards are documented, well understood, and updated for improvement on a regular basis.
- Policies and programs reflect the needs of the region (ie. Atlantic Investment Partnership).
- Policy network are invited to Executive Committee meetings, and are very involved in the development of programs.
- The Agency today is very different that what it was 6-7 years ago. The Agency is tuned into the needs of the region, and keeps itself relevant. The Agency is constantly re-evaluating itself.
- The Agency is pro-active in its policy and program development, and foresees future regional needs.
- The Agency questions on an on-going basis the sector on which it should focus.

Issues / Opportunities for Improvement

- Continue to consider regional needs when developing policies and programs.

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Quality policy and program development
Measures to ensure the development of quality policies and programs

No policy or program development standards in place. There is a low capacity for the development of policies and programs.

Policy and program development standards have been established, and are reviewed to reflect changes when needed. There is knowledge of central agencies' directives in regards to policy and program development.

Policy and program development standards are documented, well understood, and updated for improvement on a regular basis. The department is tuned in to economic changes, and adapts its policies and programs to the needs of the region. Staff are trained when policy and program changes occur.

The department is seen as a policy and program development leader among its counter-parts in the region. Policies and programs are reviewed periodically and recommendations are implemented.

The department is seen as a leader by central agencies, for developing quality policies and programs. The organization is often called upon to provide advice and participate in the development of GOC policies and programs.



Linkage to government priorities

Review Information

- There is a clear link between the Agency's key policy and program agendas and government priorities.
- There are ongoing discussions with the Minister to ensure that there are linkages between the Agency's priorities and those of the Government of Canada (GOC).
- The Agency develops many of its strategic priorities based on the Speech from the Throne (SFT) and the Budget (e.g. this year's SFT talked about social economy; the Agency is now doing work in this field).
- The Atlantic Innovation Fund was developed to ensure that Atlantic Canada has the necessary tools to fulfill the GOC innovation agenda.
- Executive Committee ensures that there is a clear link between the Agency's policies and programs with those of the GOC.
- The Agency would not exist if it weren't aligned with the GOC priorities.

Issues / Opportunities for Improvement

- Promote ACOA's economic/strategic relevance to staff (ACOA as a key player in the Atlantic region). Encourage managers to have sessions with their staff to review/explain the Departmental Performance Report and the Reports on Plans and Priorities and how they link to their work plans.

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Linkage to government priorities

Strong links between department priorities and government priorities

The department's priorities and the government priorities are not aligned.

The department is working on aligning its priorities with the government's priorities. Effort is made to integrate GOC priorities into department strategies and development of new programs and policies.

Most of the department's priorities are linked to the government's priorities. The department's priorities are regularly being re-evaluated.

The department's priorities and GOC's are strongly linked. Ongoing discussions with the Minister ensures that the department's priorities are aligned with the government's.

The Agency works closely with central agencies and has influence on the development of GOC policies and programs.



Confidence of the Minister and citizen engagement

Review Information

- The Minister absolutely appears to have confidence in the quality of policies and programs.
- The Agency receives unsolicited positive feedback from the Minister's office.
- The Agency is in constant contact with the Minister's office.
- The President and the Minister have a good rapport and are in constant dialogue, so any discontent on his behalf would be known.
- The Agency organizes outreach activities, roundtables, etc. to seek the region's opinions and ideas. However, more could be done. It should have a higher priority.
- The messages delivered by the Minister in Ottawa and the regions indicate that he's quite satisfied with the Agency as a whole.
- An external consultant conducts public opinion research on a regular basis.
- Communication does media monitoring on a daily basis, and briefs the Minister on current issues.
- The Auditor General has recognized ACOA's method for managing communications with the Minister's office as a best practice.

Issues / Opportunities for Improvement

- Communications branch to continue outreach activities with key external stakeholders and citizens to enhance their engagement with ACOA.

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Confidence of the Minister and citizen engagement
Minister's confidence in the department and citizen engagement

There is very little feedback obtained from the Minister's office in order to be able to measure his confidence. Citizens are not supportive of the department.

The department regularly contacts the Minister's office to obtain feedback and to see if the department is in sync with the Minister's priorities. Media monitoring is done on an ad-hoc basis. There are limited outreach activities.

The Minister has confidence in the quality of the department's policies and programs. The department's priorities are sync with the Minister's. There is frequent communication between the Minister's office and the department senior management. The department is pro-active in briefing the Minister on current issues. The department collaborates with OGD's to conduct occasional public forums.

Public opinion surveys are conducted on a periodic basis. The department conducts frequent public discussions and integrates the comments into the development of strategies, policies and programs. The department has developed a process to solicit feedback from the Minister's office.

The department often receives unsolicited positive feedback from the Minister and citizens. The department rarely has negative publicity in the media.



Succession planning for policy community

Review Information

- Succession planning within the Agency in general is a weakness and is a big concern.
- There are no formal succession plans in place in any area of the Agency.
- Individuals are interacting with each other and are therefore transferring knowledge in an informal manner.
- Succession planning in general has become a priority, and Human Resources (HR) is working on it. HR has recognized that it could be a major problem for the Agency. Over the next 5 years, 97 out of 600 employees could retire.
- In the absence of a formal succession plan, the Agency supports assignments to encourage professional development and knowledge sharing; this also occurs in the policy area.
- Succession planning is a government-wide problem. TBS is looking into it.
- In Ottawa there is a lot of movement. At ACOA, people tend to stay in their job a long time, which can be problematic when they leave/retire.

Issues / Opportunities for Improvement

- Encourage the identification of competency gaps when developing assignment opportunities.
- Address succession planning at ACOA; try to formalize the succession planning that already occurs at ACOA.

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Succession planning for policy community

Measures to ensure succession in the department's policy community

The department does not have a succession plan. There is very limited knowledge transfer/sharing within the department.

There is a limited knowledge of policy employee departures. There is informal documentation and knowledge transfer/sharing within the policy area.

Consideration to succession planning is given. Employees have assignment opportunities, which encourages knowledge transfer/sharing. The policy area has extensive documentation of tasks and knowledge.

The policy area has succession plans in place. The policy area's succession plans are revised yearly. Mentoring opportunities are provided to pools of staff to ensure best replacement candidates are ready and available, and to facilitate transfer of knowledge.

Corporate memory is of great importance, and a knowledge documentation process is in place in the policy area. OGDs are looking at the department's plan as an example for their succession planning.



9 – Citizen-Focused Service



Management of partnerships

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Management of partnerships

Partnerships are used extensively by the organization in support of service delivery by leveraging the capabilities of external stakeholders, partners, and other government organizations

Roles and responsibilities as they pertain to identifying and implementing partnerships are generally not well understood. No formal mechanisms exist for the organization to manage its relationship with partners, or to measure the extent of benefits/cost savings. Information on the success of partnership arrangements is mainly anecdotal.

The department proactively reviews its activities and services to assess where partnerships are appropriate. Managers see partnerships as one way of doing business better but have only a broad understanding of their benefits and risks. Guidelines are in place to help managers implement new partnerships. A clear decision-making process is in place for authorizing major partnerships. A formal consultation process exists for stakeholders to provide input at critical stages of a project. All new partnership arrangements are supported by a business case and risk assessment.

Managers regularly consider options in terms of service delivery methods including partnership opportunities. Functional specialists play a pro-active role in assisting managers with the assessment and implementation of partnership arrangements. The HR strategy for affected staff is well developed and understood. Training programs are in place for managers and specialists. Toolkits exist to guide managers at each stage of the process. Systems are in place to monitor the performance of external partners, with incentives and sanctions. Benchmarking is done to compare costs with external suppliers. Risk management policies are in place for major partnerships. A consistent approach is used throughout the Department to track the overall performance of governance/ partnership arrangements.

The department has a long-term plan and has committed resources at the corporate level to support new service delivery methods including partnerships. Major partnership risks are identified in strategic and business plans, and the assessment of partnerships is an integral part of business planning and on-going decision-making. The organization has experimented with new types of governance and financing arrangements. Partnership opportunities are identified on a cross-functional basis. Processes are in place at the project level to allocate risks to the parties. Partnership risks are monitored on an on-going basis. Tools and techniques are well-developed and used consistently across the department. Performance information on governance arrangements is readily accessible.

The department is recognized across government for innovation, efficiency and success in implementing new service delivery methods. The department is benchmarked against and often called upon to provide advice to other departments on the benefits and risks of implementing partnerships. The organization has earned a high level of trust from stakeholders. Significant risks and implications are communicated to stakeholders regularly. Performance results on governance arrangements are an integral part of overall departmental performance reporting. Tools and models are assessed continually and updated based on new trends and technology.



Management of partnerships (cont'd)

Review Information

- ❑ It's part of the Agency's culture to work with partners. The Agency fulfills its mandate by working with partners. The Agency uses partners to reach the entire Atlantic region, and to ensure the quality of delivery of its programs throughout the region.
- ❑ Within the organization, there are processes in place to develop partnerships. Partnership arrangements are guided by terms and conditions of programs, program procedure manuals, contract regulations and the Treasury Board Transfer Payment Policy.
- ❑ Each formal partnership project will go through an evaluation process. Third party delivery agents have to provide reports at the end of each project. The deliverables are established and monitored.
- ❑ The Agency has memorandums of understanding with other government departments.

Issues / Opportunities for Improvement

- ❑ Continue to ensure that partnership performance information is gathered and analyzed.



Client relationship management

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Client relationship management

Commitment to consciously strengthening relationships with client organizations, and to integrating and coordinating how client services are developed and delivered

There is no formal client management role in the department. Relations with clients/ stakeholders are primarily at the individual level. The department has limited systems and infrastructure to support the operations of the client management function.

A client management function (e.g., client managers, client relationship teams) has been established where warranted by the scale and complexity of a client's interactions with the department. Personnel from key operational, program and supporting policy and functional groups work together to serve key clients. Basic information exists on key clients and stakeholders. Clients are aware of who to contact in the case of issues or new service requirements.

The department liaises with key client organizations to address existing and new service requirements, promote new services, and to share information on clients' future plans and priorities. Client service plans have been developed for key clients. A client management function marshals and coordinates resources from across the department to ensure service delivery commitments are satisfied and service delivery problems are resolved.

The department develops close client relationships directed toward fully understanding clients' needs. The client management function sets objectives for the department with key clients, and monitors existing service delivery performance and client satisfaction. Client organizations participate directly in planning sessions. Products and pricing are well understood by clients. The supporting infrastructure is in place—systems that track client intelligence, record client activity, service levels. The performance of the department is tracked for each key client account.

The department has an in-depth knowledge of the client's business. The client management function has had a positive impact on the volume of client business and client satisfaction. Departmental services are seen to be "seamless" by clients. Client intelligence and lessons learned are shared throughout the organization. Program and service delivery staff work closely together to best serve the client, regardless of where they are in the organizational structure.



Client relationship management (cont'd)

Review Information

- The Agency manages its client relationships through its account managers, thereby building relationships with the clients.
- Clients are managed in large part within the context of the program that is delivered to them.
- The Agency has gone from managing projects to managing clients. Most regional offices now build client files. History is now kept by client, versus by project. Key information for one client is in one file.
- By working with industry associations and other economic development agencies, ACOA has a pulse on its clients' needs throughout the region. Clients are frequently consulted for their views on the Agency's programs.
- The Agency has a Strategic Plan for Service Quality in implementation.
- QAccess tracks key client data.
- Consultant Advisory Services are often used to assist clients.
- Head Office Programs section also has an area devoted to client service management, which provides key direction and advice to regional offices.

Issues / Opportunities for Improvement

- Continue full implementation of the Agency's Strategic Plan for Service Quality.



Measuring client satisfaction

Review Information

- ❑ Head Office undertakes client standardized satisfaction surveys every two years, with good results.
- ❑ Some regions have a systematic approach of measuring client satisfaction by distributing a formal survey at the time of decision (even to those clients who have been rejected) and at the completion of project. The surveys are tabulated and reported to staff.
- ❑ Regions have surveys and drop boxes in their reception areas for use by clients.
- ❑ More work has been done on client satisfaction on the commercial side. On non-commercial programs, measurement is done as needed, on an ad-hoc basis (e.g. trade mission participants are surveyed immediately following the mission and at a later date).
- ❑ Regional vice-presidents do regional visits, and meet regional development groups and clients on a regular basis to get direct feedback on services offered by ACOA.
- ❑ Parameters for a client complaint resolution process have been developed, but need to be approved by Executive Committee and then implemented.

Issues / Opportunities for Improvement

- ❑ Pursue client complaint resolution process.
- ❑ Study regional satisfaction data and explore Agency-wide application; ensure more co-ordination with Agency-wide client satisfaction survey.

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Measuring client satisfaction

Utilization of client survey information on satisfaction levels, and importance of services

Client satisfaction information is collected on an informal and ad hoc basis.

Approaches to collecting client satisfaction vary across the department, and tend to vary from year to year depending on management priorities. Limited monitoring and analysis of results. Information collected is not always seen to be useful.

Formal systems exist across department to survey clients on level of satisfaction. Results are tracked over time, and are considered in strategic and business planning. Limited analysis of results on a department-wide basis. Complaint information is consolidated and reported, and a complaint resolution process exists.

Client satisfaction information is collected through a wide range of techniques. Information is collected on a consistent basis across program areas. Results are consolidated on a department-wide basis, and overall trends analyzed. Results are a key element of strategic and business planning, and are used to assess service standards and service improvements.

Client satisfaction results indicate positive trends. Client satisfaction measures are published externally, and are well known to clients. Client satisfaction is a key driver of strategic and business planning, and is considered in performance evaluation and incentives. Techniques used to collect client satisfaction information are constantly being improved.



Service standards

Review Information

- ❑ A Service Quality Initiative was undertaken a few years ago, and continues to provide enhanced service measurement methodologies.
- ❑ Through process mapping, the Agency has tried to set standards that are realistic and valid.
- ❑ Some standards such as turnaround time on applications and claims exist. Benchmarks exist. Eventually, the Agency will have realistic standards for all client service processes.
- ❑ Regional vice-presidents meet with a sample of clients several times a year to get direct feedback on client service. Issues identified are followed-up.
- ❑ The Agency needs to better manage the expectations of the clients.
- ❑ Historically, ACOA has developed standards. As the Agency's role and its programs evolve, maintaining those standards has been a challenge. Finding a consistent solution for establishing service standards is proving to be difficult. However, work in this area continues.

Issues / Opportunities for Improvement

- ❑ Pursue the process mapping exercise to continue work on establishing service standards. Explore how the recently completed *Information Management for Decision-Making* project could facilitate some of this work.

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Service standards

Monitoring against client service standards and maintaining and updating standards

No formal service standards exist. Quality of service is monitored on an informal basis.

Service level arrangements and standards exist on an inconsistent basis across the organization. Systems to collect and maintain service level information are still being developed. Clients have been involved to varying degrees in development of standards.

Formal service level arrangements and standards have been established for each business line, and results are tracked and analyzed over time. Overall department standards are well known. Clients participate in the development of the standards. Results are used to identify service improvements.

Service standards are periodically reviewed with clients/stakeholders and improved to reflect changing priorities. Service standards are re-assessed based on cost of service delivery. Service standards reflect different priorities of client groups. Results are a continuing source of pressure for new service and quality improvement initiatives.

Results of service standards show positive or stable results. Service standards of the organization are published externally, and are well known to clients. Achievement of service standards is a key consideration of management in strategic and business planning.



Meeting citizen needs and expectations (Government Online)

Review Information

- Electronic versions of the Business Development Program (BDP) application and claim forms are available online, and can be downloaded and used by clients to submit applications for funding and/or claims for appropriate payments. The Atlantic Innovation Fund (AIF) is also online. A pilot project for online applications for funding under AIF has proven to be very successful. Monitoring forms for AIF-related projects are available online for clients to use in submitting their quarterly and annual reports.
- A listing of all projects that have been approved by the Agency has been made available on the Agency's Web site.
- Program information is available online.
- The Agency chairs a Regional Development Agency Committee, whose mandate is to identify areas of collaboration on Government Online (GOL) initiatives.
- ACOA entered into an agreement with the Treasury Board Secretariat's secure channel initiative to be one of the first departments/agencies for which a generic process for connectivity to the secure channel infrastructure could be developed.
- There is a media room on the Web site. Media subscribe to the site.
- Canada Business Service Centres have an interactive tool online. Clients can click a button, which will give them access to an individual who will be able to guide them online.

Issues / Opportunities for Improvement

- Continue project for online client portal.
- Measure satisfaction levels relating to the Agency's Web site design and content. Adjust site accordingly.
- Continue GOL activities.

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Meeting citizen needs and expectations (GOL)

Progress made in implementing online services

Very little information is available online, whether it's public or internal information.

Some information and forms are accessible online. The department is working on making all information available online.

Excellent intranet and Web sites. Program information is accessible online, and application forms are online.

Clients have complete online service. They can complete and submit an application, verify the status of their application, and obtain account balances online.

OGDs are seeking advice from the department on setting up their online information.



10 - Learning, Innovation and Change Management



Investments in organizational learning and corporate knowledge

Review Information

See following page

Issues / Opportunities for Improvement

See following page

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Investments in organizational learning and corporate knowledge
Organizational learning and corporate knowledge investments are important for changing environments

The department does not have a training needs assessment process. The department policies, procedures and objectives have not evolved. Organizational learning and knowledge management practices are not formalized.

Work plans and annual reviews are used to determine individual training requirements. The department invests in individual learning. Changes to the department are made in reaction to environmental conditions, but departmental policies and goals remain unchanged.

The department has the ability to learn from past behaviour and information. Training is linked to performance management processes. The department is adaptable to change. Corporate Learning Strategy in place, consistent with continuous learning policy commitment. Most staff members have learning plans in place.

The department invests in organizational training/learning. Consideration is given to departmental priorities when identifying training/learning requirements. Mentoring program in place, which facilitates organizational learning, knowledge transfer, and maintenance of corporate memory.

Training investments are strategically linked to the department's requirements. The department has a process to capture and use individual and organizational learning to make efficient and effective decisions.



Investments in organizational learning and corporate knowledge (cont'd)

Review Information

- ACOA has a Learning Policy that is incorporated in personal learning plans.
- The Agency invests in learning for its employees based on needs identified through work plans and annual reviews.
- The Agency has implemented many new programs, and has adapted very well. Many of the Agency's programs require the same type of competencies. The Agency staff members try to remain generalists. The Agency can't have experts because it would be too hard to cover all the bases.
- It is believed that the Agency invests adequately in learning. The door is always open for people to learn.
- The Agency is fortunate that it has a very well educated workforce.
- Learning is more focused on individual requirements than on the Agency's requirements.
- It is viewed as a problem that training is not linked to the priorities of the Agency. The Agency will let people take training that is not necessarily linked to performance or corporate priorities.
- The Agency does not have a formal process for capturing corporate memory.
- Training taken by staff members is not generally transmitted to other staff members.
- Best practices are definitely part of staff training.
- The experience and knowledge of staff members close to retirement is not documented, and therefore there is a risk of a "brain drain". Staff members close to retirement don't have the time to document their knowledge.
- The Agency does not have a formal succession plan.

Issues / Opportunities for Improvement

- Continue to promote the Agency's Learning Policy and its application.
- Strengthen the link between training and the Agency's strategic priorities.
- Work on organization learning in tandem with the competencies priority area.
- Develop more tools and processes for capturing and disseminating corporate knowledge.
- Develop a specific "departure process", where time and effort is dedicated to capturing corporate knowledge (when people are leaving the Agency).
- Explore a more formal mentoring program.



Stakeholder / staff perception of organizational adaptability, change and innovation

Review Information

- Change and innovation is part of the Agency's culture. Staff members are open to change, they commit to it, they don't resist it.
- There is a lot of creativity within the Agency.
- Since its inception, the Agency has gone through many changes. The staff is now comfortable with change and are not threatened by it. The Agency has changed a lot, and has changed its programs accordingly.
- The Agency survives because of its ability to change and adapt quickly.
- The Agency doesn't wait for central agencies to force changes upon it. Instead, the Agency often instigates the changes to meet the needs of the Atlantic region.
- Some feel that the Agency takes on too many new things without dropping other priorities. Although the Agency always manages to be successful in its new challenges, it's at the expense of the employees working overtime.
- The Agency has learned a lot by dealing with businesses on a daily basis. Businesses that don't innovate or change on a day-to-day basis don't stick around.
- In the past year, some stakeholders have publicly stated that the Agency meets the economic development requirements of the region.
- Agency media scans reveal that positive articles relating to the agency far outnumber the negative ones.

Issues / Opportunities for Improvement

- Remain current on change management theories and practices to ensure smooth flow of activities when major changes occur; provide change management training to managers.
- Continue to promote ACOA to the public as a leader in innovation, programs, policies, etc.
- Continue to engage cross-functional teams when planning and implementing change.

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Perception of organizational adaptability, change and innovation

Culture adaptability, flexibility and innovation

Stakeholders and staff see the department as being very slow at adapting to changes. The department is seen as resisting changes, and not making the efforts to adapt its programs.

The department is perceived as not making the efforts necessary to remain on top of changes. It is seen as only doing enough to survive.

The department is perceived internally as being able to survive because of its adaptability to change, and being innovative.

The culture within the department is pro-change. The department is forward-looking, and anticipates changes, trends.

The department is perceived internally and externally as a leader when it comes to adapting to changes and taking on new initiatives and it is a good role model for learning how to adapt, lead changes, and be innovative.



Performance measurement used to improve organizational results

Review Information

- ❑ Performance results are tracked internally, and historical trends are analyzed. This analysis is used when developing new policies, strategies and programs or adjusting existing ones. The Agency also incorporates external performance data (Auditor General, Statistics Canada, External Audits) in program analysis and development. Econometric modeling, SWOT analysis, and environmental scanning are all tools used to track performance results.
- ❑ Performance goals are set and reported on; variances are analyzed and adjustments to programs and policies occur based on the results of the analysis.
- ❑ ACOA's performance has consistently improved since its inception.

Issues / Opportunities for Improvement

- ❑ The Agency could be more performance driven at an operational level to ensure that front line staff decisions support results and the Agency's strategic priorities.

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Performance measurement used to improve organizational results
Improving results through the use and analysis of performance measures

The department does very little in the way of using and integrating results of performance measurement to improve performance.

The department considers past performance when developing new programs and policies. Limited trend analysis is used to assess performance improvement.

The department's performance is formally tracked and trend analysis is done regularly. Performance information is greatly used when developing new programs. Organizational results are improving.

The department analyses internal performance measures and external data on performance to compare results and set performance goals. Variances are analyzed and existing programs are adjusted to ensure organizational results continue to improve.

The department's performance results are completely integrated with program development and adjustments to existing programs. There is a fluid continuum between performance measurement and improved results. The department is recognized by its peers as a leader in using performance measurement to continuously improve results.



Focus Areas and Approach to Addressing Them

During the 2004 interviews and validation workshop, it was clear that staff find the Modern Business Management (MBM) structure too elaborate.

Pulling its origins from the seven pillars of Modern Comptrollership (MC), the MBM now covers the 10 elements of the Management Accountability Framework (MAF), and has 42 sub-elements.

The level of detail of the Modern Business Management (MBM) structure was necessary :

- to involve senior management as much as possible and raise visibility of the initiative; and
- to allow for a comprehensive capacity assessment in 2002 and capacity review in 2004.

The elaborate structure will continue to serve as the foundation for assessing management practices, and support the transition to the MAF.

However, at this stage of the game, the Agency needs to put forth a smaller, more manageable format:

- to move forward and address issues and opportunities for improvement ; and
- to simplify communication and messaging of MBM, thus ensuring a more prevalent understanding of MBM among all managers and staff.

* The MBM priority areas were developed in 2002 to address management gaps identified during the capacity assessment process. For a full list and definition of the 10 priority areas, see pages 116-117.



Focus Areas (cont'd)

Where ACOA previously had 10 priority areas under the MBM umbrella, the Agency has now developed four focus areas. However, work under the 10 priority areas that needs to continue are incorporated under the four focus areas.

The President will continue to provide leadership commitment for the MBM agenda, and will rally the vice-presidents, thus assuring senior management commitment. The Executive Committee will continue to have ongoing responsibility for ensuring progress of MBM.

The MBM unit will have the overall coordination responsibility for implementing these four focus areas, and will absorb the Leadership Commitment priority area in its basic mandate. The MBM unit will remain in the Finance and Corporate Services branch, and will report to the Executive Committee on a quarterly basis.



Focus Areas (cont'd)

The four Modern Business Management focus areas are:

1. Planning

- Issues particular to planning processes, including electronic systems and procedures.
- The Planning and the Integrating Performance Measures priority areas (PA 5 & 6) will be absorbed into this focus area. This will also include the co-ordination and continued implementation of the Risk Management PA.

2. Human Resources

- Various human resource items that are of continuous concern.
- The basic mandate of this focus area will be the implementation of human resource modernization at ACOA. It will also absorb the Competencies PA ensuring its completion and follow-through.

3. Outreach

- Issues related to communication with clients and stakeholders, as well as internal communications, client service delivery in general and Government Online.
- This focus area will also include co-ordination and continued implementation of the Transparency and Internal Communications PA, the Service Quality PA, and the Business Process Improvement PA.

4. Corporate Management

- Issues particular to management strategies, training and tools for good decision-making.
- This focus area will support the other three focus areas to allow for the most efficient functioning of the Agency by concentrating on areas such as governance, organizational structure, and knowledge management.
- This focus area will also include the completion of the Cost Management and Financial Reporting PA (Financial Reporting Regime subsection).



Original Priority Areas

1. Ensure Continued Leadership Commitment of this initiative.

- “Senior management should reiterate its commitment to the Modern Business Management Initiative and take action to follow through on identified improvement initiatives.”
- This priority area is ongoing, and will be absorbed as part of the MBM unit’s responsibility.

2. Define the competencies for Modern Comptrollership in the Agency.

- “In consultation with the Treasury Board Secretariat, assess the need for formally defined Modern Comptrollership competencies for management positions in the Agency and develop appropriate training and staffing standards.”
- This priority area is ongoing, and will be incorporated into the new Human Resource focus area.

3. Take action to ensure that the Agency becomes a “Workplace of Choice”.

- “Following the employee survey results, action should be taken in concert with the “Motivated People” recommendations to further enhance the Agency as an employer of choice.”
- This priority area has been absorbed into management’s agenda, and is in large part complete.

4. Increase public reporting transparency and improve internal communications.

- “Identify information that should and could be made available to the general public and employees through the Agency’s Web site and other mechanisms.”
- A final report is being submitted to Executive Committee for approval. Implementation of recommendations will be done under the new Outreach focus area.

5. Integrate the Planning Processes.

- “Formally define the planning process, showing the relationships between related components and communicating the planning process to staff. Recommend enhancements to the process.”
- This priority area is ongoing and will absorb the “Integrate the Planning and Performance Information” priority area, to create the new Planning focus area.



Original Priority Areas (cont'd)

6. Integrate Planning and Performance Information.

- “Recommend improvements to integrate the planning and performance reporting processes.”
- This priority area is ongoing, and will be incorporated into the Planning focus area.

7. Continue to implement the Strategic Plan for Service Quality.

- “Enhance the enabling work environment and clarify responsibilities to improve service quality to our clients.”
- This priority area is ongoing, and will be incorporated into the Outreach focus area.

8. Integrated Risk Management Framework.

- “Establish an Integrated Risk Management Framework as per Treasury Board Guidelines.”
- This priority area is ongoing, and will be incorporated into the Planning focus area.

9. Expand business process improvement initiative to all programs.

- “Continue with current pilot project in New Brunswick to establish service standards. Review Agency programs and operations to identify areas where service standards could be established. Continue to implement Strategic Plan for Service Quality and assess the need for standards for functional specialists’ internal service delivery.”
- This priority area is ongoing, and will be incorporated into the Outreach focus area.

10. Increase the availability of cost management information for better assessment of value for money of ACOA activities. Review financial management reporting regime.

- “Study the benefits of activity costing of service delivery and recommend appropriate action. Enhance the financial management reporting regime to facilitate financial management analysis and decision-making.”
- Cost-benefit analysis of implementing full activity-based costing at ACOA is completed. Consensus was reached: this is not an approach that the Agency can support at this time. Work on common financial reports will continue under the Corporate Management focus area.



Next Steps

- ❑ Identify and engage Agency leaders with respect to specific components of the individual focus areas (December 2004)
- ❑ Develop and implement a communication plan to ensure staff awareness of the results of the MBM Capacity Review and next steps (December 2004)
- ❑ Share findings with Treasury Board Secretariat (March 2005)
- ❑ Post Capacity Review on Agency Web site (March 2005)
- ❑ Develop a Corporate Action Plan, including a reporting regime (March 2005)
- ❑ Submit the Corporate Action Plan to Executive Committee for approval (April 2005)
- ❑ Implement Corporate Action Plan (April 2005)



Appendix

**Focus Group Interviewees, Individual Interviewees,
Validation Workshop Participants,
Additional Fact-finding Discussions,
Executive Committee Members**

Focus Group Interviewees

❑ Finance and Corporate Services, Head Office

- Charlene Sullivan, Director General, Human Resources
- Ronald Surette, Director General, Business Intelligence and Chief Information Officer
- John MacDonald, Chief, Financial Planning and Analysis
- Eugène Aucoin, Director, Human Resources Development
- Diana Zandberg, A/Director, Communications (Policy and Programs)

❑ New Brunswick Regional Office

- Brian Dick, Vice-President
- Sadie Perron, Director, Business Development
- André Charron, Director, Business Programs
- Lori Robinson, Senior Policy Analyst, Policy and Communications
- Mary Heffernan, Manager, Financial Services, Finance and Management Services
- Barbara Gagnon-Thériault, Manager, Canada Business Service Centre

❑ Nova Scotia Regional Office

- Lisa Setlakwe, A/Director, Finance and Management Services
- Bill MacDonald, Senior Economist, Policy and Research
- Deborah Windsor, Director General, Economic Development
- Earl Milbury, Director, Community Development and Rural Initiatives
- Mary-Ellen Valkenier, Director, Strategic Initiatives
- Melvin Coombs, A/Director Programs
- Peter Hogan, A/Director Community Development and Rural Initiatives
- Sadie Sassine, Executive Director, Nova Scotia Federal Council



Focus Group Interviewees (cont'd)

Newfoundland and Labrador Regional Office

- Ken Martin, Director, ACOA Business Programs
- Karen Skinner, Director, Federal/Provincial Programs
- Dave Collins, Director General, Policy and Co-ordination
- Doug Burgess, Director, Communications
- Frank Mackey, Director, Finance and Management Services

Policy and Programs, Head Office

- Paul Joudrey, Director General, Operations
- Gilbert Phillion, A/Director, Programs
- Robert Smith, Director, Entrepreneurship and Business Skills
- Jean-Guy Côté, Project and Policy Development Officer
- Mike Urquhart, Senior Policy and Planning Officer, Operations
- Gilles Gaudet, Senior Trade Officer, Trade and Investment
- Douglas Robertson, Director, Innovation Policy and Research Projects

Prince Edward Island Regional Office

- Lynne Beairsto, Director, Corporate Programs and Services, Corporate Services
- Pat MacAulay, Manager, Innovation and Coordination, Policy and Portfolio Secretariat
- David Cook, Head, Policy and Research, Policy and Portfolio Secretariat
- Michael Dillon, Manager, Program Operations, Tourism Atlantic
- Catherine MacInnis-Gordon, Director, Communications
- Brian Thompson, Director General, Policy and Planning, Policy and Portfolio Secretariat



Individual Interviewees

- Monique Collette, President
- Brian Dick, Vice-President New Brunswick
- John Knubley, Vice-President Nova Scotia



Validation Workshop Participants

- Mike McCormick, Manager, Strategic Development, Corporate Programs (NB)
- Corinne Mallais, A/Director, Staffing and Staff Relations (HO)
- Nancy Ives, Director, Intergovernmental Affairs (NS)
- Rory Beck, Vice-President, Prince Edward Island
- Paul Mills, Vice-President, Newfoundland and Labrador
- David Tripp, Director, Audit (HO)
- Janice Goguen, Senior Trade Officer, Trade and Investment (HO)
- Bill Grandy, Manager, Community Economic Development (NL)
- Lucienne Godbout, Director General, Finance, Administration, and Modern Business Management (HO)
- Observers:
 - Pauline Pitre-Savoie, Corporate Planning Analyst (HO)
 - Chantal Léger, Business Management Analyst (HO)
 - André LeBlanc, Analyst (HO)



Additional Fact-finding Discussions

☐ Head Office

- Gilbert Philion, A/Director, Programs
- Eugène Aucoin, Director, Human Resources Development
- Béatrice Landry, Director, Strategic Policy Development, Policy
- John MacDonald, Chief, Financial Planning and Analysis
- Nicole LeBlanc, Manager, Atlantic Policy Research Initiative, Policy
- Stéphane Lagacé, Chief, Corporate Accounting
- Paul Joudrey, Director General, Operations
- Diana Zandberg, A/Director, Communications (Policy and Programs)
- Walter Holleran, Manager, Business Planning and Reporting, Review Services Division



Executive Committee Members (as at November 22, 2004)

- Monique Collette, President
- Brian Dick, Vice-President, Policy and Programs
- Peter Estey, Vice-President, Finance and Corporate Services
- Paul Mills, Vice-President, Newfoundland and Labrador
- John Knubley, Vice-President, Nova Scotia
- Janet Gagnon, A/Vice-President, New Brunswick
- Rory Beck, Vice-President, Prince Edward Island and Tourism
- Andrew Noseworthy, Senior Advisor to the President
- Tom Khattar, Senior Legal Advisor
- Charlene Sullivan, Director General, Human Resources
- Murielle Belliveau, Director General, Communications
- Rick Beaton, Vice-President, Enterprise Cape Breton Corporation
- Dan McCarthy, Director, Ministerial Liaison
- Francine Fournier-Walsh, Executive Assistant to the President



