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REVIEW  
DIRECTORATE

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DIRECTION GÉNÉRALE  
DE L'EXAMEN

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REGIONAL GOVERNANCE PROCESS REVIEW  
PROJECT NUMBER 60261  
FINAL  
JULY 15, 2003



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## **1.0 EXECUTIVE SUMMARY**

### **Scope and Objectives**

In the Fall of 2002, the Department's Review Directorate launched a review to:

- assess the adequacy and effectiveness of processes to support the DFO Regional Governance Structure; and
- propose practical options to improve the effectiveness of governance processes.

The Review focused on DFO's strategic and business planning, resource allocation and reporting processes and the associated accountability frameworks. It was based on interviews and information gathered in headquarters and all regions, as well as other public sector organizations.

### **Overview of Current DFO Approach**

Currently the DFO Management Model can best be described as a Functional Management/Matrix Governance Model (FMGM). This model is based on headquarters functional managers and staff providing national coordination and support to the regional delivery components of the Department, with a shared accountability for the achievement of program outcomes. The FMGM is common to large, geographically dispersed organizations like DFO because it allows an organization to improve client service by: locating operational decisions closer to clients and stakeholders; creating a single organizational voice/window for clients; and optimizing efficiency through greater local integration of service delivery capacity.

The most important contributors to the successful implementation of the FMGM are effective planning and accountability frameworks.

### **DFO's Planning Process: Key Findings**

The Review confirmed findings of the Modern Comptrollership Capacity Check and the Departmental Assessment and Alignment Project (DAAP) indicating DFO faces serious challenges in two areas critical to the success of any FMGM: effective planning processes and effective accountability frameworks. Currently, DFO's planning processes, at all levels, focus on change-agenda initiatives and do not adequately support accountability for planned actions required to deliver ongoing/core activities. The review examined each of the three key planning processes in the Department: the strategic planning process, the sector business planning process and the regional planning processes, which includes Regional Business Plans and Operational Plans.

#### **1. The Strategic Planning Process**

The Review concluded that there is general satisfaction with the DFO Strategic Plan. However, there are concerns that the Department's strategic planning process is overly focused on change-agenda items. The process generally does not provide an assessment of the implications of change initiatives on current operations, nor does it include a realignment with current strategic priorities of the Department. This can lead to inconsistency in the subsequent sector and regional planning steps, because it is not always clear which choices should be made if priorities have to compete for scarce resources.

The Review identified opportunities to improve the strategic planning process by increasing the focus of the Departmental Management Committee (DMC) on the annual review of strategic business

priorities. This review would include the prioritization of change initiatives in the context of key strategic on-going activities. This would provide clearer guidance and direction to the Sector Business Planning Process, especially as it concerns the potential requirement for resource resource tradeoffs between sectors and/or regions.

## **2. Sector Business Planning**

The Review found that sector business plans have tended to set broad directions, focusing on change-agenda initiatives, new challenges and general funding pressures. Departmental managers viewed Sector Business Plans as being of value as planning instruments. However, Sector Business Plans generally give little consideration to the prioritization of ongoing A-base activities. Without clear, risk-based sector level direction on the prioritization of ongoing activities, the inevitable trade-offs among competing priorities will be made almost exclusively at the regional level, creating the potential for inconsistency in national programs.

The Review identified several good, though isolated, examples of DFO organizations implementing performance measurement and accountability frameworks to more effectively define their activities to achieve greater clarity of roles, accountabilities and performance measures.

Improvements to the Sector Business Planning process are proposed in the review report. These centre around the stating of sector change initiatives and ongoing activities in the form of National Performance Measurement and Accountability Frameworks. Through dialogue between headquarters and regions, change initiatives and ongoing activities would be nationally prioritized to provide input to the regional planning process based on greater shared understanding and agreement on:

- responsibilities, accountabilities and performance measurement
- relative priorities of ongoing/core activities in relation to new initiatives
- the range of current and emerging pressures and issues affecting the sector
- potential implications for ongoing/core activities
- resource allocations for each sector at the regional level.

## **3. Regional Business Planning**

The Review identifies serious concerns associated with the DFO regional business planning process. Managers in headquarters do not find the Regional Business Plans informative in terms of the region's planned actions, and make little use of them. Most regional staff view the plans more as a compliance exercise to meet headquarters directions rather than as a practical management tool.

The Review concluded that, as with Sector Business Plans, Regional Business Plans tend to focus on change-agenda initiatives, new challenges and funding pressures. No evidence was found of the risk-based prioritization of change agenda initiatives and ongoing/core activities to identify necessary tradeoffs to ensure the highest priority activities are addressed within the available resource envelope. This essentially leaves the field service delivery level in the organization with limited operational direction, and makes accountability for specific activities/outputs unclear. Choices are made at the regional level between competing demands without a clear picture of the importance of one priority versus another. The assessment and ensuing trade-offs are not generally well communicated to headquarters sector functional managers. Therefore they do not have a good understanding of what will or will not be achieved during the year. This leads to situations where

headquarters management believes a given priority is going to be addressed but the regional local delivery level may have decided not to address the priority. This causes confusion and a lack of commonly understood expectations as to what will be achieved in a given fiscal year.

As a result of these shortcomings, the most important challenge to be addressed in the regional planning process is to create an accountability framework between regions and headquarters sectors. The review identifies a number of worthwhile examples where regions have successfully addressed the accountability issue between area offices and regional functional managers through the development of Service Level Agreements (SLAs). These SLAs have been designed to create accountability in the presence of the Functional Management/Matrix Governance Model (FMGM) that exists between the area offices and functional managers in the regions.

If SLAs can facilitate greater accountability between area offices and regional functional managers, then, by extension, a comparable accountability framework should exist between regions and headquarters to create a common and consistent approach to account for organizational performance. Both sets of relationships need a clear articulation of priorities, activities, outcomes, and performance measures to promote accountability.

The Review proposes a regional planning process that would create the same accountability between regions and headquarters sector managers as is emerging between regional functional managers and area directors. This regional delivery planning process would replace the current regional business planning process. This new process would take place in the December through February timeframe. Regions would create Regional Delivery Plans which would be based on the prioritized statements of change and ongoing activities provided in the Sector Business Plans. The plans would also reflect regional priorities and resource capacity to deliver. The term “Accountability Contract” is proposed to describe agreements between regions and headquarters to deliver on specific change initiatives as well as on selected key ongoing activity objectives derived from the Delivery Plans.

### **Resource Allocation and Forecasting Processes**

The Review identified significant delays in the allocations of resources to the regions, resulting in the delay of key initiatives, ineffective use of resources as managers attempt to expedite initiatives that have been delayed, a lack of credibility for financial forecasts and free balance information, and a greater tendency to last-minute spending at year-end. Many of the potential improvements to departmental planning and accountability processes identified during this review would significantly improve departmental allocation processes. Problems and issues pertaining to financial forecasting and reporting will be the subject of further review during upcoming Review Directorate audits relating to Departmental Financial Statements.

### **Summary of the Key Elements - Proposed DFO Planning Process**

The Review proposed a revitalized regional delivery planning process to support the Department’s regional governance processes. The proposed process (summarized in **Figure 4**, on page 34 of this review report), is based on the implementation of the following key elements:

- commencement in early September;
- all departmental ongoing and change-agenda initiatives stated in terms of national Performance Measurement and Accountability Frameworks;
- national risk-based prioritization of ongoing/core activities as well as change-agenda initiatives;

- Service Level Agreements between regional functional managers and Area/local operational managers that reflect capacity to deliver;
- Accountability Contracts between Regional Directors General/Regional Functional managers and Headquarters Sector Assistant Deputy Ministers that reflect capacity to deliver;
- a department-wide Performance Management System that monitors commitments to carry out initiatives and activities that logically link to the attainment of results for Canadians;
- regular in-year review of accountability contract performance; and
- monitoring by DMC of performance against key Accountability Contracts.

The task of strengthening the planning process along these proposed lines could build on a number of good practices that already have been successfully introduced by various organizations within the Department. The result should be a more effective, directly relevant planning process that can better serve all levels of the Department and, by extension, DFO's clients and partners.

## 2.0. INTRODUCTION

During the first quarter of 2002-03, the Review Directorate undertook a preliminary examination of the processes supporting the Regional Governance Structure in Fisheries and Oceans Canada (DFO). This preliminary review involved interviews with area and regional managers in the Maritimes and Pacific Regions, as well as managers in the Ottawa Headquarters of DFO. The preliminary examination of the processes supporting Regional Governance in DFO revealed that some governance processes do not support efficient and effective program delivery. The governance clusters, which this preliminary review suggested as being sub-optimal, were: processes in support of business planning; budget allocation and the transfer of funds processes; financial and non-financial monitoring and reporting processes; and the accountability frameworks that support these processes. Based on these findings, the Departmental Review Committee (DRC) mandated the Review Directorate to undertake a more comprehensive review of departmental governance processes. The Review commenced in the Fall of 2002.

### *Objectives*

The objectives of the Review were as follows:

1. To assess the adequacy and effectiveness of the tools, processes and mechanisms in place to support the DFO Regional Governance Structure, and assess any associated risks to achieving departmental objectives.
2. To develop practical options to improve the effectiveness of the governance tools, processes and support mechanisms.

### *Scope*

The focus of the Review was on planning and the supporting performance monitoring processes along with associated accountability frameworks. Allocation processes, as well as financial forecasting and reporting processes, were examined. However, this examination reviewed how these processes impact planning, performance monitoring and accountability. Other audit work currently underway in the Review Directorate will address financial reporting in a more comprehensive, detailed manner.

Best practices pertaining to governance processes in other public sector organizations were also included in the scope of this review to determine their potential applicability in DFO.

The review did not focus on the governance processes associated with the planning, execution and accountabilities associated with major capital projects.

### *Methodology*

Interviews with DFO management and staff were conducted in all regions at the Regional Office Headquarters, Area Office and Site/District office levels. The review utilized a number of information gathering techniques including internet research, document reviews, interviews, focus groups and consultations with subject matter experts. During the course of the Review, group and individual interviews were carried out with approximately 30 DFO managers and staff in headquarters and approximately 40 individuals in each region. Follow-up interviews were conducted



with headquarter and regional senior management to confirm the information gathered and de-brief on preliminary findings. These follow-up interviews also included a brief survey, which asked senior managers to rate the value of various governance processes on a scale of 1 to 5. These ratings added value to the review findings because they quantified management perceptions on key elements of DFO governance processes.

There are several other initiatives either recently completed or underway, that have a potential impact on DFO governance processes. These were considered in the development of our audit plan so as not to duplicate the work of these other initiatives. The key initiatives that potentially impact governance processes are: Modern Comptrollership, the Departmental Alignment and Assessment Project (DAAP), the Financial Information Strategy and the Strategy for the Audit of Financial Statements. The DAAP is currently examining many of the same governance processes examined during the course of this review. The Review Directorate team has worked very closely with the DAAP team to provide them with information on review findings as soon as they became available. In addition, the Review Team has provided information gathered during the course of this review that was outside the scope of the Review, but is of potential interest to DAAP.

A primary focus of this review was to identify “best practices” pertaining to governance processes. The governance processes of a number of organizations outside DFO were reviewed to determine whether there were opportunities to adopt the practices of these organizations to improve the planning processes in DFO. The Canadian federal government departments that were reviewed are all attempting to address many of the same governance issues facing DFO. Some of these departments have implemented processes that have led to the strengthening of their governance frameworks.

The planning and accountability frameworks in selected public sector organizations outside the Canadian federal government were also examined during this review to identify potential best governance practices. For example, the Natural Resources Conservation Service of the United States Department of Agriculture has a very comprehensive automated planning and performance measurement and accountability framework, supported by automated systems. The Ontario Ministry of Natural Resources was found to demonstrate, through its governance processes, a high degree of Region/District delivery commitment to Headquarters functional authorities through the use of Service Delivery Contracts.

When reviewing governance processes in DFO a number of practices were identified amongst certain DFO organizations that successfully addressed many of the broader issues and problems found throughout DFO.

Elements of best practices from DFO organizations as well as other organizations reviewed were considered when identifying opportunities to improve DFO governance processes.

## **3.0 FINDINGS**

### **3.1 Functional Management/Matrix Governance Model**

#### **3.1.1 Overview**

The focus of this review is on the governance processes in DFO. A comprehensive examination of the current departmental Management Model is not within the scope of this review. However, during the course of the Review several of the DFO managers interviewed expressed concern and frustration with how the current DFO Management Model was operating in the Department. In order to review governance processes it is essential that the current DFO governance model and any related problems or issues be well understood to appreciate the manner in which governance processes influence, and are influenced by the management model.

The current DFO Management Model can best be described as a Functional Management/Matrix Governance Model (FMGM). In essence, this model entails headquarters functional managers and their staff providing national coordination and support to the regional delivery components of DFO, with a shared accountability for the achievement of program outcomes. The key characteristic of this model is the existence of ADMs in the Department who have been designated as the functional authorities for the various functions within DFO. Generally speaking, functional authorities are accountable for the establishment of the overall legislative, policy, and priority frameworks for their respective functions. This is done in collaboration with the DFO Regions, which are accountable for the delivery of the various DFO programs.

There will be no attempt in this report to revisit the detailed responsibilities of ADMs and RDGs as described in the formal statement of the DFO Management Model. The Model is relatively clear in describing the roles and accountabilities of the key headquarters and regional managers in the Department. The focus, however, will be on defining the essence of functional management; why organizations choose a governance model based on the concept of functional management, and the factors which contribute to the successful operation of a Functional Management/Matrix Governance Model (FMGM).

#### **3.1.2 What is Functional Management?**

Most organizations operate amid growing organizational complexities and an ever-increasing base of knowledge. This growth in complexity has resulted in the requirement for specialists to support an organization towards the attainment of its objectives. In the broad sense, these specialists represent the “staff” portion of an organization as opposed to the “line” component. Staff authority is often described as the authority of expert knowledge. “Staff” has equated to a support role and the performing of functions intended to help “the doer”. With the passage of time and with the increasing complexity of our organizations different types of staff authority have evolved. The concept of functional management and functional authority has been established as the predominant manifestation of the staff support concept. Functional management has three basic components:

- Direction;
- Advice/Assistance,
- Performance Management

### ***Functional Management Direction***

The direction element of functional management is embodied in the authority delegated by senior management of an organization to functional managers to be the accepted source of expertise and information in designated specialties. In effective FMGM, these functional managers are given the authority by senior management to give direction to other managers pertaining to procedures, practices and priorities that relate to their specific area of knowledge. This direction usually takes the form of legislative, regulatory, policy and management frameworks as well as the formulation of national operational priorities that are approved by senior management and promulgated to line management. The development of this direction is not done in isolation. To be effective, functional direction must be developed in consultation with line management.

Line authority can be defined as the authority to issue commands, to exact accountability and to discipline for violation. Functional authority is as binding as line authority, but it does not carry the right to discipline for violation. In cases of violation of functional direction, functional managers advise the manager in question, as well if necessary advise the next higher level of supervision. In this scenario for example, ADMs would discuss any issues or problems with a Regional Director General (RDG) and if no resolution was forthcoming, bring the matter to the attention of the Deputy Minister. Although this approach to addressing functional issues is clear in theory, its application in practice often proves difficult.

### ***Functional Management Advice/Assistance***

The second basic element of functional management is the provision of advice and assistance. This advice and assistance can take many forms and be directed towards all levels in the organizational hierarchy. The most common form of formalized ongoing “advice” are guidelines developed by functional managers to assist other managers in carrying out their responsibilities. Functional managers also provide other managers with ad hoc advice and assistance as required. Functional managers in large organizations normally have a significant knowledge and understanding of procedures and practices associated with their functional area. Effective functional organizations have good corporate memories; have learned from past successes and failures, and are therefore in a position to coordinate the sharing of best practices.

Functional managers are relied upon to provide senior management in their organizations with advice and support. This can take the form of monitoring and reviewing specific operations or proposals on behalf of senior management; representing the overall organization on various committees and associations or participating in the staffing process to fill senior positions in a functional area. Functional managers may be directed by senior management to undertake the management of certain programs or systems which can most effectively and efficiently be managed and coordinated nationally or regionally

### ***Performance Management***

A third key component of Functional Management is Performance Management. Functional managers, have the responsibility to actively monitor their functions at all levels in the department. In many departments this involves a range of activities including regular communication with all functional managers across the department, the use of internal audit reviews or other periodic reviews, and monthly operational and financial reporting. This active monitoring by functional

managers is designed, not only to identify issues, problems and corresponding remedial actions, but also to facilitate the timely sharing of best practices that are developed within the organization.

### **3.1.3 Points of Integration**

A significant decision for any organization is to determine where the activities and functions of the organization are to be integrated. In theory, all the departmental activities are integrated at the Deputy Minister. In large, geographically dispersed organizations like DFO, functions and activities are integrated at the regional level under the Regional Director General (RDG) who reports directly to the DM. In each region, subordinate functional authorities reporting to the RDG, support the development and implementation of national functional direction. DFO has also created another point of integration reporting to the RDG at the Area Director level, for functions such as Fisheries Management, Oceans and Small Craft Harbors.

Some Federal Government departments like Human Resources and Development Canada, Public Works and Government Services Canada and Industry Canada have integrated the Regions under an Associate DM or Senior ADM of Operations in order to reduce the span of control for the DM and to facilitate consistency of regional service delivery. In effect they have created a Chief Operating Officer to support their DMs who are analogous to Chief Executive Officers.

### **3.1.4 Why Choose a Functional Management Governance Model**

Large organizations such as federal government departments make conscious decisions on the best type of governance model for their organizations. Departments are complex organizations. The more complex, the greater the tendency and the requirement for functional specialists to support the department in the attainment of its objectives. The reasons that many choose a FMGM include:

- The department wants to delegate certain activities to a geographic area to allow for local input and representation. This creates a single “voice” for the organization to speak outwards to its “community” and, alternatively, it permits a single window through which citizens/ customers of the organization can contact the organization for service.
- The desire to improve service by pushing operational decision-making closer to the stakeholders for better and faster anticipation and response.
- The desire to delegate certain activities in order to focus on unique or special stakeholders, or clients. Examples of stakeholders may include provincial governments, fishers’ associations, etc.
- The acknowledgement that different skills/competencies are managed differently. Certain professions have a “community of interests” that can be better supported through a functional organization. In such instances, best practices can be more easily shared or personal development programs managed that are unique to the technical needs of the group.

The above rationales for selecting a FMGM are all applicable in the past decisions by DFO senior management to choose this model as the basis for the DFO Management Model. This includes the more recent decision to extend these governance concepts of functional management to the creation of the Area Directors in each Region. The initial findings of the Departmental Assessment and Alignment Project (DAPP) concluded that - “The current governance model is probably the best alternative for a department as geographically dispersed as DFO”

### **3.1.5 Factors Contributing to the Success of Functional Management Governance Models**

There are several key factors, which contribute to the successful application of the FMGM in any organization. These are Supportive Management Culture; Clarity of Roles; Expertise of Functional Managers, Appropriate Application of Functional Direction and Effective Planning Processes.

This review focussed primarily on the planning processes. The other key factors contributing to the successful application of FMGM were not analyzed in detail because they were outside the scope of the Review. The Review Team has, however, made some general observations pertaining to these factors based on information gathered during the Review.

#### ***Supportive Management Culture***

The higher the mutual support, trust and respect among managers, the easier it will be to institute functional management within the management group. As a special assignment, the fall 2002 Management Development III class reviewed the DFO Management Model. A key finding of this review was the importance of organizational teamwork, fairness, trust, respect, transparency and leadership in order for the FMGM to succeed in DFO. Few organizations today can be successful on an ongoing basis if the organizational culture does not demonstrate these values. The Department should continue its efforts to foster these values as recommended by the Management Development III class.

#### ***Clarity of Roles***

It is key to the success of any management model that all members of an organization have a clear understanding of their roles, responsibilities, authorities and accountabilities. This is particularly true given the complexities inherent in a FMGM.

The review team found that the DFO Management Model clearly describes the theoretical roles of departmental functional managers in relation to line management, especially the relationship between functional ADMs and RDGs. During the course of the review, we found that even the relatively new Area Director addition to the DFO Management Model is becoming better understood because all regions have created, or are in the process of creating, basic accountability agreements which describe in detail the relationship between areas and functional management groups at the regional level. The survey of DFO managers taken during the course of this review found that managers rated their understanding of their role in relation to others in the organization at 3 out of a maximum total of 5. This finding supports the findings of the DFO Modern Management Practices Assessment (March 2002) which found “generally, Headquarters and Regional managers have a clear understanding of their respective roles and responsibilities”

We are of the opinion that any perceived lack of role clarity in DFO, especially between headquarters and the regions, can be attributed more to the overall financial instability that has existed in the Department over the last several years. For example, regional managers understand that the role of headquarters functional managers is to provide national direction on key sector policy or national system implementation. They understand that when specific resources are identified in the allocation to undertake specific initiatives that their role in the regions is to implement these initiatives. However, in some instances when the overall resource allocation to a region is significantly less than what is required to implement all priority and ongoing initiatives and activities, regional decisions are made which, on occasion, set aside national direction in order to fund what a region perceives as

necessary core activities. The frustration associated with the fiscal situation has led to resource and program decisions being taken at the regional level which are not always made with the appropriate input, involvement and support of Headquarters Functional ADMs. This breakdown in co-operation and trust is aggravated by a breakdown in the accountability processes associated with overall DFO planning and performance reporting.

### ***Expertise and Capacity of Functional Managers***

Exercising functional authority is not simply a matter of establishing regulations, policies, standards and guidelines that prescribe what, and in some cases how, managers should perform functional activities. For functional managers to effectively exercise functional authority they must have expertise and capacity in their functional areas, be good communicators and team builders, and have an understanding of the operational environment where their functional direction and advice have impact.

It is outside the scope of this review to assess the expertise and capacity of DFO functional managers. However a concern expressed by some headquarters functional managers was the difficulty in attracting and maintaining a full complement of functional specialists in the National Capital Region (NCR), especially those with regional experience. This was also a finding of the DFO Modern Management Practices Assessment (March 2002) – “A degree of difficulty exists in obtaining the needed support from specialists at headquarters”. There is, however, a growing recognition amongst the DFO functional community that the focus of functional policies, standards and guideline development does not always have to reside in an NCR-based functional organization. For example, the Technology Innovations Initiative of the Fisheries Management Sector has engaged all regions in researching and refining specific technological systems to support Fisheries Management operations throughout DFO.

Other examples of the creation of a functional community approach to functional management are the active sharing and cooperation being promoted in the Integrated Technical Services Branch of the Canadian Coast Guard (CGG); the greater co-operation and sharing of best training practices being adopted by the Habitat Branch of the Oceans Sector, and the development by the Maritimes Region, (with the support of the headquarters Information Management and Technology Services Directorate), of national DFO standing offers for the procurement of work stations, personal digital assistants and cellular telephones. This trend to involving the broader DFO community in supporting the development and provision of national functional direction and support should continue to be fostered and encouraged in the Department.

During the course of the review we were made aware of significant deficiencies in the finance related functional direction, advice and support provided by the Headquarters Corporate Services Sector. Given the direct importance of the financial function on governance processes in the Department, the Review Team surveyed DFO Headquarters and Regional management and staff as to the extent to which interviewees felt Headquarters Corporate Finance provided value-added support. This survey found that Headquarters Corporate Finance Directorate support to the Department was rated at a very low 1 out of a possible 5. This low rating can be directly attributed to the significant lack of capacity and experience in the current Headquarters Finance organization. During the past 12 months over 20 financial officers have left DFO to join other departments. This has resulted in a loss of over 100 person-years of valuable financial experience to the Department. The current senior management in the Corporate Services Sector who are accountable for this function are endeavoring to determine the

root causes of this significant staff attrition problem in order to restore expertise and capacity to this key functional specialty.

### ***Appropriate Application of Functional Direction***

The application and practice of functional management does not necessarily remain static over time. Functional management can vary in orientation from a focus on direction to one of advice, assistance and guidance. Organizations that successfully operate under a FMGM recognize when it is appropriate to achieve consistency in operational delivery practices and when the environment warrants a more flexible approach, which recognizes unique and differing circumstances.

Organizations generally create very prescriptive functional direction via policies and standards and specific priority direction to cover those operational areas that impact safety and security or lead to the establishment of legal precedents. More commonly, however, organizations will recognize the importance of providing specific functional direction to the organizational operational/delivery components to achieve greater consistency of service delivery to clients. This is especially true for federal government departments like DFO where clients may avail themselves of similar services from different parts of the Department and reasonably expect to receive common types and levels of service no matter what point of entry to the Department they choose. In addition, when organizations have limited resources it may be more appropriate to promulgate more specific functional direction pertaining to operational practices to take organization-wide advantage of the most effective and efficient operational practices.

### ***Effective Planning Processes***

The single most important element contributing to the successful operation of a FMGM is the presence of effective corporate/departmental planning processes with the associated measurement systems to link actual performance to plan. Effective planning processes are important to any governance model but are even more critical under a FMGM. Without the existence of line authority over the majority of the delivery activities of an organization, functional managers must rely on a robust corporate planning process and accountability frameworks to ensure effective program delivery. The DAAP has also emphasized the importance of effective planning and accountability systems to the effectiveness of the FMGM. – “Weaknesses in resource planning, resource management and accountability systems contribute to the difficulties of the FMGM in DFO”.

Organizations which effectively operate under a FMGM have planning processes which clearly identify organizational priorities and accurately reflect these priorities in the plans for each functional area as well as in the plans developed to deliver the functional elements of the overall program. Once the planning process makes it clear as to what is to be completed by both functional and line managers and there is an acknowledged commitment to achieving the plan, then managers at all levels can understand their accountability and be held accountable.

The Review Team found that the overall corporate planning process in DFO is not effective in ensuring that corporate, functional and regional priorities are adequately identified in a manner which would facilitate the creation of effective accountability frameworks. Early recognition of this fact was a key determinant in framing the focus of this review around governance processes. The remaining sections of this report specifically address the issues and problems pertaining to the DFO planning process. In addition, potential improvements to the planning process, based on identified best practices, are offered.

## 3.2 Departmental Strategic Planning

### 3.2.1 Findings

*The annual Strategic Plan is considered to be value-added to the Department. However the overall strategic planning process does not adequately address the impacts of implementing the change agenda initiatives identified in the Strategic Plan on current ongoing/core activities.*

The first key component of the DFO planning process examined during this review was the strategic planning process. However, this process was not reviewed in detail because the current DFO Strategic Plan and the departmental Performance Reporting and Accountability Structure (PRAS) are undergoing revision in conjunction with the DAAP.

The first DFO Strategic Plan was formalized under the coordination of the Policy Sector in 2000. The departmental Strategic Plan articulates key departmental strategies and priorities for a three to five year time frame. An annual Environmental Scan is coordinated by the Policy Sector to identify changes in the overall political and social-economic environment that could have a potential impact on the strategic direction of the Department. The Environmental Scan is reviewed by the Policy Committee of DMC. To date, the Strategic Plan itself has not been subject to change. However, this annual process has been used, to some extent, as an opportunity to clarify and confirm the strategic direction of the Department.

The Review found that there is general satisfaction with the DFO Strategic Plan, with a Value Rating of 3.5/5 among the interviewees.

However, concerns were expressed by several departmental senior managers that the Department's strategic planning process is overly focused on change agenda items. The process generally does not provide an assessment of the implications of change initiatives on current operations. Implementing new priorities often requires the redeployment of resources from existing activities to new activities if additional resources are not provided. There is no ranking of departmental strategic priorities to identify which are more important. This leads to difficulty and inconsistency in the subsequent sector and regional planning steps because it is not clear which choices should be made if priorities have to compete for scarce resources.

### 3.2.2 Opportunities For Improvement

*There are opportunities to increase the effectiveness of the Strategic Planning Process through incorporating a risk-based prioritization of key Change Agenda and Ongoing/core initiatives.*



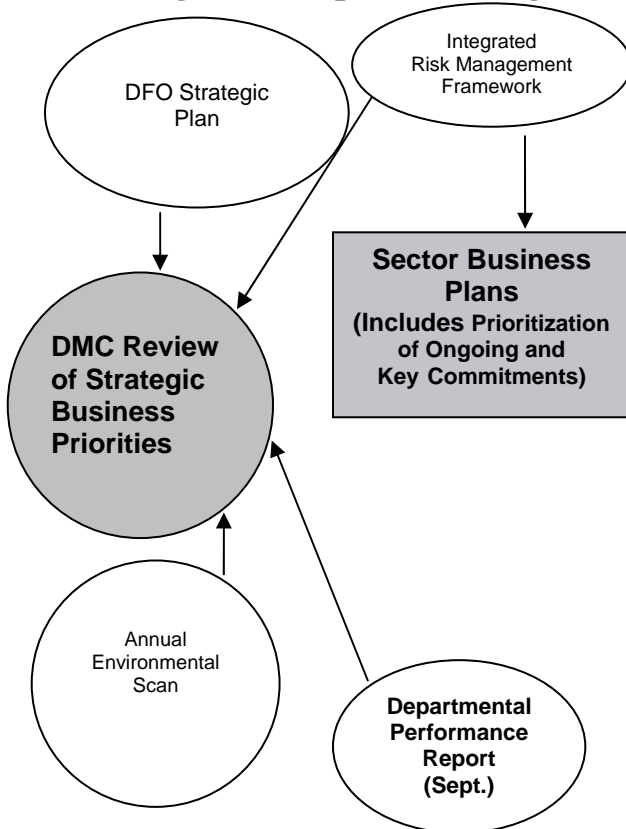
**Figure 1 Proposed Strategic Planning Process**

Figure 1 illustrates the proposed strengthened planning process at the strategic planning level. The proposed process would be very similar to the existing process. However, there would be some modifications. The annual DMC review of strategic business priorities would be a more formalized and rigorous annual strategic planning review process based on an application of an Integrated Risk Management Framework applied to key strategic departmental and sector priorities.

The review of priorities would focus not only on change agenda items, but also on existing key core activities. This increased review and focus on strategic ongoing, as well as change agenda priorities would provide clearer guidance and direction to the sector business planning process, especially pertaining to the potential requirement for resource tradeoffs, either within sectors, between sectors, or between regions. The current annual DFO “Pressures Exercise”, which addresses the requirements for redistributing resources between sectors and/or regions, is undertaken as part of the final allocation process. This is a postscript to the formal strategic planning and business planning.

processes. There is the opportunity to make this resource redistribution process an integral part of the planning process by making it part of a risk-based review of departmental Strategic Business Priorities.

### 3.3 Sectoral Business Planning

#### 3.3.1 Findings

*Current Sector Business Plans tend to focus on specific change agenda items; they do not provide sufficient direction on the relative priorities of ongoing, core activities.*

The second key component of the DFO planning process involves the development of business plans for each of the Department’s Sectors. These plans set out sector level priorities, providing linkage to the Strategic Plan. The plans also identify the initial estimate of resources (Notional Funding levels) to be allocated to each region and headquarters for sector related activities.

In an analysis of Sector Business Plans, the Review Team found Sector Business Plans set the broad directions for a given sector, focusing on change agenda initiatives, challenges and general funding pressures. The Sector Business Plans are the primary input to the current regional business planning process. Sector Business Plans are viewed by DFO managers as being of value as planning instruments.

However, as was the case with the departmental strategic planning process, the focus in the Sector Business Plans is on change agenda/key commitment initiatives with little consideration given to the relative prioritization of ongoing A-base activities. New priorities often require the redeployment of resources from existing activities to new activities. Without clear sector-level direction on the relative prioritization of ongoing activities, tradeoffs, necessary among competing priorities, will be done almost exclusively at the regional level with a resulting loss of national program consistency. The Review Team noted several instances where funds identified for application to specific national priority initiatives were utilized elsewhere in regions to offset funding pressures on existing programs. In a sense, Sector Business Plans describe what the sector could do if there were enough resources to do everything. They are less useful in helping senior regional managers decide what to do when resources are not sufficient to do everything.

The sector business planning process does not formally commence until the call letter for the departmental Business Plans is issued by the headquarters Finance Directorate. This formal commencement of the process usually occurs in late November to early December once the Treasury Board Secretariat confirms the DFO Annual Reference Level Update (ARLU). This late November/early December start to the business planning process creates a process that continues into the January/February timeframe, and results in the allocation process not being finalized until well into the new fiscal year. The integrity of the planning process is severely compromised when the resources to effect the plans are allocated months after the fiscal year has started.

In addition, Sector Business Plans often provide notional funding levels to the regions that are significantly less than the levels that will ultimately form the basis of regional allocations. Regional Business Plans are based on these notional resource levels. Analysis of Sector notional resourcing levels contained in the Sector Business Plans (excluding capital), compared to the resourcing levels of the same fiscal year allocation, reveals that the notional levels are 20% to 30% less than the final fiscal year allocation. The notional levels have historically been less because the final disposition of several categories of planned expenditures (CCG ship refit, Grants and Contributions) are not finalized by headquarter sectors at the time the Sector Business Plans are completed. Planning to resource reference levels that are significantly lower than the ultimate allocated levels significantly inhibits the regional planning process.

### 3.3.2 Opportunities for Improvement

*Sector Business Plans should express ongoing/core activities, as well as change initiatives in terms of Performance Measurement Frameworks and include a risk-based prioritization of key ongoing activities and change initiatives.*

Given the current financial constraints facing the Department, a key requirement of DFO Sector Business Plans is to clearly identify the relative priorities of all key activities and initiatives. This would allow for a common national understanding of the importance of both new initiatives and existing program activities. From this perspective, the appropriate tradeoffs between competing priorities could more adequately be addressed. The application of an Integrated Risk Management Framework, based on common departmental standards, to each sector's activities/initiatives would provide the guidance required to ensure the risk assessment process was consistent across all sectors.

A necessary step to prioritizing ongoing/core sector related activities is to establish an agreed upon statement of these activities. There are examples in DFO where organizations have begun to define their ongoing activities in terms of what can be termed “Performance Measurement and Accountability Frameworks” (PMAF). These are frameworks that define roles, responsibilities and accountabilities for activities, linking these activities to their respective outputs and outcomes through a framework for performance measurement. This way of defining an organization’s activities is also an integral part of the Results-based Management and Accountability Frameworks (RMAFs) which is a required step in the formal Program Evaluation process.

The Pacific Region is developing PMAFs for all activities being undertaken by area offices. The intent of these frameworks is to define the roles and responsibilities of area and regional functional manager and to identify what each is accountable to deliver on. The PMAF will also provide descriptive statements on how results will be measured. The Habitat Directorate of the Oceans Sector, in collaboration with the Pacific Region, is also working on a similar framework to identify all relevant Habitat activities, linking them in a logic model to the program outputs, and the intermediate and long-term outcomes to which they contribute. As is the case with the Pacific Region, the Habitat framework will also contain an output/outcome performance measurement strategy for all identified activities.

At the national level this PMAF approach will be used by Habitat to describe the roles, responsibilities and accountabilities between headquarters and regions. Headquarters Habitat management, in consultation with regional Habitat functional and delivery management, will prioritize these activities to provide regions with guidance on which activities should be emphasized and where regions could reduce or eliminate effort in order to re-profile resources to higher priority initiatives. Appendix A presents an excerpt from the Pacific Region’s PMAF as it pertains to a sample of Habitat activities.

This approach to defining program activities using PMAFs at the national level, coupled with the national prioritization of these activities, would help ensure the Habitat Program is defined and delivered in a consistent way in all regions. It also will assist regions and sector management at headquarters in agreeing on accepted measures of performance and methodologies for obtaining performance data.

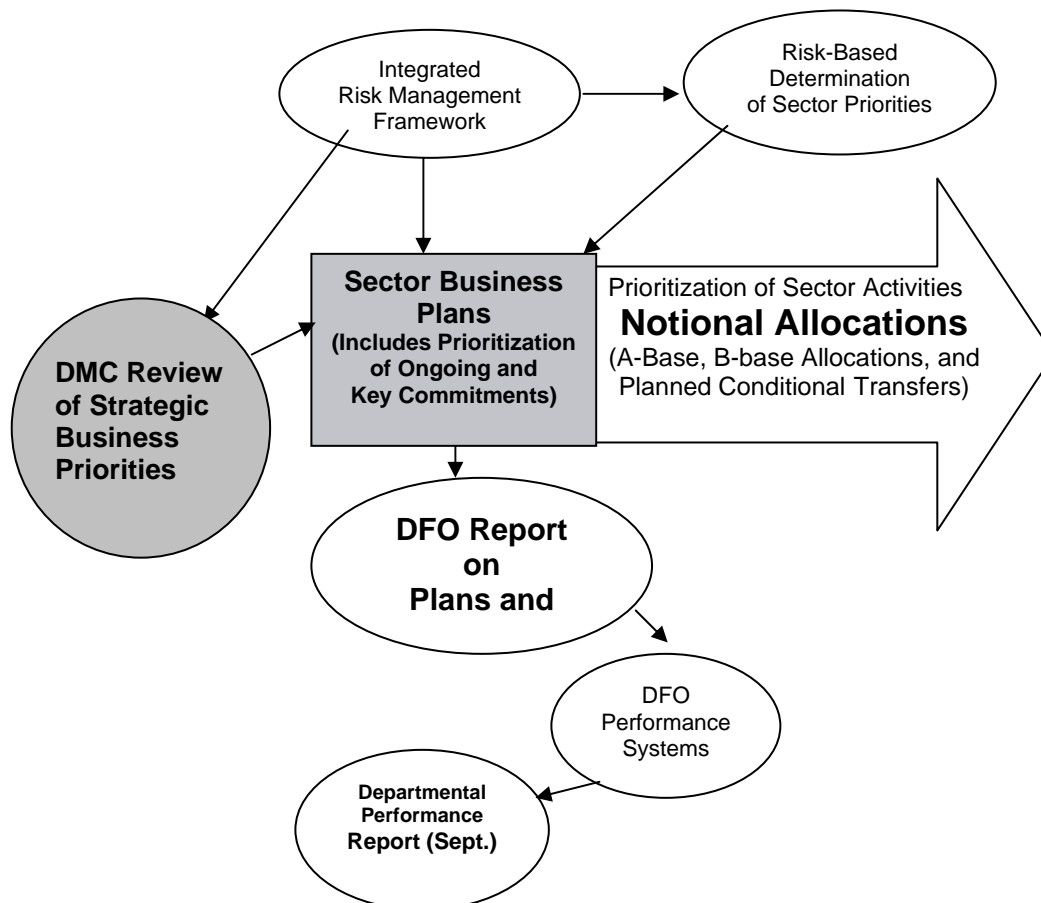
The development of PMAFs describing all relevant DFO activities, nationally prioritized in terms of their relative importance to the attainment of departmental outputs and outcomes, would provide the Department with a strong foundation for sector business planning as well as follow-up regional business planning. To avoid duplication of effort and promote consistency, this initiative would best be coordinated at the headquarters sector-level with the active participation of all regions. As is the current practice, the development of Sector Business Plans would be undertaken to ensure that integration opportunities between sectors would be reflected in the plan. The work already completed by several organizations in DFO could be incorporated into this initiative.

The value of Sector Business Plans could be enhanced in terms of the overall departmental planning process if the development of Sector Business Plans commenced in late September rather than late November. This would help ensure that regional planning processes, which are driven by Sector Business Plans, could be completed and approved by February, allowing the resultant resource allocations to be distributed at the beginning of the fiscal year. Even though the official Treasury Board Secretariat Annual Reference Level Update for DFO is not approved until November, relatively accurate estimates of the reference levels are available in early October. In addition, the notional resource levels included in the Sector Business Plans would more effectively support

regional planning if they were as representative as possible of the ultimate resource levels to be allocated. The inclusion of all expected resources in the notional levels, including those identified as conditional, would significantly contribute to the integrity and value of regional planning.

Figure 2, below provides a high-level depiction of the proposed DFO sector business planning process. Sector Business Plans would be guided by the direction received from the Annual DMC Review of Strategic Business Priorities. The ongoing and change agenda initiatives of each Sector Business Plan would be stated in terms of Performance Measurement and Accountability Frameworks (PMAFs). Headquarters sector staff and their regional functional counterparts would work together to prioritize the activity elements of these frameworks using an agreed upon Integrated Risk Management Framework. The prioritized sector activities as described in the Sector Business Plans, along with the supporting notional resource allocations, would be sent to each region as the foundation for the development of regional plans.

**Figure 2: Proposed Sector Business Planning Process**



The dialogue between headquarters and regions to develop the Sector Business Plans would help build a shared understanding of, and agreement on:

- responsibilities, accountabilities and performance measurement
- relative priorities of ongoing/core activities in relation to new initiatives
- the range of current and emerging pressures and issues affecting the sector
- potential implications for ongoing/core activities
- resource allocations for each sector at the regional level.

In this way, sector plans would include the key elements required to form accountability agreements between the headquarters sectors and the regions, highlighting key change agenda and ongoing initiatives that should be the focus of effort in the up-coming planning years.

### **3.4 Regional Planning Processes**

#### **3.4.1 Regional Business Plans**

*Regional Business Plans are seen as having limited relevance at either the regional or headquarter levels.*

The third key component of the current DFO planning process is the regional business planning process. The review identified significant problems and concerns associated with DFO Regional Business Plans. Managers interviewed at both the regional and headquarters levels rated Regional Business Plans as only **1.5/5** in terms of value to the planning process. This finding is confirmed by the initial findings of the DAAP – “Business Planning is commonly seen as an exercise in form filling unrelated to resourcing decisions or accountability.”

Regional Business Plans are high-level planning documents that are framed around the attribution of Business Line costs to departmental Strategic Outcomes. Regional Business Plans were found to be similar to the current Sector Business Plans in that they tend to focus on change agenda initiatives, challenges and funding pressures. The language is often vague and at a very high level. The lack of specifics makes it difficult to determine what is really going to be completed in a given year. The following are examples of descriptions found in regional plans:

- Provision of fleet resources (ships, aircraft, trained personnel) to support assessment monitoring and research.
- Support science agreements with the provinces.
- Conduct research and undertake stock assessments on selected species, and provide scientific information and advice for the conservation and management of fishery resources and habitats.

These descriptions do not identify what is to be achieved, when, how it will be achieved, or how much it will cost. This essentially leaves the service delivery component in the organization with limited operational direction. It also makes accountability for specific activities/outputs very difficult.

We found no evidence in the formal Regional Business Plans of the risk-based prioritization of change agenda /key commitment initiatives and ongoing/core activities to identify necessary tradeoffs to ensure the highest priority activities are addressed within the available resource envelope.

The interviews conducted in this review demonstrated that, in most cases, what is identified in the Regional Business Plans is not fully achievable given the resource base. This means that some planned items will not be delivered during the course of the year. The question then arises: which items will be omitted? As noted above, this decision is usually made at the regional or even local Responsibility Centre level, creating a number of important accountability and national consistency issues.

Regional Business Plans are not the result of thorough examination of the resource capacity of a region to deliver on the ongoing and change agenda initiatives identified in the plan. The fact that the notional funding levels used in these plans understate the true, ultimate resource allocation contributes to this lack of precision. A more detailed analysis of resource capacity to deliver program elements is reserved for regional operational planning which is undertaken subsequent to the creation of Regional Business Plans. It is only during regional operational planning that regional managers can more accurately assess their capacity to deliver the planned change agenda/key commitment initiatives along with the ongoing/core program activities. Financial pressures and challenges associated with previously un-funded or under-funded initiatives, and the overall fiscal shortfalls cited in Regional Business Plans, are often the only aspect of these plans that has linkage to the more detailed analysis from the operational planning process.

In summary, managers in Headquarters do not find Regional Business Plans to be informative in terms of the regional planned actions, and they therefore make little use of them. The attribution of Business Line planned expenditures to Strategic Outcomes contained in the Regional Business Plans is not used as input to the Report on Plans and Priorities (RPP). Most regional staff view the creation of the Regional Business Plan as more of a compliance exercise responding to headquarter direction as opposed to a practical management tool.

### **3.4.2 Regional Operational/Delivery Planning**

Regional operational planning assesses the regional delivery capacity and ongoing requirements against new initiatives to determine what will actually be performed in a given year. Resource shortfalls occur frequently (i.e., not enough resources to meet both existing program requirements and new initiatives). Choices are made at the regional level between competing demands without a clear picture of the importance of one priority versus another. The assessment and ensuing tradeoffs are not generally well communicated to headquarters sector functional managers. Therefore they do not have a good understanding of what will or will not be achieved during the year. This leads to situations where headquarters management thinks a given priority is going to be addressed but the regional local delivery level may have decided not to address the priority. This causes confusion and a lack of commonly understood expectations as to what will be achieved in a given fiscal year.

Currently, all DFO organizations, whether at the headquarters or regional level develop various forms of operational workplans. Organizations such as the regional CCG Fleet, Integrated Technical Services and Marine Aids, as well as Science and Small Craft Harbours, have historically developed very detailed, formal Operational Plans which describe at the regional sector level, activities planned to be undertaken in the upcoming fiscal year. These plans are based on the expected fiscal year allocation. In other regional organizations, operational workplanning is often less formalized and undertaken at the local Responsibility Centre level, with little evidence of formal operational plans. Direction and guidance on operational priorities from regional sector functional managers is, in these cases, often conveyed by Records of Decision from operational planning workshops.

### **3.4.3 Opportunities for Improvement**

#### ***3.4.3.1 Overview***

The most significant problem to be addressed in the regional planning process is how to create an accountability framework between the regions and headquarters sectors to help ensure that there is visibility and clarity around activities/initiatives that are to be undertaken to achieve agreed to departmental goals and outcomes.

The introduction of the Area Model in 1999 created, at the regional level, the same kind of functional/line relationship as currently exists between headquarters and regions. The model establishes a separate delivery process for selected functional areas of the Department, thus de-linking them from traditional regional line accountability.

The review confirmed earlier findings with respect to attitudes towards the Area Director model. Some managers believe the model is not cost effective and that it undermines regional authority, or that it simply inserts a new layer of management into the Department's structure. The majority of managers, however, appear now to support the concept, stressing the benefits in helping DFO better serve Canadians and work with its partners.

Most importantly, managers believe that the Area Director Model has created an urgent need to clarify and articulate the accountabilities of area directors and regional functional managers. This need, in turn, requires a reconsideration of the tools now in place within the Regions to promote accountability.

There are a number of examples in all DFO Regions of Areas working with regional functional management to identify during the operational planning process, accountability agreements to deliver on regionally agreed to, ongoing and change agenda priorities. The following are brief descriptions of some of these initiatives:

#### ***Lower Fraser Area, Pacific Region - Conservation and Protection***

The Conservation and Protection(C&P) organization of the Lower Fraser Area, Pacific Region undertook a risk-based prioritization of the activities in each of its three detachments. The risk-based analysis of priorities was done on the basis of limited guidance from regional functional authorities and incorporated issues and requirements that were identified from an Area as well as a detachment perspective.

An Operational Delivery Plan was developed for the C&P function in the Lower Fraser Area which identified the activities and initiatives that were planned to be undertaken, as well as, those activities/initiatives which were deemed to be of lower priority that would either not be addressed, or addressed in a less active manner than had been the case in past years.

This plan was forwarded to regional C&P functional managers to inform them of the specific commitments that the Area was making to deliver on activities/initiatives related to the C&P function. Regional C&P functional managers saw the value of this risk-based approach to determining priorities and have adopted this planning methodology for all C&P activities across all Areas in the Pacific Region.

### ***Great Lakes Area – Central and Arctic Region***

The Great Lakes Area is finalizing the development of a planning process that prioritizes change initiatives in the context of ongoing/core activities. The result will be a delivery plan, which identifies the Area's key operational priorities and implementation strategies. This process recognizes the importance that change initiatives have on improving the efficiency and effectiveness of ongoing/core activities. It also recognizes that unless change initiatives are funded by additional resources, they must be undertaken by using resources within the overall A-base of an organization. A-base activities will be prioritized and examined to determine whether there are opportunities to fund change initiatives through reducing intensity and level of effort in the delivery of ongoing/core activities. The prioritization of change initiatives identifies which lower priority initiatives could be scaled down and undertaken over time, or deferred in their entirety. The delivery plan would be developed by the Area in consultation with Regional functional management and would form the basis of Service Level Agreements (SLAs) which describe the specific deliverables that the Area is committed to deliver.

To avoid duplication of effort in undertaking change initiatives, the Great Lakes process dictates that there be a check within the Region and at the headquarters sector level to determine whether any other organization is undertaking a similar initiative. If no other organization is involved in similar work, the Area would proceed with assigning the initiative to an Office of Primary Interest (OPI) in one of the District Offices of the Area. This OPI may involve staff from other districts as members of an Action Team to complete the initiative on behalf of the Area.

This approach to avoiding duplication of effort and encouraging the sharing of best practices is not the standard way of operating in DFO. Many excellent initiatives in the Department remain isolated in their development, making duplication of effort and the sharing of best practices more a matter of coincidence as opposed to planned business practice.

### ***Eastern and Southern Area – Newfoundland Region***

The Eastern and Southern Newfoundland Area office has modified its operational planning process to apply the available resources to a risk-based prioritized list of ongoing and change initiatives. Area managers identify priority initiatives that can be delivered within the allocated resource envelope through discussion with regional functional managers, who represent the various functions delivered by the Area. Once agreement is reached, a Service Level Agreement (SLA) is drafted which identifies the priority of ongoing and change initiatives to be delivered by the Area on behalf of the regional functional authorities. Mid-year and end of year performance reports, outlining progress made in delivering the initiatives identified in the SLAs, are produced by the Area for each Regional functional manager. This approach to planning and accountability, supported by the development of SLAs, is also being considered for application in the remaining two area offices of Newfoundland.

### ***Fisheries Management – Maritimes Region and Headquarters Conservation and Protection***

All regions practice some form of risk-based management of regional fish stocks linked to the policy on Objective Based Fisheries Management. The Maritimes Region Fisheries Management organization has gone further and has developed a comprehensive risk model which is designed to be applied to the different fisheries and fisheries management activities in the Region to determine the relative importance and priority of each fishery and activity. Such factors as catch landing



information, scientific data on the health of individual fish stocks, number of licenses issued, violations and the success rates of prosecutions are included in the model.

The Headquarters Conservation and Protection Branch is also leading the development of a National Compliance Strategy for fish and fish habitat that builds on the work being undertaken in the Maritimes Region. The goal of this initiative is to create a model and approach that can be used by regions to identify clear priorities for compliance and enforcement activities. This would facilitate the delivery of more strategic regional compliance and enforcement programs that focus on the highest risks/threats to the sustainability of fish and fish habitat.

The risk-based prioritization of activities generated through these models, will assist regional functional management to develop SLAs with the area offices which will focus on delivering highest priority initiatives. This model recognizes that DFO staff do not have sufficient resources to undertake all activities that contribute to the successful management of the fisheries. By determining which activities mitigate the greatest risks to the regional fishery, the Region expects to be able to focus scarce resources in the most cost-effective manner.

### ***Canadian Coast Guard – Newfoundland Region***

Another example of a DFO organization using risk-based planning techniques to link organizational priorities to resource capacity to deliver, is the Canadian Coast Guard (CCG) of the Newfoundland Region. Although this example does not involve the creation of SLAs between area and regional functional managers, the various operational components of the CCG do develop SLAs amongst themselves. For example, Fleet and Marine Programs have SLAs, as well as between Fleet and other Sectors, such as Science.

During the 2003/04 business planning cycle, the CCG Sector of the Newfoundland Region developed a Delivery Plan which identified the operational program that could be delivered by the Regional CCG organization given the expected resources that would be available in the upcoming fiscal year. Through a series of workshops, ongoing and change initiatives were prioritized, identifying those initiatives which would have to be curtailed or eliminated in order to adequately fund the execution of priority initiatives. This plan also identified the impact and risks of proposed service level reductions and offered strategies to mitigate identified impacts.

This approach to risk-based delivery planning was not developed as part of a national CCG planning strategy. The integration of this planning methodology is being reviewed by the CCG Headquarters Integrated Business Management Directorate for potential application nationally.

### ***Regional/Area Service Level Agreements***

*Service level agreements (SLAs) are emerging as the predominant form of accountability agreement between area offices and regional functional managers.*

Generally speaking, SLAs are at an early stage of development. In their first iteration, SLAs have tended to be essentially job descriptions, focusing on the roles between the parties associated with the SLA. Some SLAs, such as those examples described above, are now incorporating specific expectations linked to measured outputs and outcomes. In addition, these SLAs are adopting a risk-based approach to determining management commitments, and linking the decision on commitments to the resource capacity to deliver on them. These are good management practices and are important steps as the SLAs evolve into identifying specific performance goals.

The above are but a few examples demonstrating the progress that has been made at the regional level in the development of accountability instruments. These instruments have been designed to create accountability in the presence of the functional management governance model that exists between the area offices and functional managers in the regions. To date, most of these initiatives remain isolated. There is a concern that other area offices and Regions may undertake similar efforts without benefiting from experience of others and therefore duplicating effort and wasting scarce resources. A national departmental approach to the development and implementation of planning processes that support accountability based on the sharing of best practices would greatly expedite the implementation of much needed improvements to departmental planning.

*Accountability contracts can address the missing link in promoting accountability: the relationship between regions and headquarters functional authorities.*

The SLA is a valuable accountability tool. However, if SLAs can facilitate greater accountability between area offices and regional functions, then, by extension, a comparable accountability framework should exist between regions and headquarters to create a common and consistent approach to account for organizational performance. Both sets of relationships need a clear articulation of priorities, activities, outcomes, and performance measures to promote accountability.

The following describes a Regional planning process that would create the same accountability between regions and headquarter sector managers as is emerging between regional functional managers and area directors. This regional delivery planning process would replace the current regional business planning process. This new process would take place in the December through February timeframe.

#### ***3.4.2 Proposed Regional Delivery Planning Process***

- A) The Regional Delivery Plan would be comprised of separate, yet integrated Regional Sector Delivery Plans. The core of these plans would be based on the prioritized statements of ongoing and change agenda initiatives expressed in terms of Performance Measurement and Accountability Frameworks (PMAFs) as derived from the National Sector Business Plans. Regions would also receive their Notional Regional Sector Allocations to be used in the creation of Regional Delivery Plans.

- B) Local regional priorities, (for example, priorities based on Regional client and partner requirements/agreements), would be integrated into the Regional Delivery Plan. The resource impact of regional priorities on the plan would also be identified. Significant nationally acknowledged regional priorities, (for example, the Sea Lamprey Control Program – Central and Arctic Region), would have been previously integrated at the National Sector Business Plan level, rather than applied at the regional level.
- C) These initial Regional Delivery Plans, stratified into sector level plans, would be used to provide direction and guidance to local managers (for example, managers in CCG and Science) and area managers in the development of their operational plans. In the process of developing their local operational plans, area office and local managers would work with regional functional managers to confirm the degree to which they would be able to deliver on the prioritized ongoing and change agenda initiatives identified in the initial Regional Delivery Plan. Where resource capacity limits the ability to deliver on all sector initiatives, area, local and regional functional managers would review their commitment to lower level priorities and propose reduction or elimination of involvement in these lower priority initiatives. This same analysis of capacity to deliver on National/Regional priorities would be the basis for the development of Regional SLAs between regional functional managers and area/local managers.
- D) Once Area/local and regional functional managers have determined their Region's ability to deliver on the ongoing and change agenda priorities, this capacity would be consolidated and summarized in a second iteration of the Regional Delivery Plan. Since the basis of the Regional Delivery Plan would be the ongoing and change agenda priorities identified in the National Sector Business Plans, there would be a high degree of program consistency between the regions. These draft Regional Delivery Plans would identify the primary areas of focus for a region. Where possible they would identify quantified performance targets. The identification of agreed to performance measures would be facilitated since the description of ongoing and change agenda initiatives would be expressed in terms of Performance Measurement and Accountability Frameworks (PMAFs). The plans would also highlight those activities, which the region would recommend be de-emphasized or eliminated in order to focus scarce resources on higher priority initiatives.
- E) Regional functional managers would dialogue with their headquarters functional counterparts to agree on specific delivery commitments in keeping with the priorities identified in the original Sector Business Plans. Where regions identify activities that were recommended to be reduced in terms of effort or eliminated, headquarters would confirm with regions that these proposals were lower priority initiatives and the most appropriate to de-emphasize in order to deliver on initiatives of higher priority. In some instances, this dialogue between regions and headquarters may result in revisions to regional resource allocations if it is determined that some acknowledged high priority initiatives cannot be met within the planned allocation to a region.

The workload standards, (acknowledged resource requirements to complete specified units of work), would add clarity to the dialogue pertaining to capacity to perform priority initiatives. These types of standards are not currently prevalent in DFO, however, several organizations, for example the Integrated Technical Services Branch of CCG and the Habitat Branch of the Oceans Sector are working to create workload standards to facilitate the planning process.

As more DFO organizations develop such standards, the consideration of resource capacity to support the delivery of planned initiatives will improve.

- F) The agreements between regions and headquarters sector management, wherein regions agree to deliver on specific priority initiatives or performance targets identified in the Regional Delivery Plans would be very similar to the SLAs referenced above between regional functional managers and area/local managers. The term “Accountability Contract” is proposed for this type of regional/headquarters agreement. The term “Accountability Contract” has been used by the CCG Headquarters Integrated Business Management Directorate to describe a similar type of accountability agreement under development in CCG. The Accountability Contracts would be signed by the involved Regional Functional Director as well as the RDG indicating regional approval of the commitment to the delivery of the initiative referenced in the Accountability Contract.

There would be occasions when more than one organization would contribute to the completion of activities covered by Accountability Contracts. For example, organizations such as Human Resources, Finance and Information Management and Technology Services often enable other organizations to carry out key functions. These enabler organizations would also be parties to the Accountability Contracts indicating their commitment and accountability to the delivery of specified initiatives.

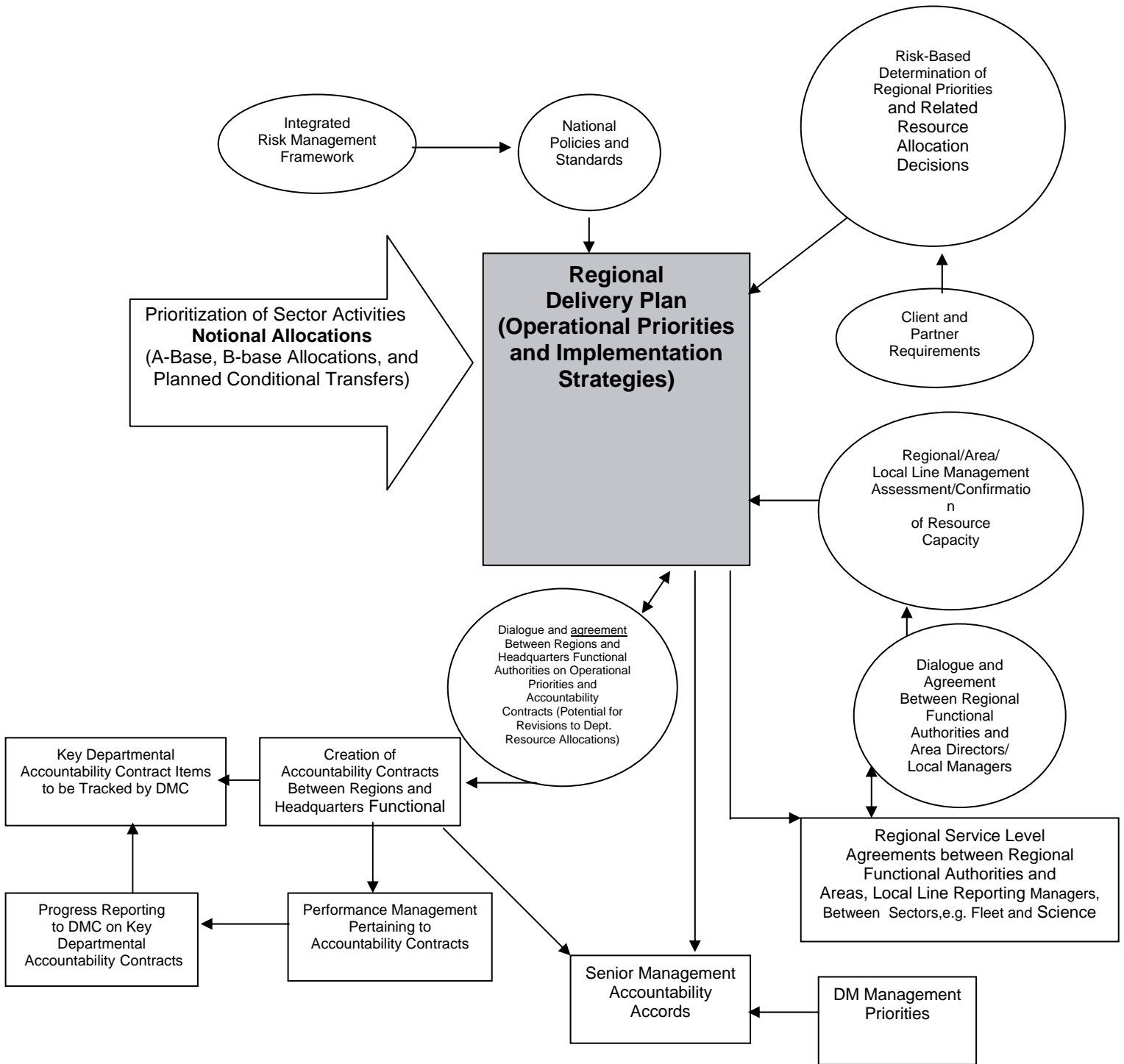
Accountability Contracts would not only be instruments of commitment on the part of regions, but would also be used to specify commitments by headquarter sectors to deliver on those initiatives within the areas of their direct accountability. (For example, the development of national policies, standards, systems and training programs)

- G) An essential aspect of making Accountability Contracts relevant and effective accountability instruments would be the periodic monitoring/measurement of performance. This performance management regime for Accountability Contracts could take the form of semi-annual reports prepared by regions outlining progress made, issues, or problems. This form of performance reporting is currently used by some Area Directors to report progress in meeting the delivery goals specified in their SLAs. Another form of performance management could be for headquarter sectors to organize semi-annual workshops of regional representatives from their functional areas to discuss progress made in meeting the delivery commitments of their Accountability Contracts. These workshops would also be an opportunity to discuss common issues and problems, as well as, share best practices. On-site Performance Reviews by headquarter sector staff could also be a valuable form of active monitoring to confirm performance and share best practices.
- H) The majority of Accountability Contracts would cover delivery commitments between regions and headquarter sector management. Some of these Accountability Contracts, however, would address the delivery of key departmental strategic initiatives. (the completion of which would be of significant importance to all members of DMC.) Progress towards meeting the commitments specified in these departmentally strategic Accountability Contracts would be monitored on a pre-determined schedule by DMC.
- I) The performance and progress in completing initiatives covered by Accountability Contracts would be input to the fall DMC Review of Strategic Business Priorities as valuable information for use in the planning cycle of the upcoming year.

- J) Accountability Contracts would cover key ongoing and change agenda commitments between regions and headquarter functional/sector ADMs. Accountability Accords as distinct from Accountability Contracts are accountability instruments between managers in a line-reporting relationship. These tend to focus on change agenda items and management issues and less on core business activities. Under a planning process that included Accountability Contracts, the primary text of an Accountability Accord would focus on key management priorities. For example, those management priorities directed to federal government departments by the Privy Counsel Office that make up Deputy Minister management priorities to their senior management, could form part of an Accountability Accord. Overarching priorities such as Employment Equity and the creation of a positive work environment are examples of Deputy Minister management priorities in DFO. Accountability Contracts would be referenced as important annexes to senior DFO line manager's Accountability Accords to provide a comprehensive view of all senior management accountabilities.
- K) The success of managers in meeting the commitments identified in Accountability Contracts would be a primary factor considered in the performance appraisals of departmental managers. As such sector ADMs would have input into the performance appraisals of regional executives based on the delivery of Accountability Contract commitments pertaining to their functions. Regional managers would likewise contribute to the assessment of performance by headquarters functional/sector managers in achieving the delivery commitments made by them in headquarters Accountability Contracts.

Figure 3 on the following page, illustrates the proposed regional planning process. This process is based on the establishment of Regional Delivery Plans that would replace Regional Business Plans, and the creation of Accountability Contracts as formalized statements of commitment to program delivery.

**Figure 3: Proposed Regional Planning Process**



## 3.5 Resource Allocation Process

### 3.5.1 Overview

The planning process described above culminates in the official allocation of resources from the Deputy Minister to the regions and headquarters. These allocations are defined by sector. The resources provided to DFO managers in the allocation process should be relatively close to the notional resource levels used in the planning process. The resource allocations to carry out these plans should also be available to managers at the commencement of the fiscal year to which the plans are to be applied. If these two conditions are not met the ability to deliver on these plans is jeopardized.

### 3.5.2 Late Allocation of Resources

A factor which is a key contributor to an effective planning process is the timely allocation of fiscal year resources to implement the plan. In the federal government the fiscal year commences on April 1. A resource allocation process that is supportive of the planning process should therefore complete the resource allocation, on or before this date, to allow managers to proceed with the implementation of their plans with the assurance they have sufficient resources to carry them through.

Although the formal description of the DFO planning process stipulates that the allocations are released by March 31<sup>st</sup> each year, this date is rarely achieved. Over the past two years it has been late June to early July before the DM Allocation has been released to the regions. Regions must then reallocate the resources to regional sector management, who in turn reallocate to operational units such as Area Directors, CCG operational units and Science project managers. In most regions this process usually take two to three weeks. We did observe, however, that in one region, the allocation to the Area Directors was not finalized until late November. This was due primarily to a lack of clarity as to how the administrative and support functions in the areas would be funded. For Fiscal Year 2003/04, departmental senior management was able to somewhat expedite this process, with a preliminary DM Allocation to the regions being approved in late May 2003.

In the absence of an official allocation of funds, most managers interviewed during the Review proceeded cautiously into the new fiscal year on the assumption that their allocation would approximate the allocation of the previous year. Some managers, however, do not go ahead with initiatives because they are uncertain whether they will ultimately be allocated sufficient funds. This can result in lost opportunities to proceed with important initiatives as well as adopting practices, which are very inefficient. For example, in one Area office, the decision to purchase a much-needed vehicle was delayed because of the fiscal uncertainty created by the absence of an official allocation of funds. A vehicle was rented on a regular basis for over six months while awaiting the allocation, the rental cost ended up amounting to a significant portion of the cost of a new vehicle.

The DFO Planning Process commences too late in the fall to assure a timely allocation of resources. In addition, the DFO "Pressures Exercise" (a process whereby the sectors and regions bring forward what are categorized as high priority program activities which are not adequately funded) takes place just prior to the final allocation, further delaying the allocation. The revised business planning process referenced above would begin the planning process sooner, thereby enhancing the prospect of a completed allocation before the beginning of a new fiscal year. In the revised process, priority planning decisions like those made in the current Pressures Exercise would be incorporated as part of the core planning process as opposed to occurring later.

### 3.5.3 Conditional Transfers

The term “conditional transfer” applies to the transfer of funds by headquarter sectors to regions where specific criteria must be met prior to the transfer of the funds. For example, funding associated with most types of grants and contributions are not allocated until agreements have been signed with the recipients. Other forms of conditional transfers relate to operations and maintenance related activities such as the overtime for Fishery Officers in support of Marshall program initiatives.

From a headquarters perspective, conditional transfers are used in an attempt to ensure that funds identified for specific, priority initiatives are applied to those initiatives. Funds that have been set aside to be allocated under specific conditions that have not be utilized, are re-profiled by headquarter sectors to other sector priorities or carried forward to the next fiscal year. One of the common conditions applied to a conditional transfer is the creation of an acceptable plan, which describes how the transferred funds will be used. The Review Team identified instances where delays by regions in developing these plans resulted in conditional transfers not being actioned in a timely manner. Negotiations between regions and headquarter sector management pertaining to the acceptability of a plan can cause further delays.

The consensus amongst regional managers interviewed is that the existence of conditional transfers is an impediment to the successful undertaking of initiatives funded by conditional transfers. Some managers reported delaying activities funded by conditional transfers until they are certain the funds will be forthcoming. For example, the Review Team observed that in one region, funds covered under the rules of a Conditional Transfer for species-specific fisheries patrols did not arrive until after the season had passed. Rather than lose the money, the Region perfunctorily undertook the then-redundant patrols but used them as an opportunity to do unrelated work. On the other hand, some managers also reported proceeding with activities without waiting for final approval of the transfer, thereby risking that work would be undertaken but not ultimately funded by the headquarters sector authority.

The overall lack of departmental resources to carry out existing programs has generated a degree of mistrust in headquarter sectors towards the regions concerning the reallocation of program resources for purposes other than those intended and agreed to. This is particularly true for conditional transfers. This was clearly evident in Fiscal Year 2002/03 in the Pacific Region, where there was significant financial instability. Some managers in the Pacific Region reported to the Review Team they had on occasion advised a headquarters sector to hold conditional transfers in headquarters and allow the Region to “journal voucher” expenses to headquarters accounts rather than have the funds transferred to the Region and be exposed to reallocation for other purposes.

There is growing recognition amongst departmental senior management that the use of conditional transfers as a funding mechanism should be minimized. As part of an Integrated Financial Management presentation to DMC in March 2003, the ADM of Corporate Services made a proposal to reduce use of conditional transfers and expedite the transfer process for those remaining. As a result, for the Fiscal Year 2003/04 Allocation all sectors were given instruction to allocate as much as possible in the initial allocation. However, the current DFO planning process does not create a sufficiently strong accountability framework to ensure the integrity of an allocation process, which reduces the reliance on conditional transfers.



The strengthening of organizational accountability inherent in the proposed improvements to the DFO planning processes described in the preceding sections could, if adopted, greatly increase accountability for the implementation of planned actions through the creation of a more visible, open planning and performance monitoring process with the associated higher degree of accountability for actions taken. This would create an organizational climate of greater trust, where sector management could lessen their reliance on the conditional transfer process as a way to ensure resources are appropriately applied.

### 3.6 Financial Report and Forecasting

The primary focus of the Review was on the planning process and the associated performance measurement frameworks. The allocation process was examined from the perspective of its impact on the planning process. Financial reporting and forecasting processes were not examined in detail during the Review because of the complexity and scope of the overall processes and because they are to be examined more closely with audits of the Department's financial statements. These audits are to be conducted by the Review Directorate over the next three years. The Review, nevertheless, did identify several significant issues and problems associated with DFO financial reporting and forecasting. The following describes the key findings of the Review.

- λ The Departmental Financial Management Report (DFMR) forecasts of expenditures as presented to DMC do not present accurate and timely information useful for departmental management decision making. For example, there was little evidence of effective trend analysis at the national level. Managers question data integrity and lack confidence in the free balance figures. This finding is confirmed by the initial finding of the DAAP – “Free balance information and financial statements lack credibility”
- λ The guidelines for forecasting are not adequate. There was evidence of differing regional approaches to salary forecasting. Maritimes Region developed its own forecasting training program in the absence of adequate guidelines.
- λ There was evidence in one region of the misuse of the ABACUS commit/de-commit function to artificially reduce month-end reported free balance.

As stated above, the Review Directorate is in the initial phase of auditing the controls covering the Department's financial statements. This initial phase has identified key risks impacting the accuracy of financial information. These risks include business line cost allocations, capital asset reporting and financial coding. These will be further analyzed in upcoming audits relating to Departmental Financial Statements.

### 3.7 Summary/Conclusions

The Review of Regional Governance Processes identified a number of findings or themes across all levels of the current governance process within the Department:

- a tendency, at all levels of planning, to focus on pressures and change agenda items, at the expense of core activities and commitments, resulting in uncertainty about priorities and the impact of decisions on core activities

- a lack of a consistent, rigorous approach to risk assessment in the planning process, inhibits the identification of priorities and an understanding of tradeoffs among competing uses for scarce resources
- in the absence of a risk-based assessment of competing uses for scarce resources, subsequent levels of planning may establish their own distinct priorities which differ among regions
- a limited understanding, at some higher levels in the planning process of resource capacity, resulting in an inability for higher levels of planning to properly target resources and understand the implications to core activities
- a trend to limit the use of existing accountability tools to a description of tasks and management issues, rather than adopting results-based performance management frameworks to help promote national consistency of program delivery and performance monitoring.
- a concern that a number of components of the current planning process risk being of little value (at best) or even irrelevant (at worst) to many managers in the regions and headquarters.

At the same time, the review also identified a number of excellent examples of practices at both the DFO headquarters and regional levels where progress has been made to address these shortcomings. To date, however, most of these best practice initiatives have not been broadly shared or implemented.

A revitalized planning process, based on the modifications outlined in this report, presents an opportunity to build on these best practices. The result should be a more effective, directly relevant planning process that could better serve all levels of the Department and, by extension, its clients and partners.

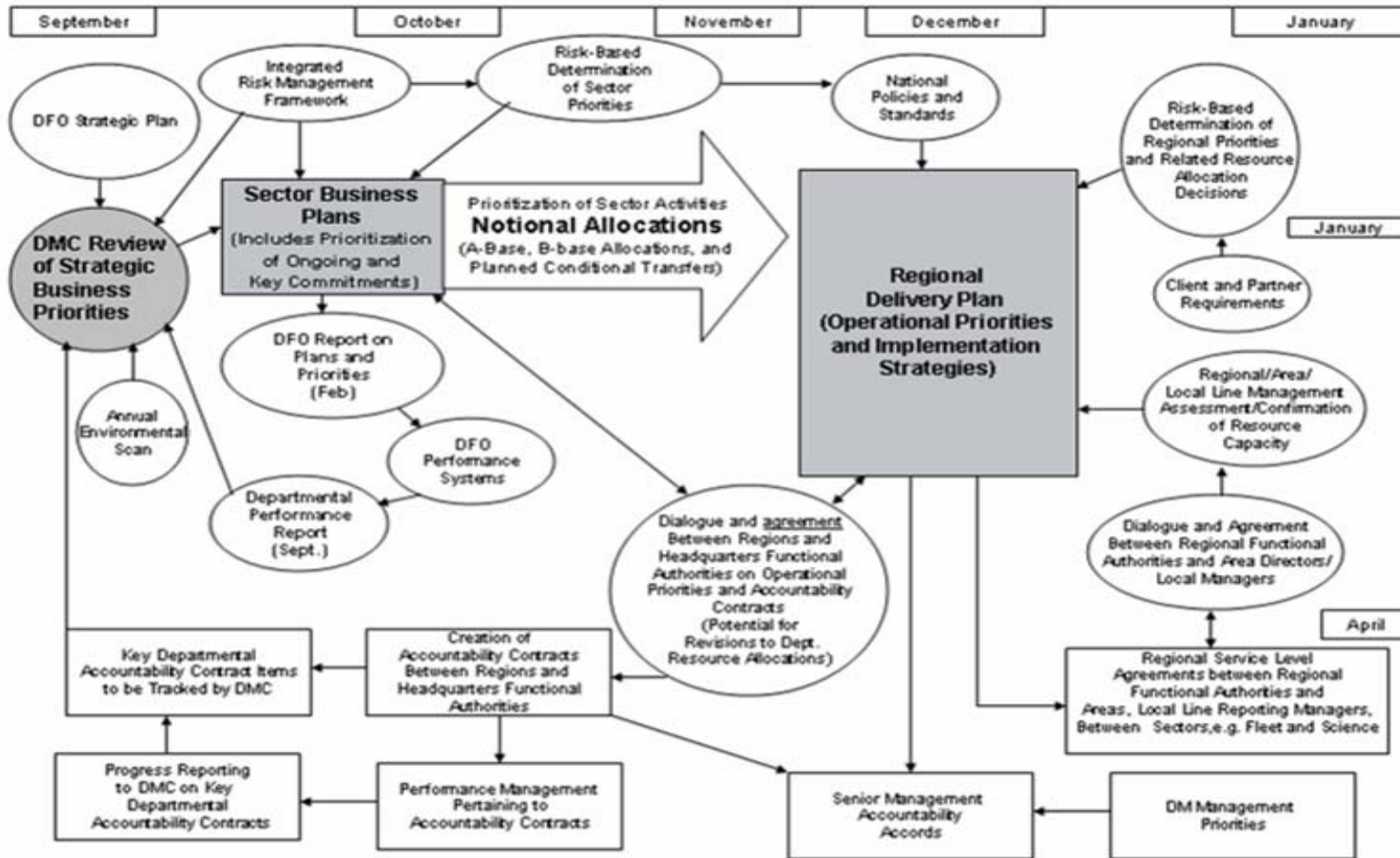
The task of strengthening the planning process along the proposed lines need not be overwhelming. A number of the changes proposed here already have been introduced at various points within the Department and are meeting with success, as managers and staff recognize their value and gain experience with the new approaches. These best practices can serve as the basis for broader change throughout the Department.

The following are the key elements of the proposed revised DFO planning process:

- λ Commences in early September
- λ All departmental ongoing and change initiatives stated in terms of national Performance Measurement and Accountability Frameworks
- λ National risk-based prioritization of ongoing/core activities as well as change initiatives
- λ Service Level Agreements between regional functional managers and Area/Local operational managers that reflect capacity to deliver
- λ Accountability Contracts between RDGs/regional functional managers and HQ Sector ADMs that reflect capacity to deliver
- λ A department-wide Performance Management System that monitors commitments to carry out initiatives and activities that logically link to the attainment of Results for Canadians
- λ Periodic in-year review of Accountability Contract performance
- λ Performance against key Accountability Contracts monitored by DMC

Figure 4 on the following page summarizes the proposed strengthened planning process at the overall departmental level, bringing together the individual parts of the process reviewed in the previous sections of this report.

**Figure 4 Process Chart.**



**APPENDIX A SAMPLE FROM A PERFORMANCE MEASUREMENT AND  
ACCOUNTABILITY FRAMEWORK – PACIFIC REGION**

## Exhibit Nine - Habitat and Enhancement Branch Roles and Responsibilities

Task	RMC	Region	Area	National
<b>General</b>				
Develop, communicate policies, procedures consistent with national policies, objectives	A	R	S	A
Develop annual workplan, allocate resources	A	R	S	I
Monitor and co-ordinate program delivery	I	R	S	I
Manage specific regional files	I	R	S	I
Manage program delivery – most files	I	S	R	I
Liase with other DFO Sectors, NHQ programs, other agencies	I	R	S	I
Manage annual performance review, reporting	I	R	S	I
<b>Habitat Management</b>				
Staff training and legal designations	I	R	S	I/A
Develop industry guidelines and Best Management Practices	I	R	S	I
Major project referrals and CEAA delivery	I	R	S	I
Most project referrals and CEAA delivery	I	S	R	I
Co-ordinate compliance monitoring, enforcement information (with C&P, Legal Services)	I	R	S	I
Deliver compliance monitoring , enforcement (with C&P)	I	S	R	I
<b>Non-Regulatory Program</b>				
Co-ordinate restoration, enhancement, and stewardship projects across region	I	R	S	I
Provide technical support to restoration/enhancement /stewardship projects ( some areas have own support)	I	R/S	S/R	I
Design, deliver projects	I	S	R	I
Co-ordinate HEB role in Freshwater and Oceans Planning	I	R	S	I
Represent DFO in local Freshwater and Oceans planning	I	S	R	I
Plan, co-ordinate and deliver SEP locally	I	S	R	I
Manage, operate hatcheries	I	S	R	I
Liase with community groups (co-delivery partners)	I	S	R	I

R – responsible A – accept S – support I – informed

**Objective: To Protect the Marine and Freshwater Environment, Fish Habitat and to Enhance the Production of Salmon in the Pacific RgionResources:**

Resources		Reach	Results		
Activities	Outputs	Clients / co-deliverers / beneficiaries / stakeholders	Direct outcomes	Intermediate outcomes	Ultimate impacts
<p><b>Region</b>  <b>Program Management</b>                      Program planning, resource allocation                      Program management, monitoring                      Coordination with other programs</p> <p><b>Habitat Management (regulatory)</b>                      Interagency/gov't co-ordination                      Regional policies procedures for habitat referral review and prosecution                      Major project referrals and CEAA                      Industry and technical guidelines (BMPs)                      Manage/co-ordinate Habitat Referral Tracking System (HRTS)                      Plan, co-ordinate compliance monitoring                      Prosecution case law, records and advice                      Deliver regional staff training, legal designations                      Manage Training Information Management System</p> <p><b>Non-regulatory Activities</b>                      Freshwater and oceans planning                      Plan, co-ordinate habitat enhancement/restoration and stewardship                      Maintain regional fish habitat databases and GIS</p> <p><b>Area</b>  <b>Habitat Management (regulatory)</b>                      Fisheries Act habitat referral review                      Conduct CEAA assessments                      HRTS data entry                      Compliance monitoring                      Co-ordinate, deliver enforcement (with C&amp;P)</p> <p><b>Non-regulatory Activities</b>                      Local freshwater/oceans planning                      Co-ordinate/deliver habitat enhancement/restoration/stewardship projects                      Operate hatcheries</p> <p><b>Region/Area Co-ordination</b>                      Conduct regular region/area meetings                      Identify, solve problems</p>	<p>Strategic, annual plans, resource allocation                      Reports, advice                      Meeting records, files</p> <p>MOUs, protocols                      Policies, guidelines, procedures                      Letters of Advice S35 Authorization, CEAA assessments (major projects)                      Best Management Practices                      Prosecution case law, advice Annual reports (includes compliance data)                      Workshops, training sessions                      Recommendations, advice</p> <p>Plans, reports,                      Stewardship grants                      Publications                      Functioning Fish Habitat database, reports, and GIA</p> <p>Letters of advice, S 35 authorization                      CEAA Assessment reports                      HRTS data, reports, analysis                      Compliance reports                      Technical evidence, expert witness reports and testimony</p> <p>Local resource management plans (WFSPs, LRMPs, WUPs, ICZM, etc.)                      Habitat restoration/ enhancement/ stewardship projects completed                      Technical assistance, advice</p> <p>Meeting records                      Analysis, decisions, recommendations re co-ordinated delivery</p>	<p><b>Co-deliverers</b>  <b>Region</b>                      Regional Director General                      Regional Director Science                      Regional Director Fisheries Management                      Director Corporate Services</p> <p><b>Area</b>                      Area Directors                      Area Chief HEB                      Area Chief Business Services</p> <p><b>External</b>                      Local community groups                      Aboriginal Communities</p> <p><b>Stakeholders</b>  <b>National</b>                      Minister,                      Science Branch                      Fisheries Management Branch                      Policy Branch (SARA)</p> <p><b>External</b>                      Federal Government</p> <p>Provincial, territorial governments and agencies</p> <p>Industry (aquaculture, forestry, agriculture, hydroelectric, mining, oil &amp; gas, eco-tourism, etc.)</p> <p>Local communities</p> <p>Local groups</p> <p>Aboriginal community</p> <p>Commercial, recreational fishers</p> <p>Shoreline property owners</p> <p>Industry ( commercial fishing, aquaculture, marine transportation, oil &amp; gas, eco-tourism, etc.)</p>	<p>Plans in place, agreed to, resources allocated on schedule</p> <p>Awareness among clients, wider community of Fisheries Act, habitat sections, SARA, and CEAA</p> <p>Effective regional integration of programs</p> <p>Policies developed, communicated, understood and followed</p> <p>Co-ordinated, consistent delivery of Habitat Management program across region, areas</p> <p>Referral response and CEAA assessments completed in timely manner, according to guidelines, standards</p> <p>Habitat decisions effectively enforced</p> <p>Effective, integrated delivery of Habitat enforcement ( with C&amp;P)</p> <p>Trained effective Habitat personnel (areas and region)</p> <p>Habitat restoration, enhancement and stewardship projects completed in timely, credible manner</p> <p>Hatcheries operated in cost-effective manner, according to plans</p> <p>Effective partnership, co-delivery of SEP, other programs with community groups, stakeholders</p>	<p><b>External</b></p> <p>Effective management, enforcement of Fisheries Act, habitat sections and SARA</p> <p>Compliance with Habitat decisions</p> <p>Habitat restored, enhanced to balance loss</p> <p><b>Internal</b></p> <p>Co-ordinated, cost-effective delivery of HEB programs across region, areas</p> <p>Area based HEB activities integrated into other area based program delivery</p>	<p><b>External</b></p> <p>Conservation and protection of Pacific freshwater and marine habitat (no net loss)</p> <p>Restoration and enhancement of marine and freshwater habitat (net gain)</p> <p><b>Internal</b></p> <p>Effective, integrated program delivery</p>

### Exhibit Eleven - Performance Measures Framework for DFO Pacific Habitat and Enhancement Branch (Region and Area)

Performance Area	Measures	Sources	Reporting Schedule	Data Collection Responsibilities
<b>Resources</b>				
Financial Resources	Actual vs planned expenditures by program, area	Corporate Services	Quarterly reports to RMC/Sector	Area/Region
Human Resources	Actual vs planned annual FTE utilization by program, area	Corporate Services	Quarterly reports to RMC	Area/Region
<b>Activities / Outputs – Program Management – Region</b>				
Program planning, resource allocation	Evidence of up to date, multiyear Strategic Plan in place, used for annual planning Annual plans, resource allocation completed at start of fiscal year (timely)			
Program management, monitoring	Nature and extent of reports to RMC, Sector			
Co-ordination with other DFO/gov't programs	Nature and extent of co-ordination with Fisheries Management, Science, other Sectors			
<b>Activities/Outputs –Habitat Management - Region</b>				
Interagency/ gov't co-ordination	Nature and extent of MOUs, protocols developed			
Regional policies, procedures for habitat referral, review and prosecution	Comparison between planned, actual initiatives, outputs	HEB files, records		
Major project referrals and CEAA	Nature and extent of referrals S35 authorization and CEAA assessments	HRTS		
Industry and technical guidelines (BMPs)	Planned vs actual BMPs and Industry Guides	HEB files , records		
Manage/maintain HRTS enforcement	HRTS operational, providing credible, up to date information	HRTS co-ordinator		
Plan/co-ordinate compliance monitoring	Quality, timeliness, relevance of plans, co-ordination activities	Feedback from Area Directors, Habitat Chiefs		
Prosecution case law, records and advice	Case law records/advice requested and provided	HEB records		
Regional staff training, legal designations	Nature and extent of staff training provided	TIMS		
<b>Activities / Outputs – Habitat Management – non-regulatory activities – Region</b>				
Freshwater /Oceans planning	Nature and extent of plans, co-ordination activities	Regional files		
Plan/co-ordinate habitat enhancement / restoration/ stewardship	Nature and extent of plans, co-ordination activities	Regional files		
Design program assessments	Nature and extent of program assessments designed			
Maintain regional habitat database and GIS	Database operational, providing credible, up to date information	Feedback from Habitat, Area Directors, Habitat Area Chiefs		
<b>Activities/Outputs – Habitat Management – Areas</b>				
Fisheries Act habitat referral review	Change in level of activity (referrals, letters of Advice, Authorizations) by area,year	HRTS		