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Review of Health Canada's Evaluation and Performance Measurement Functions

Final Report

Approved by:

Health Canada
Departmental Audit and Evaluation Committee

April 13, 2007

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REVIEW OF HEALTH CANADA'S PERFORMANCE MEASUREMENT AND EVALUATION (PME) FUNCTIONS: CONTEXT INFORMATION FOR THE DEPARTMENTAL AUDIT AND EVALUATION COMMITTEE

(A New Treasury Board Evaluation Policy is Expected Shortly – Consequently, No Management Action Plan Currently Proposed)

Introduction

Health Canada policy is that all evaluation reports must include the management action plan that responds to evaluation recommendations. The Government of Canada, however, is in the process of reviewing its evaluation policy as part of its Expenditure Management System (EMS) Renewal. The new policy could have significant impact on the evaluation function in departments and agencies. Thus, a management action plan would be premature prior to the release of the new Evaluation Policy and its associated directive, guidelines and standards.
Note: An integrated response to this review will be developed for discussion and approval by the Department Audit and Evaluation Committee, once the new Government of Canada Evaluation Policy is released

Consequently, the purpose of this document is to provide some considerations and situational analysis to clarify the context around the Review findings, conclusions and recommendations, to better inform any discussions that the Departmental Audit and Evaluation Committee might wish to have either with the tabling of this report or later when the new Evaluation Policy is released.

In considering the Review findings and recommendations, please note that they are based on a non-representative sample of Health Canada senior managers and other staff from branches (including PMRA), and Social and Cultural Sector and Centre of Excellence for Evaluation analysts from Treasury Board Secretariat.

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
Main Issue/theme - functional organization and governance **Recommendation:** **1. DPMED should investigate alternative organizational models for performance measurement and evaluation (PME) for the Department.**	In reviewing this recommendation and the "considerations", please note that the new Treasury Board Evaluation Policy (along with the associated directive, guidelines and standards), which is expected to be released in time to be effective as of April 1, 2007, will probably contain provisions that could have significant impact on how the evaluation function is organized in departments and agencies.
Findings: ❑ Issues were identified with the current "distributed" approach to evaluation, including the following: ‣ Key evaluations that are conducted by a branch or program cannot be considered as sufficiently objective, particularly by TBS and Parliament. ‣ There is potential overlap/duplication of effort on particular evaluation studies, which suggests that the function might be configured differently to achieve a more economical approach.	**Situational analysis for the evaluation function:** ‣ Over the last several years, partly as a result of the planning and other work needed to meet the requirements of the June 2000 TB Policy on Transfer Payments, branches or, in some cases, program areas have established their "own" audit and evaluation units or functionality. Most of these audit and evaluation units have little critical mass or capacity in evaluation. Much (if not all) of the substantive evaluation work done by branches or program areas are through the use of external consultants. ‣ For each evaluation, HC needs to find the "right" balance or tension between: ‣ ensuring (perceived) objectivity / independence / neutrality; and ‣ bringing to bear the subject-matter knowledge and expertise needed for an evaluation and obtaining greater "buy-in" or identification by programs with the results of evaluations. ‣ Evaluations could be initiated by any manager to meet a variety of management needs, ranging from operational to strategic. In addition, HC has a large number of evaluations imposed on it by external parties, such as Treasury Board. ‣ HC is engaged in a wide variety of complex subject matter areas and activities. Evaluators can be asked to evaluate any area in the Department, often under tight timelines. No one organization can develop and sustain the evaluation and subject matter expertise to cover off all work eventualities, all by itself.

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	▸ In the past, DPMED had attempted to bring an "appropriate" balance to evaluation work, particularly for "key" evaluations, by creating evaluation teams that brought together the evaluation technical expertise, government and departmental priorities knowledge, and objectivity/independence of an arm's length evaluation unit, with the subject-matter expertise of program staff. An advisory or oversight committee was usually added to further increase objectivity. Mainly because of time pressures and human resource constraints, particularly in program areas when they need to commit subject matter experts to an evaluation for extended time periods, that approach has not been used extensively.
	Issues for DAEC consideration / discussion: ▸ What do members see as advantages and disadvantages of the creation and maintenance of "evaluation" units in branches? ▸ What are the (expected) roles and responsibilities of branch evaluation units? Are they the same as the Department-level units, except at a lower organizational level? If they are: Are they expected to conduct or manage evaluations directly? If yes, can they be reasonably expected to develop and sustain the expertise, independence, objectivity and capacity needed to do or manage evaluations well? Are branches prepared to make the (initial and on-going) investment that would be necessary? (Currently, practically all branch or program led evaluations are contracted to consultants. Consequently, internal capacity is not built and the learning and "corporate memory" go with the consultant. In addition, the consultants are often not familiar with the departmental or programmatic context for the evaluations or management actions required.) Does there need to be a clear distinction between the evaluation work of the Department- and branch-level evaluation units? If yes, what could be guiding principles / criteria? (Note: The new TB Evaluation Policy is expected to direct that Department-level evaluation units be responsible for "accountability", summative and "strategic" evaluations while branch-level units can conduct "operational" or "project" evaluations that focus on management processes or help grant and contribution recipients provide the performance information HC needs for program evaluations.)

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	Or: Are they / should they be planning and coordination units for the evaluation needs of the branch and the liaison between the branch/program areas and DPMED for these needs?
	▸ Operational principles for the Committee's reaffirmation: Regardless of where evaluations are done, DAEC will continue to be the final authority on all evaluations (except project evaluations) and the evaluation function. DPMED will continue to set, monitor and exercise oversight over departmental evaluation policies, standards, practices and functional effectiveness. ▸ There was some concern expressed (by interviewees from branches!! ... as well as from TBS) on the objectivity and independence that branch evaluation units could bring to bear in their work. What reporting relationship should there be between the Department-level and branch / program-area evaluation units? Should we consider an alternative governance / operational structure? For example, a "centralized function-decentralised/collocated operation" model such as for financial administration was one of the options suggested by the external evaluator who conducted this Review.
❑ Some (2- 3) interviewees stated that DPMED lacks sufficient expertise. As a centre of leadership for evaluation, they recommended that DPMED add more health subject-matter expertise and more senior-level personnel.	**Situational analysis:** ▸ Please see the situation analysis for "evaluation", above, on the subject-matter expertise issue. ▸ The question of "enough senior level staff" is partly related to how DPMED is funded. Departmental practice is that funding received by HC for evaluation and performance measurement is retained in and managed by program areas. Often, however, this funding is not separately identified and is spent on "program delivery" such that when evaluation and performance measurement work is required, they become "unfunded pressures". This is exacerbated by the perception in some quarters that performance measurement does not need to take place until an evaluation is being done, which should be toward the end of the life of a time-limited program or off in "some distant future" for A-based programs.
	(DPMED budget is approximately $1.7 million (including EBP) per year or 0.05% of HC's budget.) Another related issue is a job classification system that sees the impact of evaluation work as "indirect" and, therefore, given less weight than positions with comparable but "direct" influence and complexity.

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	Issues for DAEC consideration / discussion: ▸ Should funding for performance measurement and evaluation be "fenced off" in some fashion? (A general rule of thumb indicated in evaluation literature and NGO funding-foundation guidelines is 2 to 5 percent of program budget should be set aside for evaluation, with some going as high as 10 percent, depending on the complexity, size and other attributes of a program and the evaluation requirements. TBS's research has indicated that other countries allocate around 1% of direct spending to evaluation.) If "yes" to the above, how should it be managed (e.g., put in "escrow" and managed by DPMED through a "bid" process by program areas, or put into DPMED budget and hold the Directorate responsible for maintaining agreed-on "service standards")? If "no", what needs to be in place to ensure that performance measurement and evaluation work that is to be done, gets done? ▸ (TBS program sector and Centre of Excellence for Evaluation analysts have been strongly suggesting that a phrase similar to"funding for evaluation commitments are $XX and will be placed under the management of the departmental head of evaluation" be present on all TB submissions.)
❑ HC senior managers have a pressing need for performance information. While there is support for the PAA/MRRS initiative, this framework will not provide sufficient information to help managers manage organizations, programs and services. A focal point within HC for performance measurement leadership is required. This central office would develop the performance measurement strategy, coordinate its implementation in each branch, coordinate the annual DPR, etc. .	**Situational analysis of functional leadership for performance measurement:** ▸ Performance measurement is generally accepted as being an integral responsibility of line managers. Consequently, the tendency has been to expect them to "just get it done" in whatever manner they can. While this approach might have worked (more or less) well in a "compliance" environment where the focus was on processes and outputs, the increased emphasis on results has added greater complexity and sophistication to identifying, measuring and reporting on performance, as well as the "objectivity" of the performance information. ▸ Further, performance is measured at different organizational levels, for different purposes and, often, by different parties. There is no one approach or framework that will meet all (or most) needs. In addition, to arrive at a good assessment of performance, these different aspects of the "performance story" need to be analyzed and integrated into a coherent whole, requiring a perspective and an additional level of technical knowledge and expertise that might not be well developed in many line managers (if, indeed, such a perspective and technical knowledge/expertise can reasonably be expected as being among their responsibilities).

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	▸ Some branches/program areas are creating performance measurement and management units / frameworks, and (for lack of "approved corporate" policies, principles and practices) adopting/developing their own approaches, concepts and perspectives, sometimes with DPMED participation. ▸ While DPMED is (usually) recognized as the lead in the Department in terms of technical knowledge, responsibility for performance measurement/management is dispersed in HC (e.g., HPB for the RPP and MRRS/PAA; CFOB for the DPR, operational planning, MAF reporting, and RMAF sign-off, and guidance on performance information in the PAA; and branch performance measurement units for branch specific initiatives) with no one organization responsible for establishing common policies, concepts and practices so that performance information from different areas and systems can be integrated and comparable across and up-and-down organizations. **Issues for DAEC consideration / discussion:** ▸ For Committee affirmation: there is a need for a corporate-level "functional-lead" for performance measurement and management, with specific responsibility for setting departmental policies and practices and monitoring implementation, and facilitating vertical and horizontal consistency and alignment. (Even with a "functional-lead", HPB could continue to be responsible for the RPP/MRRS/PAA and CFOB for the DPR, etc., except now the performance measurement aspects would be done under a common "framework". The designation of a "functional-lead" really just formalizes and provides explicit senior management recognition/support of much of the current practice.) ▸ While programs should continue to be responsible for implementing performance measurement and management for their activity areas, when or under what conditions should DPMED be involved ... when should DPMED wait for an invitation and when should it step in uninvited?

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
Main Issue/theme - roles and responsibilities **Recommendation:** **2. Once an organizational approach is selected and profiled, clarify: roles and responsibilities for key evaluations, the process for evaluations, re-design/create networks for HC performance measurement and evaluation specialists.** **3. DPMED should prepare an evaluation toolkit for wide distribution throughout the Department.**	In reviewing the recommendation and considerations, please note that the new Treasury Board Evaluation Policy (along with the associated directive, guidelines and standards), which is expected to be released in time to be effective as of April 1, 2007, is expected to contain provisions that could have significant impact on roles and responsibilities of parties involved in evaluation in departments and agencies. In particular, the Directive will probably direct that summative-type evaluations must be managed by the departmental evaluation unit and management process evaluations that are conducted by other units must be approved by the departmental evaluation unit.
Findings: ❑ The roles and responsibilities for conduct of evaluations studies are not sufficiently clear throughout the department. The main issues are: ▸ The criteria for determining when an evaluation is a ”key evaluation” are not well known or understood. ▸ Roles and responsibilities for key evaluation studies on the part of DPMED and the branch are not clear. ▸ There are concerns about the overall evaluation process, including DPMED's role in approving branch-led evaluation studies.	**Situational analysis:** ▸ HC has documents that describe in detail the frameworks and processes for "key evaluations" and, more generally, how DPMED works with branches and regions on evaluations. ▸ "Key" evaluations are presented to and approved by DAEC. While there are guidelines as to when DPMED "needs" to lead a "key" evaluation, there is flexibility for branch leadership when, for example, they have already initiated significant work themselves. Regardless of who the file leader is, DPMED continues to be responsible for ensuring evaluation rigour, objectivity and timely intervention (rather than waiting until it is too late in the process or too expensive to fix problems) – i.e., branch file leadership does not mean "laissez-faire" by DPMED. ▸ Once approved as "key" evaluations by DAEC, DPMED gets in touch with program areas to notify them as to the "key" designation and the evaluation process to be followed, along with the DPMED contact and request for program contact name. ▸ Evaluations, when led by a branch or program, are often managed by staff who are not regularly responsible for (or knowledgeable about) evaluation work and are not aware of functional requirements and processes – and do not become exposed to (or interested in) them -- until they are put into that situation.

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	Issues for DAEC consideration / discussion: ▸ This is essentially an issue of communication – DPMED getting the information to the right person, at the right time ... and the branch/program responsible for an evaluation seeking the right information, from the right person, at the right time. Given the situational analysis, does DAEC see specific areas for improvement?
❑ The current evaluation and performance measurement network was viewed as not working very well. Not all evaluation practitioners were aware of it; it is a voluntary forum, not a mandatory one; and meetings tend to be cancelled and lack structure. However, everyone agreed that a network is needed.	**Situational analysis:** ▸ Staff who are responsible (whether sporadically or regularly) for performance measurement and evaluation in program areas often do not have ready access to others who could help them with technical issues in performance measurement and evaluation. ▸ DAEC and other senior management and central agency decisions on / developments in performance measurement and evaluation often do not reach (with sufficient detail on the "why" and "how" or with sufficient lead-time) operational staff who are responsible for implementing them. ▸ DPMED established the HC Performance Measurement and Evaluation Network as an informal information sharing forum open to all who have an interest in performance measurement or evaluation, to address both of the issues above. Any HC employee who expresses an interest to be in the Network is taken in, as well as all members of branch evaluation units and branch planners. Information is shared as soon as received -- i.e., not just at meetings. Agendas are developed from the expressed needs of members and meetings are held only when substantive issues that need discussion are proposed. **Issues for DAEC consideration / discussion:** ▸ Does DAEC think there is a problem? If yes, is it a high priority for "fixing"?
Main Issue/theme - planning and conducting evaluations	

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
Recommendation: **4. Conduct formal post-mortem reviews of a sample of key evaluation projects annually. As part of the performance measurement framework for DPMED, post-mortem reviews would be undertaken of a sample of key evaluation studies annually. These reviews would provide useful information on lessons learned and would help to continually improve the evaluation process.**	
Findings: ❑ The support provided by DPMED on particular evaluation studies has been uneven; there have been some good stories as well as some frustrating experiences.	**Situational analysis:** ▸ Because of limited resources and the volume of performance measurement and evaluation work in the Department, the support that DPMED provides to any specific performance measurement and evaluation project is based on an assessment of "risk", including the capacity of those conducting the project. ▸ While not directly raised by the Review, both this finding and those in "roles and responsibilities", above, raise the question of the technical evaluation competencies and knowledge that program staff who are asked to conduct or manage evaluation can be expected to bring to this responsibility. Those who do not possess the requisite skills and knowledge will be frustrated with the learning curve they face (and often not even knowing what that "curve" looks like), particularly if they are leading "low-risk" evaluations.
▸ Evaluation studies sometimes take too long to be completed and thus do not become useful for decision-making. The main suggestion was for DPMED to conduct more focused, tailored studies, i.e., that focus on a few issues and do not strive for perfection.	▸ Currently, evaluations are conducted/managed either by program areas or by DPMED. Regardless of who manages, both parties collaborate with each other in all evaluations. ▸ The timing of evaluations depends on a variety of factors, including whether evaluations are started with sufficient time to allow their timely completion, resources (money and people with the knowledge and skill sets required) are available, information is made available to evaluators, and feedback from key people who need to be consulted is received on time.
	▸ Many areas still regard evaluation as a compliance process. The tendency is to invest (in money and people) the minimum that is necessary to "make 'it' go away".

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	‣ Because of time pressures, evaluator "exit interviews", which include getting feedback from key parties involved in an evaluation, have not been done as rigourously or regularly as desired.
‣ Some(2-3) interviewees in the branches called for a partnership to be developed with DPMED.	‣ DPMED always collaborates in one way or another with program areas being evaluated. The "quality" of this collaboration is, however, affected by the attitudes/perceptions and expectations that the parties bring to this relationship. The issue here is more of "openness and transparency" by all parties, particularly on "hidden agendas" that could affect how and on what an evaluation is conducted.
	Issues for DAEC consideration / discussion: ‣ DAEC confirmation of operational principle: ‣ While "compliance" is important, usefulness of the evaluation information for departmental decision-making is just as important. ‣ As part of the "exit interview", the evaluation team for each evaluation should obtain an assessment from program management on whether the evaluation has provided the information required for their purposes, at the right time. ‣ Submission of evaluations to DAEC have generally focused on obtaining approval for public release. Should members be asked to provide their assessment on the quantity and quality of the evaluative information for decision-making in their capacity as senior *departmental* managers? For example, what information would they have expected the evaluation to provide, did the evaluation provide it, was the expectation reasonable under the circumstances, how useful is the information (for current or future decision-making)?

Developed by: Departmental Performance Measurement and Evaluation Directorate
Chief Financial Officer Branch
June 6, 2006

Health Canada
Santé Canada

REVIEW OF HEALTH CANADA'S EVALUATION AND PERFORMANCE MEASUREMENT FUNCTIONS

Final Report

March 31, 2006

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EXECUTIVE SUMMARY

PURPOSE OF THE STUDY

- An external consulting company was engaged by the Departmental Performance Measurement and Evaluation Directorate (DPMED) to conduct a review of Health Canada's (HC) evaluation and performance measurement functions.
- The main objectives of the study were to:
  - Assess whether HC decision-makers are provided with the information they need on the performance and effectiveness of the department's programs and services.
  - Assess the quality of evaluation and performance measurement information provided by the department to its key stakeholders, including central agencies and Parliament.
  - Provide recommendations to address any performance measurement and evaluation issues, including any changes required to the organizational structure for these two functions.

WORK CONDUCTED

- Twenty in-person interviews were conducted with representatives of all HC branches: Health Policy Branch; Health Products and Food Branch; Healthy Environments and Consumer Safety Branch; Corporate Services Branch; Chief Financial Officer Branch; First Nations and Inuit Health Branch; the Public Affairs, Consultation and Regions Branch (PACR); and, the Pest Management Regulatory Agency. A meeting was also held at Treasury Board Secretariat (N=5 participants) to obtain feedback on the quality of evaluation and performance information received from HC.
- The list of individuals consulted during the study is provided in Appendix A. A structured interview guide was prepared and e-mailed to each individual prior to the interview (included in Appendix B).
- Towards the end of the study, an interview was conducted with the Director of DPMED in order to obtain views on some of the main study issues, including the current distributed organizational approach to evaluation and the level of independence and objectivity of evaluation studies. A DPMED focus group (N= 7 participants) involving a sample of evaluation managers and evaluators was also held near the end of the project to discuss similar issues. (Appendix B also includes the discussion guide used for this focus group.)
- In terms of the selection of interviewees, DPMED first asked each branch to prepare a list of three people who had involvement in program evaluation and/or performance

measurement within the branch. As the interviews progressed within each branch, a few additional names were added, in order to provide further information on evaluation and performance measurement activities within the branch.

- The interviews and focus group were conducted between late November 2005 and early February 2006. The draft report was submitted in early March and the final report in late March 2006.

MAIN FINDINGS

- While a number of issues need to be addressed regarding evaluation and performance measurement at Health Canada (HC), a number of positive achievements have been accomplished:
  - The management practices of evaluation and performance measurement are becoming "ingrained' in the HC corporate culture. Several developments demonstrate this trend. The volume of evaluation studies has increased in recent years, due in large part to the Treasury Board Transfer Payment Policy (which requires TB submissions to contain evaluation-related information). Branch ADMs stated that they are looking for information on the performance of their organizations, based on selected "key performance indicators". The PAA/MRRS initiative has encouraged managers to think about results/public policy outcomes.
  - DPMED has put in place a process for preparing a risk-based evaluation plan, which identifies a set of "key evaluations" to be conducted. This plan is prepared annually.
  - Several managers (including one senior manager and three Branch representatives) commented that evaluation reports have provided useful information in terms of the strengths and weaknesses of a particular program, and that the evaluation reports have been more useful compared to audit reports of the same programs.
  - TBS noted that the departmental MAF assessment rated the evaluation function as acceptable. This is based on several features, including the existence of a risk-based evaluation plan; a departmental audit and evaluation committee chaired by the Associate DM, and a process that is in place to follow up on evaluation recommendations. The review of evaluation reports by the TBS Centre of Excellence for Evaluation in 2004-05 was generally positive. One improvement opportunity is to improve the posting of completed evaluation reports to both the departmental and TBS web sites.
- The branches have differing levels of capability in program evaluation and performance measurement. Some have established or are establishing a branch-level coordination unit for evaluation and performance measurement activities (as well as other strategic management processes, such as planning, audit, etc.). Those branches with limited capabilities tend to look to DPMED for guidance and support. Other branches with more developed capabilities may prefer to lead all branch evaluation studies, with DPMED

providing an advisory role as needed. As the various branches develop a greater capability, this could cause more frequent conflicts between the branches and DPMED. For example, a branch could believe that a particular evaluation product is of sufficient quality, while DPMED may conclude it does not meet departmental standards.

- Most interviewees in the branches stated that roles and responsibilities for evaluation are not sufficiently clear. The areas of confusion include: 1) who is responsible for "key" evaluations; 2) the criteria being used to identify which evaluations are key; and, 3) when DPMED will or will not get involved in non-key (branch-led) evaluations.
- Most interviewees (including those who were critical of DPMED's role and performance) confirmed that DPMED does have a central role for evaluation. Some senior managers urgently called on DPMED to take a more focused approach to key evaluation studies, i.e., by focusing on a fewer number of critical issues, which would result in more timely reports. Several interviewees expected DPMED to acquire more senior-level evaluation specialists and to add more health-related expertise. Finally, those interviewees who had experienced difficulties in dealing with DPMED over a particular evaluation study strongly called for a more collaborative approach to be fostered.
- Regarding performance measurement, all interviewees who commented on this question agreed that the department lacks a focal point to develop the policy and strategy for performance measurement and to coordinate implementation of performance measurement-related activities (including: performance measurement strategy and framework development and implementation; PAA/MRRS; and, DPR). HC senior managers have an urgent need for performance information. While there is support for the PAA/MRRS initiative, this framework does not provide sufficient information to help manage organizations, programs or services. Several performance measurement frameworks are being developed at the program or branch level, but each is being developed independently, i.e., with no departmental direction, support or coordination. Several interviewees recommended that a focal point for performance measurement be established at the departmental level. This office would develop a strategy, coordinate its implementation, coordinate the annual DPR, etc. The strategy should recognize that the overall framework needs to include some common objectives/indicators, but also permits each branch/program to design a framework that meets its individual needs.
- Several HC branches are enhancing their evaluation capabilities. FNIHB has the most "mature" capability, based on the experience of the evaluators and their progress in revamping the branch evaluation strategy (including the clustering of programs for evaluation under the branch PAA structure). HECS and HPFB capabilities are developing, e.g., staff are being added and roles and responsibilities are being determined.

❑ Regarding the current "distributed" approach to evaluation, several issues were identified. The main concerns were: 1) key evaluations that are conducted by a branch or a program cannot be considered as sufficiently objective, particularly by TBS and Parliament (and by the health portfolio in the case of horizontal studies); and 2) potential overlap/duplication of effort on particular evaluation studies, which would suggest that the function could be configured differently to achieve a more economical approach.

RECOMMENDATIONS

The following table lists the major issues identified by the study and the associated recommendations.

Main Issues Identified	Recommendations
❑ Issues were identified with the current "distributed" approach to evaluation, including the following: • Key evaluations that are conducted by a branch or program cannot be considered as sufficiently objective, particularly by TBS and Parliament. • There is potential overlap/duplication of effort on particular evaluation studies, which suggests that the function might be configured differently to achieve a more economical approach.	**1.** DPMED should investigate alternative organizational models for evaluation and performance measurement for the department. As a start, the two organizational models proposed in this report could be used to provide guidance. Once the preferred option is selected, the next step would be to develop the detailed organizational design (i.e., structure, positions, classifications, resources required, etc.).
❑ Some interviewees stated that DPMED lacks sufficient expertise. As a centre of leadership for evaluation, they recommended that DPMED add more health subject-matter expertise and more senior-level personnel. ❑ HC senior managers have a pressing need for performance information. While there is support for the PAA/MRRS initiative, this framework will not provide sufficient information to help managers manage organizations, programs and services. A focal point within HC for performance measurement leadership is required. This central office would develop the performance measurement strategy, coordinate its implementation in each branch, coordinate the annual DPR, etc.	

Main Issues Identified	Recommendations
❑ The roles and responsibilities for evaluation studies are not sufficiently clear throughout the department. The main issues are: • The criteria for determining when an evaluation is a “key evaluation” are not well known or understood. • Roles and responsibilities for key evaluation studies on the part of DPMED and the branch are not clear. • There are concerns about the overall evaluation process, including DPMED’s role in approving branch-led evaluation studies.	**2.** Once the desired organizational approach is selected and profiled, review and implement the following improvement suggestions noted in this report, including: • Clarify the roles and responsibilities for key evaluations, critically examine the current evaluation process in consultation with stakeholders and revamp it. • For a key evaluation study, a senior (manager-level) practitioner from DPMED would lead the project. Representatives from the branch evaluation unit would support the conduct of the study.
❑ The current evaluation and performance measurement network was viewed as not working very well. Not all evaluation practitioners were aware of it; it is a voluntary forum, not a mandatory one; and meetings tend to be cancelled and lack structure. However, everyone agreed that a network is needed.	• Establish productive and valued HC networks for evaluation and performance measurement, whereby specialists get together regularly to share experiences, issues and best practices. DPMED should consult with stakeholders to re-design the networks.
❑ The roles and responsibilities for evaluation studies are not sufficiently clear throughout the department. The main issues are: • The criteria for determining when an evaluation is a “key evaluation” are not well known or understood. • Roles and responsibilities for key evaluation studies on the part of DPMED and the branch are not clear. • There are concerns about the overall evaluation process, including DPMED’s role in approving branch-led evaluation studies.	**3.** DPMED should prepare an evaluation toolkit for wide distribution throughout the department, containing such components as: • Key reference documents, including HC evaluation policy, standards, evaluation plan, etc. • Roles and responsibilities of all parties (DPMED, DAEC, branch evaluation units, branch ADMs, etc.). • Process for developing and approving the evaluation plan. • Standard operating procedure for evaluation studies, including helpful templates. Examples of the components of the standard operating procedure would include: key steps in a study, roles and responsibilities of all parties at each step, approval process for each evaluation product of a study, etc.) • Post-project assessments, i.e., project post-mortems conducted by third party. (See recommendation #4). • Learning program for evaluation. • Departmental evaluation network.

Main Issues Identified	Recommendations
• The support provided by DPMED on particular evaluation studies has been uneven; there have been some good stories as well as some frustrating experiences. • Evaluation studies sometimes take too long to be completed and thus do not become useful for decision-making. The main suggestion was for DPMED to conduct more focused, tailored studies, i.e., that focus on a few issues and do not strive for perfection. • Some interviewees in the branches called for a partnership to be developed with DPMED.	**4.** Conduct formal post-mortem reviews of a sample of key evaluation projects annually. As part of the performance measurement framework for DPMED, post-mortem reviews would be undertaken of a sample of key evaluation studies annually. These reviews would provide useful information on lessons learned and would help to continually improve the evaluation process.

PROJECT OBJECTIVES, ISSUES AND PROCESS

- An external consulting company, Kelly Sears Consulting Group was engaged by the Departmental Performance Measurement and Evaluation Directorate (DPMED) to conduct a review of the evaluation and performance measurement functions throughout Health Canada.

- The main project objectives were to:

  - Assess whether HC decision-makers are provided with the information they need on the performance and effectiveness of the department's programs and services.
  - Assess the quality of evaluation and performance measurement information provided by the department to its key stakeholders, including central agencies and Parliament.
  - Provide recommendations to address any performance measurement and evaluation issues, including any changes that may be required to the organizational structure for these two functions.

- The process to select the sample of individuals to be interviewed was as follows. DPMED first sent out a call letter to each branch asking that a list to be prepared of managers who had involvement in program evaluation and/or performance measurement activities within the branch. Kelly Sears then met with the DPMED Project Authority to select the initial sample. The original goal was to conduct 20 interviews across all HC branches. The objective was to interview the ADM or designate for each branch; the organizational unit responsible for coordinating evaluation and performance measurement activities within each branch (where one exists); and a sample of program managers who had been involved in recent evaluation studies. As the interviews progressed, a few other individuals were added to the list based on suggestions from interviewees (e.g., to learn about an experience with a particular evaluation study or performance measurement application).

- A focus group of seven DPMED managers and staff was also carried out in order to discuss several study issues, including: the current organizational approach to evaluation and the level of independence and objectivity of evaluation studies. An interview with the DPMED Director was also carried out near the end of the study in order to discuss certain study issues, such as the current distributed approach to evaluation.

- A meeting was also held at Treasury Board Secretariat, which was attended by representatives of the Centre of Excellence in Evaluation and several program analysts (five individuals in total).
- In the end, a total of 24 meetings, consisting of one-on-one or group interviews (N= 25 interviewees) throughout the department , a meeting with representatives of Treasury Board Secretariat (N=5) and the Director of DPMED were held (i.e., 38 individuals were consulted for the review).

- The list of individuals consulted during the study is provided in Appendix A, and the interview guides are contained in Appendix B.

- The interviews with HC personnel covered the following topics:

  - The capabilities of branches to carry out evaluation and performance measurement, including the level of activity, types of projects carried out, organizational structure, etc.
  - Feedback on the experiences of branch personnel with their involvement in particular evaluation studies and performance measurement activities.
  - Extent to which HC senior decision-makers are receiving the evaluation and performance measurement information they need to make decisions.
  - Usefulness of the PAA and MRRS.
  - Quality of evaluation and performance information provided externally.
  - Clarity of roles and responsibilities for evaluation and performance measurement.
  - Views on the current "distributed" organizational approach to evaluation.
  - Extent to which independence/objectivity of evaluation studies is an issue.

- **Note on presentation of interview findings:** The following sections present the findings of the interviews for each of the above topics. A total of 25 clients/stakeholders were interviewed within Health Canada (out of the total sample of 38). In presenting the findings on the views of this group of HC clients/stakeholders in this report, we use the following terms:

  - "Few" or "some": two or three respondents
  - "Several": four or five respondents.
  - "Many": more than five respondents.

EVALUATION AND PERFORMANCE MEASUREMENT IN THE BRANCHES

INTRODUCTION

➢ One of the study objectives was to identify the evaluation and performance measurement activities carried out in each branch of HC and also the Pest Management Regulatory Agency.

➢ Interviews in the branches focused on identifying the approaches used to carry out evaluation and performance measurement activities and their experiences with these two functions. This section summarizes the findings and observations for the following branches and specific agency:

- Health Policy Branch.
- Healthy Environment and Consumer Safety Branch.
- Health Products and Food Branch.
- First Nations and Inuit Health Branch.
- Pest Management Regulatory Agency.

FINDINGS FOR EACH BRANCH

❑ **Health Policy Branch (HPB):**

➢ A total of five individuals were interviewed in three directorates: 1) Health Care Policy Directorate; 2) Policy, Planning and Priorities Directorate; and 3) Intergovernmental Affairs Directorate.

➢ The Health Policy Branch has not yet established a branch-level unit to coordinate evaluation and performance measurement (RMAFs, PAA/MRRS, etc.) activities throughout the branch. The suggestion was made by a senior manager within the branch that this now needs to be done, given the considerable volume of work related to renewal of transfer payment programs, implementation of the PAA/MRRS, and the need to conduct several upcoming evaluation studies of transfer grants & contributions programs (some with and some without DPMED involvement).

- In the Health Care Policy Directorate, a "Senior Public Accountability Coordinator" position was created in January 2005. The main responsibility is to ensure the directorate effectively manages the accountability provisions of its grants and contributions programs in accordance with the TBS Transfer Payment Policy (TPP). The focus is on coordination of evaluation-related activity (e.g., RMAF preparation for TPP programs) but not to conduct evaluations. The main activity to date has been to prepare an RMAF to support the March 2007 renewal of the Health Care Strategies and Policy Grants and Contribution Program. The Senior Public Accountability Coordinator is leading a core team consisting of 10 FTEs assembled from the various directorates in HPB; the team consists of people with policy expertise, not evaluation/performance measurement, and thus the RMAF work has been facilitated by an external consultant. DPMED provided some upfront preparatory strategic work that was very useful. However, as is the case with many transfer payment programs across the department, the project is behind schedule, which increases the likelihood that little evaluation-related data will be available to support the future evaluation, which is not too far away (2007).
- The Policy, Planning and Priorities Directorate is implementing the PAA/MRRS in HPB. Given the policy development nature of HPB's work, performance measurement is a particular challenge. As a start, one indicator that is being developed and tracked is timeliness of the Question Period (QP) notes process. Over time, the branch would like to measure other aspects, such as level of public awareness and support for HC policies. HPB lacks sufficient resources (e.g., expertise in performance measurement methodology and data collection) to fully implement the PAA/MRRS, which is one of the reasons for recommending a dedicated office be established within the branch as noted above.
- A number of other evaluation studies have been conducted within the branch, some with DPMED involvement, e.g., Canadian Council on Donation & Transplantation (CCDT) and Mid-Year Action Plan for Official Languages. The CCDT study in particular was viewed by one senior manager in the branch as particularly successful, as it is leading to a new governance arrangement for the program.

❑ **Healthy Environment and Consumer Safety (HECS):**

- A total of eight individuals were Interviewed from the Policy and Planning Directorate, Office of Drug Strategy Secretariat, Product Safety Programme, Tobacco Control Programme, and Workplace Health and Safety Programme.
- HECS is in the process of establishing a new "Accountability and Reporting" unit within the Policy and Planning Directorate that will be responsible for planning, audit and evaluation within the Branch. However, the roles and responsibilities of

this new unit have not been confirmed; one concern is to ensure the roles and responsibilities vis-à-vis DPMED are clear, so that there is no overlap or duplication of responsibilities. A sub-committee of the Branch Executive Committee has recently been formed for audit and evaluation.

- At the program level, some progress is being made in developing evaluation and performance measurement capabilities. For example, Health Canada is the lead for the Canada Drug Strategy (CDS), which is a horizontal initiative involving several departments. The Office of the Drug Strategy Secretariat has developed the RMAF, developed and refined the performance measurement framework; is currently conducting the mid-term evaluation of the CDS; and, coordinates the DPR input. A web-based reporting system is used by all departments to enter performance information. Thus the same performance indicators are now used for all reporting requirements (DPR, PAA/MRRS, reporting to Parliament, international reporting). This suggests that some progress has been made in developing a rational approach to performance measurement. Regarding evaluation, the Office of the Drug Strategy Secretariat has had little interaction with DPMED.
- Another example at the program level is the Product Safety Programme (PSP), which has developed a performance measurement framework and is in the process of implementing it throughout the programme. The framework is based on the "performance check" methodology, which will enable the programme to report its performance based on a set of five-level performance scales. A performance measurement framework has been developed for the programme as a whole and for each component. The framework consists of a set of results and enablers and corresponding measurement indicators, data collection methods and five-level reporting scales. Managers from throughout the programme are currently receiving training on performance measurement. As discussed later in this report, the PAA/MRRS departmental initiative is not a sufficient tool for program monitoring, which is why PSP has developed a more comprehensive framework tailored to its own needs.
- Another program, Tobacco Control Programme, has had a more difficult history regarding evaluation and performance measurement. A previous evaluation of the 1997-2001 Tobacco Control Initiative was not well received within the programme, due to issues with the consultant who conducted the study, and DPMED had to re-write the report. The programme has had a major challenge in developing an information management system. Developing an appropriate evaluation methodology has been difficult, due to the large scope of program (e.g., 110 FTEs, 92 projects, 89 MOUs, and 1,000 contracts with no evaluation requirements built in). DPMED was to conduct an evaluation of Federal Tobacco Control Strategy (a key evaluation) but the evaluation is now being conducted by the program.

- Because of the emphasis of evaluations on transfer payment programs, some operational programs (e.g., Workplace Health and Safety, Product Safety Programme) have not been the subject of any evaluation studies in recent years. This was identified as an issue during the interviews with some program managers (including Product Safety Programme and Workplace Health and Safety), because supporting the PAA and other performance measurement frameworks requires evaluative-type information (i.e., primary research is required to provide data on some outcome/results indicators).

- **Health Products and Food Branch (HPFB):**

  - One individual was interviewed in the Audit and Evaluation Division within the Policy and Strategic Planning Directorate (PSPD). In addition, an organizational review of PSPD had recently been completed, which provided some information on the evaluation function within the branch.
  - Responsibility for evaluation activity at the level of the branch is with the Audit and Evaluation Division in PSPD. This unit provides oversight/quality control regarding all evaluation activity undertaken within the branch. The division indicated that its responsibility for evaluation within HPFB parallels that of DPMED for the department as a whole.
  - The main evaluated-related responsibilities of the Audit and Evaluation Division include: ensuring RMAFs meet standards; coordinating major branch evaluation studies; and, taking a more strategic approach to evaluations required by TB agreements (e.g., instead of evaluating two regulatory programs in sequence, conduct one evaluation of the branch regulatory program). (DPMED subsequently indicated that it has devoted considerable time to working with PSPD to develop an appropriate strategy for evaluating regulatory programs within the branch.)
  - About 2.7 FTEs are devoted to evaluation activities by the Audit and Evaluation Division.
  - Other divisions in the Policy and Strategic Planning Directorate are also involved in evaluation and performance measurement. The Strategic Planning Division and the Results and Resources Management Office has been responsible for coordinating the PAA development on behalf of HPFB. PSPD has recently undertaken an organizational review and is planning to resolve some of these overlaps in responsibilities. In summary, roles and responsibilities for evaluation and performance measurement are currently somewhat fragmented in PSPD but the directorate is currently addressing this issue.
  - The Therapeutics Access Strategy (TAS) is currently being evaluated and a performance measurement strategy is also being developed. The main information need of senior management has been to develop a set of key performance indicators (KPIs) for the strategy, due, in part, to the huge pressure from stakeholders for an efficient program. The RMAF process did not meet this need,

and a separate framework has been prepared, which has been well received by management. A challenge of designing the evaluation strategy for TAS has been to identify the appropriate set of issues that will permit a timely evaluation study to be completed. We return to this subject later.

- **First Nations and Inuit Health Branch (FNIHB):**

  - A total of four individuals were Interviewed from the Business Planning and Management Directorate and Primary Health Care and Public Health Directorate.
  - The Business Planning and Management Directorate is the branch-level unit responsible for coordinating the renewal of all transfer payment programs as well as supporting RPP, DPR and PAA activities in the branch. It also has the mandate for helping individual branch programs with evaluation and performance measurement related activities.
  - Specifically, the Business Planning and Management Directorate coordinates the preparation of RMAFs in the branch as part of TB submissions pertaining to the renewals of transfer payment programs; has developed the PAA framework; and coordinates evaluation studies within the branch. It has published an evaluation manual intended for program managers (note that there is no mention of DPMED's role in evaluation in this document). Evaluations are contracted out to consultants.
  - There is limited evaluation capability (in terms of resident evaluation specialists) at the program level. Primary Health Care and National Insurance Health Benefits have an evaluation capability built into the program, but these are exceptions.
  - All of the interviewees in FNIHB indicated that a major emphasis is coordinating the renewal of all transfer payment programs in the branch. FNIHB has some 40 transfer payment programs. The previous approach was to conduct an evaluation of each program, which proved to be impractical (e.g., too many evaluations to do in any one year due to the TB renewal deadline, plus the issue of burdening the same client group with repeated data collection efforts.) The directorate has now clustered the contribution programs by key themes that are aligned with the PAA. Thus, for example, all "children and youth" programs will be evaluated together as a cluster, rather than separately. TBS also indicated that this approach is a positive step. The directorate believes the current FNIHB section of the departmental PAA is in good shape. The Business Planning and Management Directorate indicated that TBS agrees with the revised approach to coordinating the renewal of transfer payment programs. However, because the PAA initiative is focused on external results, it does not address the performance of internal branch functions, which is a gap. We return to this subject later.
  - Compared to other branches, the above evidence suggests that FNIHB has the most developed evaluation/performance measurement capability at the branch level. This is based on the following evidence: 1) an evaluation manual has been

prepared; 2) a strategy has been developed to rationalize the renewal of TB terms and conditions as outlined above; and, 3) the branch-level unit is staffed with experienced evaluators.

- The relationship between the Business Planning and Management Directorate and DPMED has become somewhat difficult in recent times. From the perspective of some interviewees in the branch, DPMED tries to push an "idealistic" methodological approach to each evaluation study, and does not appear to recognize the practical difficulties in conducting evaluation studies in the Aboriginal sector. The relationship has become strained, instead of mutually supportive. For example, the experience with the Home Community Care evaluation was difficult. An initial terms of reference for the evaluation study was developed but then refused by DPMED. A second ToR was prepared, which the Business Planning and Management Directorate felt was unrealistic. (The scope of this project did not include assessing the experience with this or any other evaluation study throughout the branch. Later in this report a suggestion is made to implement a post-mortem review process, to identify lessons learned from each study, in the spirit of continuous improvement to the evaluation function throughout the department.)
- Overall, a more collaborative approach is desired, and the branch would like to work with DPMED to achieve a better working relationship. One interviewee in the branch suggested that a possible improvement is to focus more on front-end planning of each evaluation study, so that there is agreement with DPMED up front on the scope and data collection plan for the study.

- **Pest Management Regulatory Agency (PMRA):**

  - A total of three individuals were Interviewed from PMRA.
  - PMRA does not have a dedicated unit responsible for evaluation and performance measurement.
  - An emphasis of PMRA currently is on performance measurement. As with other parts of Health Canada that have a high-profile regulatory role and operate on a cost-recovery basis, stakeholders have put pressure on PMRA for many years to provide useful and transparent performance information. A challenge facing PMRA is to avoid developing too many performance indicators, which would result in a cumbersome and unwieldy performance measurement framework. Consequently, the Executive Director's goal is to identify a limited number of key performance indicators, which would be consistently used for all reporting requirements, i.e., the legislated annual report, reporting to Parliament (Standing Committee on Agriculture), and for the PAA/MRRS. PMRA would like to see departmental-wide coordination and support to branches in the development of performance measurement frameworks.

- Compared to other branches, relatively less program evaluation activity takes place, as there are few TB submission requirements, together with the nature of the core business (regulatory, not transfer payment programs). Two studies have been conducted in the past two years. The Evaluation of Cost-Recovery Initiative was required under TBS cost-recovery guidelines. The study was contracted out and DPMED was involved. A current study is Building Public Confidence, which is just underway. DPMED has been very helpful in assisting with design of ToR, identifying contractors, scheduling, etc. One specific issue that was raised was the lack of clarity on when DPMED will or will not lead "key evaluations."
- In summary, due to its limited evaluation and performance measurement capacity, PMRA would value an increased DPMED involvement in all major evaluation studies. Senior management as well as one of the managers involved in performance measurement in this branch suggested that the department should have a coordinated and consistent approach to the development of a performance measurement framework for the department and for each branch.

Analysis and Summary

- A considerable amount of evaluation activity is carried out within several of the branches of Health Canada.
- Some branches (FNIHB, HPFB) have already established a branch-level unit responsible for coordinating evaluation and performance measurement activities through the branch. One branch (HECS) is in the process of setting up such a unit. Others (e.g., HPB, PMRA) have not yet established such an organization. HPB suggested that this now needs to be done, given the considerable volume of work underway (e.g., evaluations to support renewals of TPP programs, implementation of the PAA/MRRS).
- The level of evaluation capacity thus varies across the branches. FNIHB has the most developed capacity. At the program level, there are pockets of evaluation and/or performance measurement expertise in several branches. Examples include: Tobacco Control, Drug Strategy and Product Safety Programme in HECS; Primary Health Care and National Insurance Health Benefits in FNIHB.
- A promising trend in some branches, particularly FNIHB and HPFB, is that work has been underway to rationalize the approach followed to carry out evaluation studies required for the renewal of transfer payment programs. In FNIHB, programs are being clustered under the PAA structure, so that a set of programs will be evaluated together instead of separately. This should reduce the burden placed on clients and stakeholders and help to streamline the TPP renewal process with TBS.
- The relationship between a branch and DPMED varies across the branches. Those branches with a less developed evaluation capacity have, overall, established a good working relationship with DPMED, perhaps because they are reliant on

DPMED to provide guidance and support. In other branches, including FHIHB and HECS, the relationship is more variable. The point is not to identify "who's right or who's wrong" but rather to suggest that steps should be undertaken to improve the relationship. This issue is discussed further later in this report.

- Performance measurement is a major concern in several branches. Senior managers called for the department to develop an overall strategy and to establish a central office to provide guidance, expertise and support to the branches. This subject is discussed in more detail in a later section of this report.

CLARITY OF ROLES AND RESPONSIBILITIES FOR EVALUATION

INTERVIEW FINDINGS

- Interviewees were asked to comment on whether the roles and responsibilities for evaluation are clear. (Performance measurement is discussed later in this report.) The main findings are as follows:

    - Almost all interviewees across all of the branches stated that roles and responsibilities for "key evaluation studies" are not clear. Some branch-level evaluators believe that if an evaluation study has been designated by DAEC as "key", then DPMED is supposed to lead the project. Examples were provided where the branch is leading these key evaluations, with little DPMED involvement. (DPMED subsequently indicated to us that, at a minimum, a DPMED representative is a member of the evaluation committee and may also co-chair the committee. A DPMED representative also provides support to the conduct of the study itself.)
    - A related issue is that the criteria for identifying "key evaluations" are also not well understood in the branches. For example, one branch must conduct an evaluation of a transfer payment program valued at several hundred million dollars, and do not understand why the evaluation is not considered as "key." This suggests that there is a lack of understanding about how the departmental evaluation plan is prepared and the criteria used to determine which evaluations are key.
    - Several interviewees stated that they are not sure when DPMED will or will not get involved in branch-led or program-led evaluation studies.

- Interviewees were asked to comment on whether the roles and responsibilities for evaluation are clear – cont'd:

    - Given that most branches are developing their own internal evaluation capabilities (both at the branch level and in particular programs), there is some concern about the requirement for DPMED to approve both key evaluation studies (where they are conducted by the branch) and branch-led evaluation studies.

- DPMED representatives indicated during a DPMED focus group that the Departmental Audit and Evaluation Committee members could do a better job of informing managers throughout each branch of the agreed upon roles and responsibilities for evaluation. (This is discussed later in this report.)

Analysis and Summary

- The roles and responsibilities for evaluation are not sufficiently clear throughout the department. The main issues that need to be addressed include the following:

  - There is confusion over the roles to be played by DPMED for key evaluation studies.
  - The criteria for identifying "key evaluations" are also not well known or understood.
  - Several interviewees are not sure when DPMED will or will not get involved in branch-led or program-led evaluation studies.
  - There are concerns about the overall evaluation process, including DPMED's role in approving branch-led evaluation studies. This issue is discussed further later in this report.

- In order to address some of these issues, DPMED could consider preparing and disseminating a communications package that outlines all key aspects of the evaluation function and process.

- There is a concern about the requirement for DPMED to approve branch-led evaluation studies. A suggestion was made by several interviewees that DPMED and the branch need to work more in a collaborative fashion, e.g., by having DPMED involved more at the front-end of the process. This suggests that the overall evaluation process needs to be reviewed and improved.

FEEDBACK ON SUPPORT PROVIDED BY DPMED

INTERVIEW FINDINGS

- While the purpose of this project was not to assess the support provided by DPMED to branches, feedback was always provided as part of the discussion about the experience with particular evaluation studies. This section summarizes the main points.

- **Positive comments:**

  - Several examples were provided where DPMED has provided excellent technical support to a branch, for example, in assisting with preparation of an RMAF. A specific example is the support provided to HPB in the preparation of an RMAF for the Health Care Strategy & Policy Grants and Contribution Program. But there is a view, particularly in branches that lack an internal evaluation and performance measurement capability, that DPMED lacks sufficient (and stable) resources to provide sufficient support, as noted earlier.
  - Some senior managers stated that DAEC is working more effectively over time. The risk-based evaluation planning process was viewed positively (although several interviewees were not familiar with the contents of the departmental evaluation plan).
  - During the group interview with TBS, it was stated that the responsibility of DPMED to sign off on all RMAFs associated with transfer payment programs is a positive step, as it should raise the quality of these documents and improve ongoing performance measurement for the particular programs covered by the submission.
  - The fact that TB submissions now set aside dollars for evaluation was identified as another positive step. But during the group interview at TBS, a concern was raised that this money is not under DPMED's control. An alternative approach was identified, which would be for DPMED to be assigned the budget for the evaluation requirements associated with all key evaluation studies.
  - Some positive feedback was provided by a few interviewees regarding training sessions provided by DPMED to develop the PAA for particular programs.

- **Issues and improvement suggestions:**

  - Some interviewees suggested that DPMED should be providing strong direction, advice and support regarding evaluation studies being undertaken in the branches. This is particularly the case where the branch lacks an internal evaluation capability and look to DPMED to provide support.
  - Two senior managers stated that evaluation studies take too long to be completed and thus do not become useful for decision-making. They suggested that DPMED needs to conduct more focused, tailored studies.
  - The support provided by DPMED in particular evaluation studies has been uneven; there were some good stories as well as some frustrating experiences.
  - Some interviewees suggested that DPMED should become a directorate (rather than a division), due to the increasing importance of evaluation and performance measurement across government and to give the functions more weight around the senior management table. (Note: Interviewees were not yet aware that the Departmental Program Evaluation Division was re-named the Departmental Performance Measurement and Evaluation Directorate in January 2006.) Also, a few interviewees recommended that the head of DPMED should be a higher-level EX position, again, to give the function more weight around the senior-management table.
  - Some interviewees in a few branches stated that DPMED lacks sufficient expertise. As a centre of leadership for evaluation, they recommended that DPMED add more health subject-matter expertise and more senior-level personnel.
  - Some interviewees in the branches would very much like to develop a partnership with DPMED. Criticisms of the current approach included a lack of understanding of the programs, a "thou shalt" mentality, and the naïve desire to push "ideal" methodologies when the ideal is rarely possible.
  - The current evaluation and performance measurement network was viewed as not working very well. Not all evaluation practitioners in the branches were aware of it. It is a voluntary forum, not a mandatory one. Meetings tend to be cancelled and they lack structure. The four interviewees (in two branches) who commented on the network stated that they have found little added value. But, they also agreed that a departmental network is very much needed. This feedback suggests that DPMED should re-visit the network concept and develop a new format in consultation with stakeholders.

Analysis and Summary

- A central issue is that the evaluation process is not working "smoothly" in all cases. Given that there has been a mix of positive and "frustrating" experiences on particular evaluation studies, DPMED could consider implementing a formal post-mortem review process, whereby a third-party assess a sample of evaluation studies each year, involving interviews with all involved parties. DPMED indicated that such a process was in place a number of years ago and was found to be useful.

- A long-standing concern with the evaluation function not only in Health Canada but throughout the federal government is that some studies can take too long, and therefore miss the window for providing senior management with answers to critical questions. DPMED needs to carefully consider this issue in planning upcoming key evaluation studies.

- A theme of this review is that DPMED should take a leadership role for all key summative evaluation studies, that is, not just overseeing but leading these projects. This will have implications for resources and skills required.

- There is a general view that DPMED does not have a sufficient "weight" around the senior management table. This would call for the head of DPMED to be re-classified to a higher-level EX position.

PERFORMANCE MEASUREMENT: MAIN ISSUES AND GAPS

INTERVIEW FINDINGS

- Information was collected from interviewees on several aspects of performance measurement, including how branches are approaching this subject; whether performance measurement is sufficiently coordinated throughout the department; the usefulness of the PAA/MRRS initiative; and the usefulness of the DPR.

- “Performance measurement” tended to be defined by interviewees as preparing RMAFs in accordance with the TB Transfer Payment Program policy. An RMAF includes a program’s logic model and identifies a set of performance indicators. Once implemented, ongoing performance data should be generated to help managers make decisions. The availability of this performance data should also support the conduct of the eventual evaluation study of the program (so that the study is not forced to collect retrospective performance data, which is expensive and difficult). Given HC is administering some 25 TPP programs each valued in excess of five million dollars and totalling hundreds of millions dollars annually, there has been a considerable amount of RMAF activity, which one interviewee in HPFB, for example, indicated will continue indefinitely.

- A second performance measurement-related initiative is the PAA/MRRS. The goal of this TBS-mandated initiative is to provide Canadians with easy access to clear and concise information on results achieved by departments. This information is entered by the department into the EMIS system. In the case of HC, this presumably would consist of information on trends in, for example, health risks, healthy lifestyles, accessibility to life-saving drugs, smoking rates, etc.

- While the present review was not intended to assess the PAA/MRRS (DPMED is conducting a separate review), interviewees did discuss this subject. The initiative has had some benefits. For example, as discussed earlier, FNIHB has used the PAA to help rationalize the evaluation plan for its many contribution agreements. It has also encouraged program managers to think about the results that are being pursued. A main issue with the PAA identified by two interviewees in HECS is that the TBS methodology forced managers to identify only one or two results for a particular program (typically at the sub-activity level of the PAA). In reality, in order to properly track the performance of their programs or organizations, managers need a larger number of results, as well as the internal enablers that contribute to these results.

- Of the three senior managers who commented on the PAA/MRRS all stated that the departmental-level PAA/MRRS is not meeting their needs for information on the performance of their organizations/programs. This reflects the fact that the TBS-led PAA/MRRS initiative was primarily intended to provide Canadians with trend information on selected results.

- Some interviewees stated that the PAA/MRRS initiative has lost some momentum in the current year, which they suspected was due to staff turnover, plus problems at TBS with the implementation of the EMIS system. It is not clear who is in charge for performance measurement within the department. Multiple groups have been involved, thus responsibility for performance measurement was viewed as fragmented. Several interviewees recommended that a central unit at the departmental level should take responsibility for overall direction, support and guidance.

- Currently, the main external reporting mechanism is the DPR. A few interviewees commented on the DPR and all commented that they were not satisfied with its content. A particular criticism is that individual programs cannot "see themselves" in the DPR. This reflects the concern of managers that branches do not yet have their own performance measurement frameworks.

Analysis and Summary

- Regarding the issues raised concerning the DPR, our cursory review of the most recent DPR indicates that it does not provide readily accessible information on results. For example, the Summary Information section includes no quantitative data on trends in a set of key results indicators. We noted that some useful quantitative information, however, is buried in the report. The most recent DPR did not follow the PAA structure (we assume this will be corrected for 2005-06, as we were told that the RPP for 2006-07 is following the PAA structure.) In order to address the concern that managers cannot see themselves in the DPR, over time, the DPR could consist of a main summary report, plus hyperlinks to individual branch and program-level performance reports.

- In addition to a focus on ongoing program-level performance measurement of the kind described above, many other government organizations also establish enterprise-wide performance measurement systems, using, for example, the popular balanced scorecard methodology.* The focus of this approach is to monitor the key drivers of organizational effectiveness – the logic being that an effective organization leads to effective public policy and resulting benefits to Canadians. The main reporting tool for management is a "dashboard", which contains data on a set of KPIs for the objectives and enablers being monitored. At Health Canada, very little work has been undertaken on organizational

performance measurement. A few exceptions are HECS-Product Safety Programme, HPFB Therapeutics Access Strategy, and PMRA (there may be others that were not identified by interviewees.)

- Because a) performance measurement activity is focused mainly on programs; and b) the current PAA/MRRS is not meeting management needs, branch ADMs lack information on the performance of their organizations, which is a **major gap**. As noted above, some branches and organizational units are now developing a set of KPIs to support good management and to provide stakeholders with required performance information. But each group that is doing performance measurement work is doing so in isolation, with no centralized corporate support or direction. Even within a single branch, little sharing of experiences and best practices is taking place. Practitioners in the branches very much want someone to take a leadership role across the department. DPMED was not perceived to have a leadership role for performance measurement. Interviewees were not aware that the performance measurement mandate has been added to DPMED's responsibilities in January 2006 (the former Departmental Program Evaluation Division (DPED) was renamed the Departmental Performance Measurement and Evaluation Directorate (DPMED)).

- Thus the main gap is that the department as a whole has not developed an approach to organizational performance measurement. Under such a framework, each branch (and sub-unit) would have a performance measurement framework, based on the balanced scorecard or some other appropriate methodology. A set of common indicators would be identified, pertaining to, for example:

  - Stakeholder relations.
  - External and internal communications.
  - Employee satisfaction.
  - Knowledge/information management.
  - Management of transfer payment programs (e.g., extent to which RMAFs have been implemented).
  - Sound management practices (e.g., MAF implementation).

- Further, while a set of common indicators is identified that "cascade" down through the organization (i.e., from the entire organization to each branch, directorate and program/service), the methodology is sufficiently flexible to permit each organizational unit to add other indicators that are relevant to its particular mandate (e.g., regulatory programs might emphasize efficiency/response time indicators, while health promotion programs might focus on public awareness/interest indicators).

- In summary, the department needs to develop its strategy for performance measurement. While the PAA/MRRS initiative has been a useful process, it is not a sufficient tool for performance measurement. Senior managers want a set of key performance indicators to help them manage their organizations. Similarly, the department as a whole should have an overall performance measurement framework in place, which would also help improve the presentation of information in the DPR.

- However, it must be recognized that the department has already invested a considerable amount of effort in the PAA/MRRS initiative, and the PAA is currently under review by DPMED on behalf of the CFO. This work should probably be completed before considering the sort of methodology as outlined above. DPMED, as part of its new mandate, could lead the development of an appropriate strategy for organizational performance measurement in the near future.

THE DISTRIBUTED ORGANIZATIONAL APPROACH TO EVALUATION

- **Description of the distributed approach:** The current HC approach to evaluation is described by DPMED as a "distributed" approach*, where branches, regions and program areas can have their own evaluation organization or evaluators. Aside from "key evaluations", the branches/regions/program areas can independently conduct evaluations or contract them out. The branches, regions and programs also determine the amount of DPMED involvement required. Regardless of who conducted the evaluation, all HC evaluation studies are assessed by DPMED against evaluation standards as outlined in the HC Evaluation Report Assessment Guide (which is also used by TBS). Deficiencies are addressed prior to the evaluation being accepted for submission to DAEC.

- Almost all interviewees in the branches stated that it is critical for evaluation and performance measurement capabilities to be resident in the branches, for several reasons:

  - Almost all interviewees stated that an in-depth understanding of a program is required in order to be able to conduct a high quality evaluation study, or to develop and implement an ongoing performance measurement strategy. An evaluator/performance measurement specialist who resides "close to the front line" is able to obtain an understanding of program data/files, issues, clients/stakeholders, etc. This is particularly true in FNIHB, due to the unique aspects of evaluation work (e.g., the need to negotiate studies with Aboriginal funding recipients, the fact that these recipients possess the data, etc.). But it is also the case in many other HC programs, such as tobacco control or the Canadian drug strategy, where the program budget is very large and the program delivery strategy complex. By having the evaluation and performance measurement capabilities centralized within a branch, the practitioner is better able to develop a good working relationship with each program, which would be more difficult if the practitioner were located centrally in DPMED. Thus, an alternative organizational model, whereby all evaluations would be conducted centrally by DPMED would be viewed as less attractive by the branches.
  - All interviewees situated in the branch-level accountability units indicated that in order to encourage program managers to take more of an interest in results-based management and to train them in performance measurement, it is helpful to have a branch-level unit to provide guidance and support, training, etc. If this support were instead to be provided only centrally (e.g., by DPMED), it would meet with more resistance. To put it simply, it is more effective to have the support "inside" the organization (branch). Also, these branch-level units are focused on ensuring

that the branch is effectively managing the accountability-related provisions of transfer payment programs. Interviewees in these units emphasized that performance measurement and evaluation should be a program manager's responsibility. In addition, the evaluation requirements contained in TB decisions/submissions often need to be rationalized. A common example is where TB funding has been provided for a particular program or initiative in two phases. So, rather than conducting both formative and summative evaluations of each phase, only one summative evaluation would be conducted at the end of the second phase

- ➢ Similarly, a few interviewees overall stated that the people developing a performance measurement framework must have an intimate knowledge of program operations in order to be able to specify the intended results/objectives, to develop appropriate indicators, to understand what data are available and to put the required data collection mechanisms in place.

- ❑ Several issues were raised regarding the current distributed model for evaluation:

  - ➢ The DPMED responsibility for review of the quality of evaluations conducted by the branches is not working smoothly in all instances. Examples of difficult experiences were provided by most of the branches. This is particularly the case where DPMED reviews the branch-led evaluation after it has been completed. There is also general confusion on when DPMED decides to get involved, as noted earlier. A major issue is that problems are identified "after the fact", which makes it difficult to resolve them. An evaluation study rated as not acceptable by DPMED leads to delays in completion and approval of the studies. Rather than supporting the branches in a collaborative, co-operative fashion, some interviewees believe that DPMED has adopted a "thou shalt" or a "gotcha mentality." An alternative approach is desired, whereby problems/issues are resolved along the way, so that end-of-project confrontations are avoided. For example, when DPMED and the branch have worked together from the beginning of a project (one example was where DPMED advised the branch on the preparation of an RMAF), this has worked well, and is a good example of a collaborative, supportive approach.
  - ➢ The distributed model can create an "tension" between DPMED and evaluators located in some of the branches. One DPMED representative stated that this can be regarded as "healthy tension", in that disagreement and debate are important characteristics of the democratic process, and should lead to better quality work in the end. Some branch evaluators, on the other hand, view this situation negatively, since 1) they may view themselves as having an equal level of evaluation expertise; and 2) DPMED's "distance" from the "front-lines" results in a tendency for DPMED to take an "idealistic" methodological approach that is not practical. It must also be noted that there have been some positive experiences; thus this issue

may, in part, be related to individual circumstances. The main source of the problem is where DPMED has been involved at the back-end of a study, when it is difficult to address study deficiencies.

- The views regarding the issue of independence/objectivity were divided and received considerable comment. In the branches that have established (or are establishing) “accountability” offices to coordinate the management of the accountability provisions of transfer payment programs, one view is that these offices are not directly involved in program delivery and thus can be sufficiently independent and objective. And some evaluators located in the branches stated that “good researchers want good research,” so they say it is irrelevant whether the researcher is located in the branch or centrally in DPMED. But, interestingly, one program-level evaluator emphasized that major summative evaluation studies should be not be led by the program, since TBS would view the evaluation study as not being independent or objective. DPMED also indicated that it has concerns about the objectivity of studies conducted by a branch.
- One senior manager and a few branch interviewees commented that the distributed model could result in duplication of effort between DPMED and the branch-level evaluation unit, resulting in an overall approach that is not economical.

Analysis and Summary

- There is very strong support for maintaining evaluation and performance measurement capabilities in the branches. TBS also supports this approach. Similarly, there is also strong support for the department to maintain a central DPMED unit to provide overall direction, to coordinate evaluation activity and to be a centre of expertise.

- The current approach whereby DPMED has the responsibility for reviewing and approving evaluation products produced by the branches is not working smoothly. This is especially the case where problems are identified by DPMED at the end of a study, since it is difficult to resolve them at this point. Interviewees called for a more collaborative approach. Some good experiences were noted where DPMED had been involved from the beginning of a particular project.

- The views regarding the issue of independence/objectivity were divided. While branch-level evaluation units have the potential to conduct independent studies, the risk is that external parties, e.g., TBS, may conclude that an evaluation conducted by a branch of its own program cannot be objective by definition.

- Branches that lack a central evaluation/performance measurement unit (such as Health Policy Branch, Corporate Services Branch and PMRA) tend to look to DPMED for support and advice, yet DPMED is viewed to have insufficient resources to provide the

desired level of service. This situation could become more of a concern given the increasing government-wide emphasis on accountability (the PAA/MRRS initiative being one example).

- One senior manager and a few other interviewees questioned whether the distributed model is economical. In order to address this issue, the current model could be compared to other possible organizational models, in terms of costs and benefits. Several branches are building an internal evaluation capability to coordinate evaluation studies in the branch. Over time, these branch-level units should develop a greater level of expertise and gain in-depth understanding of the branch's many programs and services. Under the current organizational model, DPMED would still oversee all key evaluations (i.e., reviewing evaluation ToR and reports along the way). So, assuming the branch evaluator reaches a similar level of expertise to the DPMED evaluator, then the DPMED review and approval process may become somewhat redundant. It could also be argued that it is not an efficient approach overall, since having more than one evaluation unit involved in the same study adds to the overall cost of the function.

- A final and very important issue is employee morale and job fulfillment. The perspective gathered from interviewees suggests that the current arrangement, whereby DPMED provides a challenge function to the work carried out in the branches, is detrimental to job satisfaction, on the part of both DPMED and branch evaluators. Confrontations and disagreements can wear everyone down if they continue over a long period of time, and employee turnover may be the result. This suggests that there has to be a better approach. This is the subject of the next section, which discusses alternative organizational models for evaluation and performance measurement.

POTENTIAL ORGANIZATIONAL MODELS FOR EVALUATION AND PERFORMANCE MEASUREMENT

- As discussed previously, there are some concerns with the current organizational approach to evaluation. And performance measurement needs to be better coordinated across the department.

- During the course of the interviews, a few interviewees had some ideas on alternative models. Using these discussions as a starting point, the consultant who conducted this study has developed two models for consideration:

1. **Enhanced status quo (Figure 1)** – The main enhancements are:

   - DPMED would lead all key evaluation studies (i.e., not just oversee, but lead the project and the work). Branch-level evaluation personnel would support the conduct of each study, by, for example, coordinating the evaluation activities with program personnel, helping to assemble available data within the program, identifying external data sources and assisting with some of the data collection activities. This would help to foster a collaborative, rather than confrontational process.
   - Within a DPMED directorate, two divisions could exist, one for evaluation and one for performance measurement. The reasons for suggesting two divisions are 1) leadership for each function becomes clear; and 2) the two functions require somewhat different types of expertise. While the skills needed for evaluation and performance measurement have some overlaps, performance measurement requires expertise in additional fields, including information systems, performance measurement software and change management.
   - Departmental networks for both evaluation and performance measurement would be established/revamped.

2. **Centralized evaluation/performance measurement functions, but with specialists co-located in the branches (Figure 2)** – The main feature of this model would be:

   - This model is similar to the HC financial advisor model. Evaluation and performance measurement specialists would be part of DPMED but co-located in the branches. Key evaluations would be led by the appropriate branch evaluator, as would all major branch-level evaluations. The existing

branch-level evaluation personnel would become part of DPMED. A small core central group in the DPMED directorate would provide overall leadership and coordination, support to DAEC, etc.

- Other options could include a completely centralized model (whereby all evaluation activity is conducted by DPMED) and a completely decentralized model (where DPMED disappears and all evaluation activity is conducted in the branches). The completely centralized model would likely be rejected by most interviewees, since, as described earlier, they firmly believe that evaluation and performance measurement expertise should be resident in the branch. The completely decentralized model would likely be rejected, since it would likely result in inconsistencies in the quality of evaluation work from branch-to-branch, raise the issue of insufficient objectivity and independence, and it is less economical overall.

- Another option would be to amalgamate the planning function with evaluation and performance measurement, which would parallel the approach being taken in some branches. (Coincidentally, many large organizations world-wide are consolidating all strategic management functions into one office, typically called the "office of strategic management". This option was not investigated, since this review did not cover the departmental planning function, which is currently coordinated by HPB.

- In summary, the above two options, plus other alternatives, could be further investigated as a next step.

- As an example of the feedback that would be generated by a detailed study of these options, a few people took the position although improvements are required to the evaluation and performance measurement functions, changing the structure is not desirable, since any structure can work as long as the people involved have the right attitude and processes are improved. This point-of-view would support the first option above, i.e., the enhanced status quo.

- The following two pages graphically outline each option, including pros and cons. Again, this information is provided only as a starting point for further investigation.

Figure 1: Organizational Models for Evaluation and Performance Measurement

1. **Enhanced status quo**: DPMED provides leadership for evaluation and performance measurement. DPMED would lead all "key summative evaluations" but with direct involvement of the branch-level evaluation unit. Branch-level evaluation units would be responsible for conducting non-key (Branch-level) evaluation studies. Each branch would have a central unit for evaluation, performance measurement and other strategic management functions, such as planning, risk management, etc.

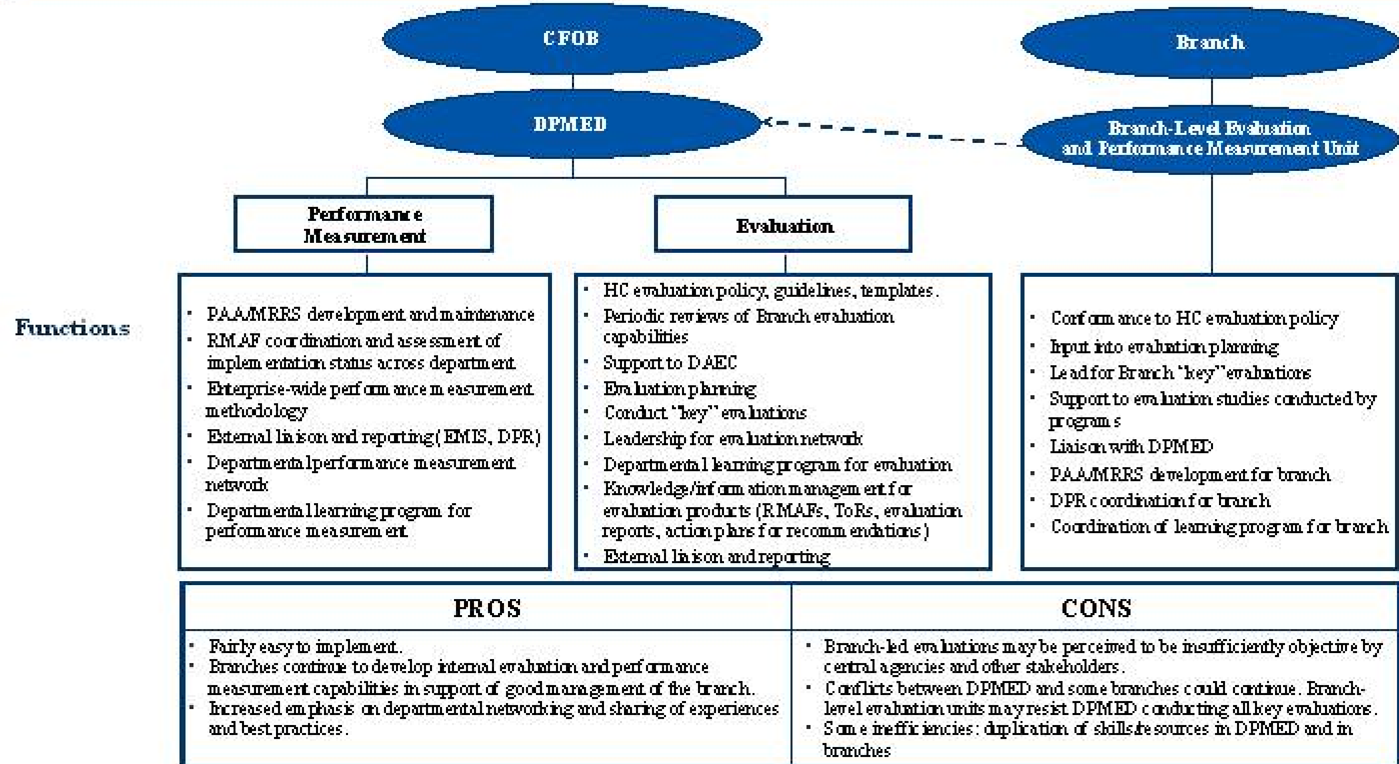
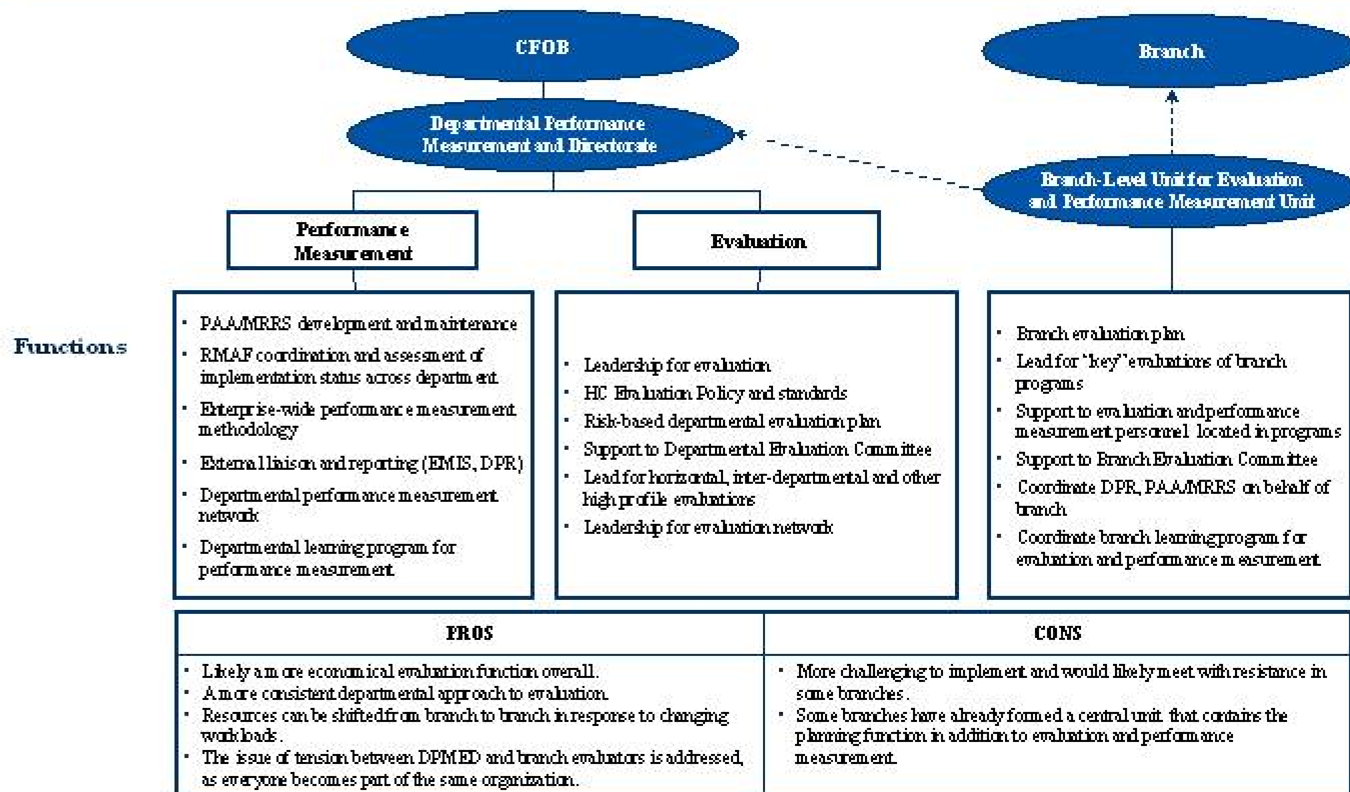


Figure 2: Organizational Models for Evaluation and Performance Measurement

2. **Departmental-wide evaluation and performance measurement functions, but with specialists co-located in the branches**: This model is similar to the approach used by CFOB for financial advisors. Existing/planned evaluation/accountability units in the branches would become part of the departmental-wide organization. Existing DPMED staff would be assigned and co-located in the branches. A small, senior-level central group would provide overall direction, support and coordination.



STAKEHOLDER EXPECTATIONS, NEEDS AND GAPS FOR EVALUATION AND PERFORMANCE MEASUREMENT INFORMATION

SUMMARY OF STAKEHOLDER EXPECTATIONS AND NEEDS

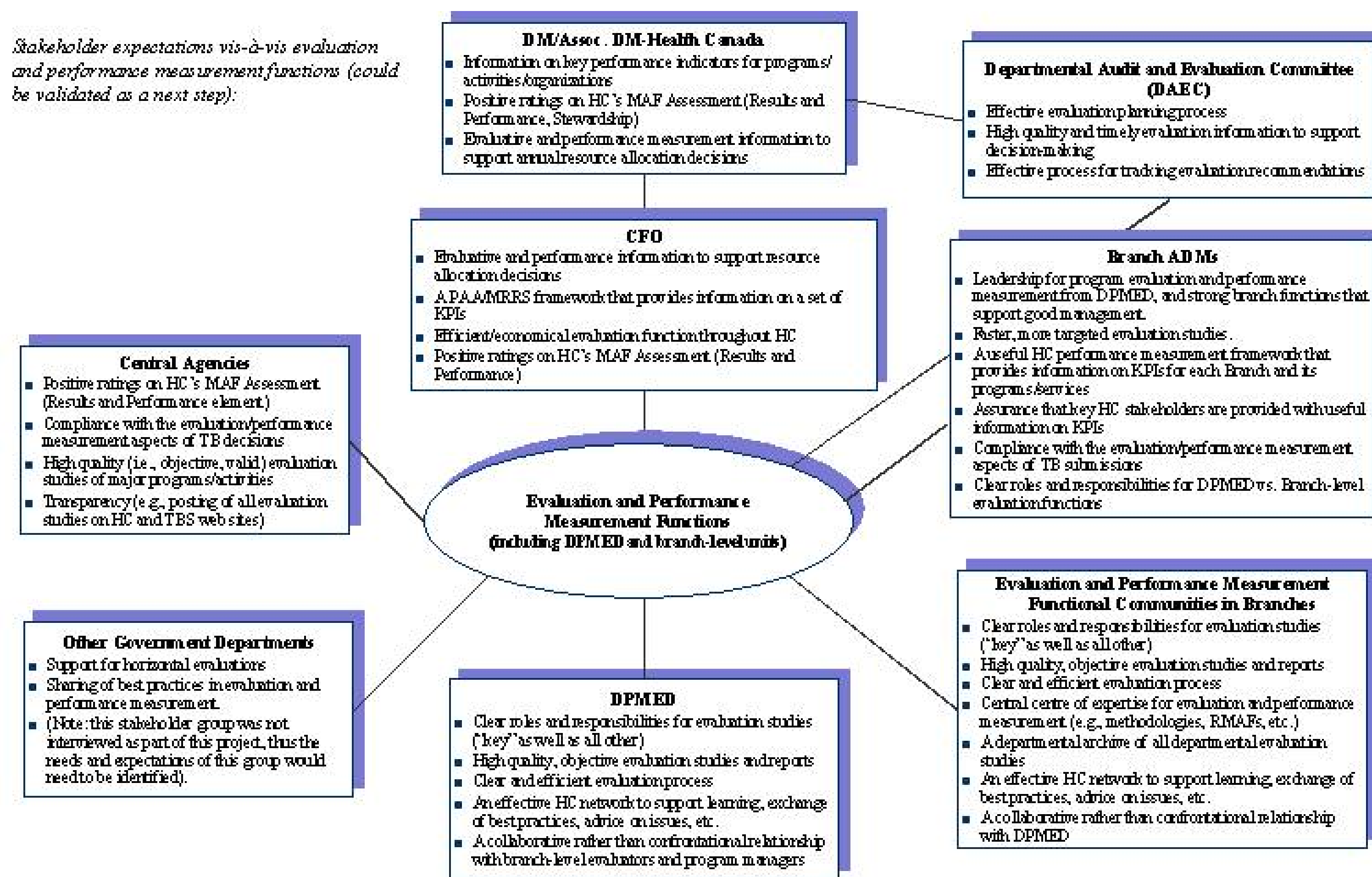
- During the interviews, stakeholders were asked to describe what they are expecting from the evaluation and performance measurement functions across Health Canada.
- Based on the feedback received, we have prepared a draft "stakeholder map", which summarizes the main expectations of the two functions from each stakeholder group. The stakeholder map is presented at the end of this section.
- A stakeholder map can be useful as part of developing a performance measurement framework for the two functions, in that it helps to clarify what is expected of each function and then can be used to measure progress in meeting client expectations.
- DPMED may want to review and finalize this map in consultation with stakeholders as a next step.

GAPS

- Reviewing this map of expectations and needs and comparing it to the evidence on the current status of the two functions presented previously in this report, the main gaps are the following:
  - Managers want useful performance information based on a set of key performance indicators to help manage their branches, organizational units and programs. This would require a departmental-wide approach to performance measurement and strengthened leadership and coordination role from a central unit such as DPMED.
  - Senior managers also want faster, more targeted evaluation studies, in order to support decision-making.
  - While a large number of evaluation studies are conducted annually, both by DPMED and by the branches, the evaluation process is difficult at times. Evaluation practitioners and program managers would like to see a more streamlined process, and a more collaborative relationship between DPMED and the branches.
  - The roles and responsibilities for DPMED and the branches for evaluation are not sufficiently clear.

- Evaluation and performance measurement practitioners across the department want improved sharing of information and best practices. The departmental networks need to be improved in order to meet these needs.
- Senior managers want a departmental evaluation function that is structured appropriately to ensure evaluation studies are conducted efficiently and with minimal duplication of effort between DPMED and the branch-level evaluation units.
- The current distributed approach to evaluation, i.e., where some key evaluation studies are conducted by branches or programs, may not be meeting the needs for evaluation information that is perceived to be independent and objective by external parties, including TBS.

Figure 3: Stakeholders Expectations, Needs and Gaps for Evaluation and Performance Measurement Information



RESULTS OF THE DPMED FOCUS GROUP

- A focus group of DPMED managers and evaluators was held near the end of the study to obtain feedback on some of the main study issues. The main discussion points were as follows.

- The current distributed approach to evaluation:

    - It has been good to see some of the branches develop an evaluation capacity. The branch-level units do add an element of objectivity (i.e., compared to a program leading an evaluation). These branch-level units also act as a buffer between DPMED and the programs. There is a concern that sometimes there is a lack of compliance with the principles of stewardship; e.g., DPMED is supposed to oversee a key evaluation, but there are instances where the program bypasses DPMED's quality control process, which is a major concern. There are three intended key steps for DPMED involvement: 1) review of study workplan; 2) mid-term assessment; and, 3) review of final report. The overall goal is to ensure "no surprises" at the end. In the past, evaluation reports went directly to DPMED, and there were problems with quality and timeliness.
    - Yes, there is a tension between DPMED and some of the branches, as identified in this study.
    - One issue is that there are only one or two people in each branch-level unit, so it is difficult to build a capability. These units mainly coordinate and contract out the evaluation work. The quality of the resulting work remains to be seen. FNIHB, in particular, has been a good partner.

- Is a different organizational model for evaluation required?:

    - There are growing concerns with the current distributed model. While it is good to have an evaluation capability "close to the programs", it is unclear whether the branch-level evaluation units will be able to improve their capability, and there also are concerns with objectivity.
    - Another concern is the evaluation process. An evaluation study first goes through a branch-level committee and then goes to DAEC. The group mentioned that at least in one case the branch-level committee asked for the content of an evaluation report to be changed, which is a concern (objectivity).
    - An alternate model would be similar to the approach used for financial advisors. An account executive is responsible for each branch and all personnel belong to the one group. The account executives reside in the branches. So, they provide

service to the branch but maintain a corporate perspective. This model is also used for the communications function. This model has merit for evaluation. If this model were to be adopted, DPMED would want to select the branch personnel to become part of the organization.

- Is independence and objectivity an issue?:

  - Where the evaluation is conducted by the program, there is definitely a concern. Where a key evaluation is conducted by the branch-level evaluation unit, we hope that the report is objective. DPMED relies on the branch to ensure there is objectivity.
  - Overall, while it is possible for a program to produce an objective evaluation, the department must be concerned by the objectivity as perceived by outside parties.
  - In order to increase objectivity, each evaluation study should have a steering committee with outside involvement. Another mechanism is to add a peer review process to a major evaluation study.

- Are roles and responsibilities for evaluation and performance measurement clear?

  - There is no functional authority for performance measurement, and no departmental policy.
  - It is critical for the department to ensure performance measurement frameworks and systems are in place, as data is required to support future evaluations.
  - Within DAEC, roles and responsibilities for evaluation are well known. However, the members of DAEC need to do a better job of communicating this information down into the branches.
  - Suggestion: the roles and responsibilities for evaluation should be outlined in a communications package for wide distribution.

- What are the main improvement opportunities?:

  - DPMED needs to demonstrate whether evaluation studies are having an impact.
  - We continue to struggle with a balance between discipline/rigour/timeliness versus effectiveness/usefulness to senior management. The current TAS evaluation is an example of this struggle.
  - Within DPMED, we tend to burden a single person with each evaluation project. We need to create teams, which would improve timeliness and help with employee learning. This should be possible as DPMED staffs up to full strength.

- DPMED spends a considerable amount of effort in providing the CFO with information (e.g., reviewing TB submissions, Cabinet documents). This is positive, as the more "upstream" work that is done, the eventual evaluation study should be of higher quality. However, it is difficult to balance this workload with the "regular" business. (No solution was identified.)
- DAEC needs to ensure managers are held accountable for the implementation of recommendations contained in evaluation reports.
- Program personnel should rotate in and out of DPMED. This was done in the past, which was a good practice.

RECOMMENDATIONS

The following table lists the major issues identified by the study and the associated recommendations.

Main Issues Identified	Recommendations
❑ Issues were identified with the current "distributed" approach to evaluation, including the following: • Key evaluations that are conducted by a branch or program cannot be considered as sufficiently objective, particularly by TBS and Parliament. • There is potential overlap/duplication of effort on particular evaluation studies, which suggests that the function might be configured differently to achieve a more economical approach.	**1.** DPMED should investigate alternative organizational models for evaluation and performance measurement for the department. As a start, the two organizational models proposed in this report could be used to provide guidance. Once the preferred option is selected, the next step would be to develop the detailed organizational design (i.e., structure, positions, classifications, resources required, etc.).
❑ Some interviewees stated that DPMED lacks sufficient expertise. As a centre of leadership for evaluation, they recommended that DPMED add more health subject-matter expertise and more senior-level personnel.	
❑ HC senior managers have a pressing need for performance information. While there is support for the PAA/MRRS initiative, this framework will not provide sufficient information to help managers manage organizations, programs and services. A focal point within HC for performance measurement leadership is required. This central office would develop the performance measurement strategy, coordinate its implementation in each branch, coordinate the annual DPR, etc.	

Main Issues Identified	Recommendations
❑ The roles and responsibilities for evaluation studies are not sufficiently clear throughout the department. The main issues are: • The criteria for determining when an evaluation is a “key evaluation” are not well known or understood. • Roles and responsibilities for key evaluation studies on the part of DPMED and the branch are not clear. • There are concerns about the overall evaluation process, including DPMED’s role in approving branch-led evaluation studies.	**2.** Once the desired organizational approach is selected and profiled, review and implement the following improvement suggestions noted in this report, including: • Clarify the roles and responsibilities for key evaluations, critically examine the current evaluation process in consultation with stakeholders and revamp it. • For a key evaluation study, a senior (manager-level) practitioner from DPMED would lead the project. Representatives from the branch evaluation unit would support the conduct of the study.
❑ The current evaluation and performance measurement network was viewed as not working very well. Not all evaluation practitioners were aware of it; it is a voluntary forum, not a mandatory one; and meetings tend to be cancelled and lack structure. However, everyone agreed that a network is needed.	• Establish productive and valued HC networks for evaluation and performance measurement, whereby specialists get together regularly to share experiences, issues and best practices. DPMED should consult with stakeholders to re-design the networks.
❑ The roles and responsibilities for evaluation studies are not sufficiently clear throughout the department. The main issues are: • The criteria for determining when an evaluation is a “key evaluation” are not well known or understood. • Roles and responsibilities for key evaluation studies on the part of DPMED and the branch are not clear. • There are concerns about the overall evaluation process, including DPMED’s role in approving branch-led evaluation studies.	**3.** DPMED should prepare an evaluation toolkit for wide distribution throughout the department, containing such components as: • Key reference documents, including HC evaluation policy, standards, evaluation plan, etc. • Roles and responsibilities of all parties (DPMED, DAEC, branch evaluation units, branch ADMs, etc.). • Process for developing and approving the evaluation plan. • Standard operating procedure for evaluation studies, including helpful templates. Examples of the components of the standard operating procedure would include: key steps in a study, roles and responsibilities of all parties at each step, approval process for each evaluation product of a study, etc.) • Post-project assessments, i.e., project post-mortems conducted by third party. (See recommendation #4). • Learning program for evaluation. • Departmental evaluation network.

Main Issues Identified	Recommendations
• The support provided by DPMED on particular evaluation studies has been uneven; there have been some good stories as well as some frustrating experiences. • Evaluation studies sometimes take too long to be completed and thus do not become useful for decision-making. The main suggestion was for DPMED to conduct more focused, tailored studies, i.e., that focus on a few issues and do not strive for perfection. • Some interviewees in the branches called for a partnership to be developed with DPMED.	**4.** Conduct formal post-mortem reviews of a sample of key evaluation projects annually. As part of the performance measurement framework for DPMED, post-mortem reviews would be undertaken of a sample of key evaluation studies annually. These reviews would provide useful information on lessons learned and would help to continually improve the evaluation process.

APPENDIX A

List of Individuals Consulted During Study

Health Canada

- Chief Financial Officer Branch
  - Chantale Cousineau-Mahoney, CFO
  - Ken Lee, Director, DPMED
  - Scott LeBrun, Senior Policy Advisor, Planning and Special Project Directorate
  - Chantal Lacelle, Senior Project Officer, Materiel and Shared Services Integration Directorate

- Participants in 'Focus Group' with DPMED managers and staff:
  - Catherine Fothergill-Payne, Evaluation Manager, DPMED
  - Kevin McKenzie, Evaluation Manager, DPMED
  - Walter Zubrycky, Evaluation Manager, DPMED
  - Sylvia Olivares-Guevara, Senior Evaluator, DPMED
  - Karen Gittens, Senior Evaluator, DPMED
  - Jennifer Davidson, Evaluator, DPMED
  - Tara Kuzyk, Evaluator, DPMED

- Health Policy Branch
  - Abby Hoffman, Executive Coordinator, Pharmaceuticals Management Strategies, Associate ADM
  - Frank Fedyk, DG, Intergovernmental Affairs Directorate and A/DG, Policy, Planning and Priorities
  - Susan Spohr, Senior Public Accountability Coordinator, Health Care Policy Directorate

- Corporate Services Branch
  - Francine Burdick, A/Executive Director, Office of Workplace Health and Human Resources Modernization, Human Resources Services Directorate
  - Pierre J.P. Tremblay, Regional Director, Real Property and Accommodation Services, Assets Management Directorate

- Health Products and Food Branch:
  - Martin Tomkin, Director, Audit and Evaluation Division, Policy and Strategic Planning Directorate

- Healthy Environments and Consumer Safety Branch
  - Monique Charron, Associate DG, Policy and Planning Directorate
  - Dave Semel, Director, Office of Accountability and Planning, Policy and Planning Directorate
  - David Odumodu, Portfolio Manager/Performance Excellence Specialist, Accountability and Performance Measurement, Policy and Planning Directorate
  - Vivian Kalil-Watterud, Manager, Strategic Planning and Performance Management, Product Safety Programme
  - Cesare Spadacinni, Strategic Planning and Business Services, Product Safety Programme
  - Christine Bertin, Manager, Planning and Reporting Services, Office of Business and Information Services, Workplace Health and Public Safety Programme
  - Colleen Ryan, Manager, CDS Evaluation, Risk Management and Reporting, Office of Drug Strategy Secretariat and Strategic Policy, Drug Strategy and Controlled Substances Programme
  - David Mills, Manager, Evaluation and Strategy Planning, Tobacco Control Programme

- Atlantic Region
  - Olga Massicotte, Regional DG

- First Nations and Inuit Health Branch
  - Catherine Lyons, DG, Business Planning and Management Directorate
  - Debra Gillis, Director, Primary Health Care, Primary Health Care and Public Health Directorate
  - France Dauphin, A/Manager, Evaluation and Quality Assurance, Business Planning and Management Directorate
  - Karen Kerr, Manager, Planning and Performance Management Unit, Business Planning and Management Directorate

- Pest Management Regulatory Agency
  - Karen Dodds, Executive Director
  - Trish MacQuarrie, Director, Alternative Strategies and Regulatory Affairs Division

- Margherita Conti, Head, Submission and Information Services Section, Submission Coordination Division

Treasury Board Secretariat

One meeting was held at TBS, which was attended by the following individuals:

- Expenditure Management Sector
  - Glenn Crone, Senior Analyst, Centre of Excellence for Evaluation
  - Dianne Lepaa, Centre of Excellence for Evaluation

- Social and Cultural Sector
  - Ruta Danaitis, Principal Analyst, Indian Affairs and Health
  - Randy Legault, Senior Analyst, Indian Affairs and Health
  - Sophia Lee, Analyst, Indian Affairs and Health

APPENDIX B

Interview Guides

Separate interview/discussion guides were prepared for the:

- ❑ Interviews with HC stakeholders in each branch.
- ❑ Interviews with TBS representatives.
- ❑ Focus group with DMPED managers and staff.

The three guides are presented in the following pages.

INTERVIEWS WITH HEALTH CANADA STAKEHOLDERS IN EACH BRANCH

Note:
The following interview guide was e-mailed to each individual prior to the interview. Each individual was asked to comment on those questions for which they had the knowledge to do so. Each group of HC stakeholders tended to focus on the following particular questions:

- HC senior managers: # 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14.
- HC evaluation and accountability-related personnel in the branches: all questions.
- HC program managers in the branches: # 1, 4, 5, 8, 9, 10, 11, 12, 13, 14.

1. Please briefly describe your roles and responsibilities, including, in particular, your involvement in evaluation and performance measurement.
2. How is evaluation and performance measurement information currently being produced within your organization? Does your Branch have a performance measurement or evaluation unit? If so, please describe it.
3. For the current fiscal year, approximately what level of resources is devoted to evaluation and performance measurement within your organization? Is this level sufficient?

4. Have you been involved in particular evaluation studies over the past two years? Please briefly describe each project. What have been the strengths and weaknesses of each study?
5. Have you been involved in performance measurement activities within your organization over the past two years? What are the strengths and weaknesses of performance measurement in your organization?
6. Overall, what are the needs of HC decision-makers with respect to performance measurement and evaluation information (e.g., to help make decisions regarding resource allocation, program improvements, program expansion or program discontinuation)? To what extent are they receiving the information they require? Is there a gap between their needs and the information they are receiving?
7. Are you familiar with HC's PAA and MRRS? What is the status of implementation in your organization, i.e., have key performance indicators been identified; is information being collected and reported on?
8. In your view, what is the level of quality of the performance measurement and evaluation information provided by HC to its key stakeholders, including the public, Parliament (e.g., Standing Committees) and Treasury Board? What is the quality of the annual RPP and DPR?
9. The evaluation function in the department follows a combined centralized/distributed approach. DPMED oversees (e.g., approves the evaluation workplan, conducts mid-project reviews) DAEC-designated "key evaluations" according to a risk-based plan, while branches, regions and program areas each conduct evaluations of particular programs, functions and projects. What are the strengths and weaknesses of this approach?
10. Are the roles and responsibilities within HC for the provision of performance measurement and evaluation information clear at present?
11. The independence of individuals conducting evaluations and ensuring the objectivity of these studies is a key consideration. Do you think independence is an issue within the department? If so, what types of evaluations should or should not be done by Branches and Regions? What types of evaluations should be conducted by a central unit such as DPMED that is "removed" from the area being evaluated?
12. Do you have any comments on how the department is currently organized to provide performance measurement and evaluation information? What are the strengths and weaknesses? Would you change the structure?
13. Are any other changes required to improve performance measurement and evaluation within HC?
14. Finally, do you have any other comments that have not been covered above?

Discussion Guide for DPMED Focus Group with Managers and Staff

1. The current organizational approach to evaluation, i.e., the "distributed model." What are the strengths and weaknesses.
2. Should the distributed model be changed? If so, how?
3. Does DPMED have any concerns with the independence and objectivity of the evaluation studies being conducted?
4. Are roles and responsibilities for evaluation and performance measurement clear?
5. Overall, is DPMED working effectively? What is working or not working?
6. What are your suggestions to improve the functioning of DPMED (e.g., structure, policies, resources, competencies, processes, tools and techniques, learning opportunities)?

Discussion with TBS Representatives

The meeting with TBS representatives focused on the following topics (drawn from the interview guide used for HC interviews)

1. What is the perceived quality of the evaluation information produced by Health Canada, as required to support TB submissions?
2. What are your views on the current distributed organizational approach to evaluation at Health Canada?
3. What are the views towards the Health Canada PAA?
4. What is the quality of the Health Canada RPP/DPR?
5. What is the rating by TBS of the Health Canada evaluation function (as part of the MAF assessment)?

Main Issues Identified and Recommendations raised in the Report	Considerations for DAEC Discussion
	▸ Because of time pressures, evaluator "exit interviews", which include getting feedback from key parties involved in an evaluation, have not been done as rigourously or regularly as desired.
▸ Some(2-3) interviewees in the branches called for a partnership to be developed with DPMED.	▸ DPMED always collaborates in one way or another with program areas being evaluated. The "quality" of this collaboration is, however, affected by the attitudes/perceptions and expectations that the parties bring to this relationship. The issue here is more of "openness and transparency" by all parties, particularly on "hidden agendas" that could affect how and on what an evaluation is conducted.
	Issues for DAEC consideration / discussion: ▸ DAEC confirmation of operational principle: ▸ While "compliance" is important, usefulness of the evaluation information for departmental decision-making is just as important. ▸ As part of the "exit interview", the evaluation team for each evaluation should obtain an assessment from program management on whether the evaluation has provided the information required for their purposes, at the right time. ▸ Submission of evaluations to DAEC have generally focused on obtaining approval for public release. Should members be asked to provide their assessment on the quantity and quality of the evaluative information for decision-making in their capacity as senior *departmental* managers? For example, what information would they have expected the evaluation to provide, did the evaluation provide it, was the expectation reasonable under the circumstances, how useful is the information (for current or future decision-making)?

Developed by: Departmental Performance Measurement and Evaluation Directorate
Chief Financial Officer Branch
June 6, 2006