Treasury Board of Canada Secretariat
Secrétariat du Conseil du Trésor du Canada

Report on Effective Evaluation Practices

Canada

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Executive summary

This report examines effective evaluation practices in 14 federal departments and agencies. It provides information on the range of practices/strategies that have been adopted by evaluation units in order to ensure the quality and timely reporting of evaluation results.

The study is based on interviews conducted with heads of evaluation, as well as evaluation users, in the participating departments and agencies. In total, 28 key stakeholders were consulted.

Five threads run through the discussion:

- **timely reporting** of evaluation results so that they can be used in decision making;
- how evaluators provide **quick assessments and reactions to urgent files**;
- how evaluation units are structured and resourced to provide **objective assessments** and to fully **understand information needs** of senior management;
- how evaluation units can support **effective collection of meaningful performance data** by program managers and other departmental stakeholders; and
- learning and development strategies that enable evaluators to **address capacity gaps**.

This document is intended to promote the sharing of effective practices, and to serve as a resource for heads of evaluation across all federal departments and agencies.

Introduction

On April 1, 2001, the Treasury Board Secretariat (TBS) introduced the revised Treasury Board Evaluation Policy, to be applied by all federal departments and agencies in fulfilment of their accountability requirements. The policy seeks to ensure that the government has timely, strategically focused, objective and evidence-based information on the performance of its policies, programs and initiatives, with the aim of producing better results for Canadians.

In January 2003, TBS released an interim evaluation report of the policy. It indicates that evaluation capacities vary by organization. In particular, while some of the mid-sized and large departments/agencies have started implementing the new Evaluation Policy, a number of smaller federal organizations have little or no evaluation capacity. Other issues raised include problems of timing and focus, which often prevent evaluation reports from being used in decision making.

In response to these concerns, TBS' Centre of Excellence for Evaluation commissioned R.A. Malatest & Associates Ltd. to develop a Report on Effective Evaluation Practices in order to share and promote best practices across federal departments/agencies.

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- how evaluators provide **quick assessments and reactions to urgent files**;
- how evaluation units are structured and resourced to provide **objective assessments** and to fully **understand information needs** of senior management;
- how evaluation units can support **effective collection of meaningful performance data** by program managers and other departmental stakeholders; and
- learning and development strategies that enable evaluators to **address capacity gaps**.

An initial questionnaire was sent to heads of evaluation by the Centre of Excellence for Evaluation. This was used to obtain their input concerning the themes of the research, and to identify heads of evaluation interested in being interviewed. The findings of this report are based on interviews conducted with heads of evaluation and with evaluation users from 14 federal departments and agencies.

This report should not be construed as a formal assessment of the capacity of the organizations that were interviewed. The proposed effective practices should not be interpreted as benchmarks. The practices shared here by participating departments and agencies have been thought to enhance the timing and focus of their own evaluations. They are offered in this report for those organizations that are interested in finding out how other evaluation units are dealing with similar challenges.

This report represents the first of a series of work that the CEE is committed to undertaking on effective practices. Other research to be conducted includes examining practices around the application of evaluation methodologies.

Attributes of Evaluation Units that are Thought to Improve the Timing and Focus of Evaluation Studies

An effective evaluation function can result from a variety of practices and depends on the type of organization and business model. Following is an overview of some of the approaches that are used by federal organizations included in this study and that are thought to enhance the timing and focus of evaluation studies. The effective practices are grouped in eight categories, with examples given for each. The categories are:

1. organizational structure
2. resourcing
3. planning
4. ability to influence decision making
5. departmental performance measurement strategies
6. in-house expertise
7. quality control
8. turning findings into action

It should be noted that many practices identified by respondents achieve many objectives simultaneously so they could be classified under several categories. For example, the use of steering committees with representation of all stakeholders helps ensure that findings are relevant to all parties. Such committees might be classified under planning, ability to influence decision-making, quality control and turning results into action. However, steering committees have been mentioned only under one category to keep this report brief.

1. Organizational Structure

Most of the organizations studied share the following characteristics in their organizational structure.

Effective Practice:

A centralized independent evaluation unit

Most of the departments/agencies have a centralized evaluation unit independent of programs and regional offices. Under this model, the evaluation unit operates at arm’s length from the subjects it evaluates, thereby enhancing objectivity. In some instances, the program area to be evaluated establishes a contract to receive the services of the evaluation unit. In this model, the program area provides funding for the evaluation.

Some departments/agencies also have some evaluators in their regional offices. Such is the case for Environment Canada. Regional evaluators often act as facilitators on evaluations of national programs. In some cases, regional evaluators are responsible to carry out evaluations of programs that are regional in scope.

Health Canada is an exception, with evaluation activities decentralized so that they are embedded throughout the organization. However, the central evaluation unit is involved with each evaluation to ensure adherence to evaluation standards and maintenance of sufficient rigour and objectivity. Some program areas and regional offices have dedicated evaluation resources. The central unit consults with the evaluation team or steering committee created for each project, reviews the project work-plan and proposed evaluation components, conducts mid-term reviews for key evaluations identified by the Departmental Audit and Evaluation Committee, reviews the final report for all evaluations, and submits review results to the committee.

Effective Practice:

A direct line between the evaluation unit and Senior Management

Many of the evaluation units were designed to permit proximity between evaluators and Senior Management as an outcome of the organizational structure and/or consultations. The particular methods used vary to some extent with the size of the organization. Methods include, but are not restricted to, having the Head of Evaluation reporting directly to the Deputy Minister, having the Deputy Minister chair the Audit and Evaluation Committee, and consultations with Senior Management during the development of the Evaluation Plan.

> Agriculture and Agri-Food Canada has shifted from a vertical structure toward a more horizontal or “enabling” business model. The Departmental Audit and Evaluation Team is chaired by the Deputy Minister; its membership is made up of the entire Board of Directors, the Director General of the Review Branch and the Management Council. The team oversees and approves evaluation planning and reporting, and monitors management action plans and follow-up activities. Horizontal teams promote the development of cross-program indicators.

Effective Practice:

Proximity of evaluation units to data sources

Informants noted the importance of access to reliable data. Some departments have created a structure in which the evaluation unit is associated with the data/statistics division.

> Citizenship and Immigration Canada has its Research and Statistics Directorate located within its Audit and Evaluation Branch. The two groups attend monthly “Synergies” meetings to ensure collection of appropriate data for the Evaluation Branch’s research.

2. Resourcing

Effective Practice:

Size appropriate to organization

The size of the evaluation unit (number of evaluation full-time equivalents) needs to reflect the size of the organization to ensure that it can handle the level/volume of evaluation work. Other factors influencing the size of the evaluation unit include the complexity and the level of risk of programs offered an agency or department. However, a critical mass of evaluators is necessary in smaller organizations to assume responsibilities linked to the Evaluation Policy.

In some of the departments and agencies, the evaluation unit shares some of its staff with the audit unit. However, it is generally felt that sharing resources interferes with the operations of the evaluation unit. Most heads of evaluation indicated the need for staff dedicated to evaluation activities.

Effective Practice:

Funding arrangements that do not compromise objectivity

Evaluation unit resources are provided under different budget headings. In many instances, annual finances are included within departmental overhead, while the programs conducting evaluations provide consulting costs.

Evaluation units generally receive their funding directly from program budgets, a practice that could lessen their objectivity and prevent them from undertaking needed work. The unit might end up meeting the program management agenda rather than departmental requirements. A way of countering this problem is to include evaluation in the organization’s planning process. Agriculture and Agri-Food Canada has taken an extra step. It has implemented a financial allocation system where funding for evaluation activities identified in a Treasury Board submission goes directly to the Review Team budget.

3. Planning

Effective Practice:

Incorporate evaluation into corporate planning and/or risk management

Including evaluation in the business planning process promotes effective evaluation practices and corporate functioning. Planning for evaluation as part of corporate activities leads to evaluations that are of higher quality and more timely, and that are more accessible to decision makers.

While not all organizations formally included evaluation as part of their business plan, typically a four- or five-year plan is established with annual reviews and updates.

Social Development Canada has put in plan a new risk-based planning process to establish its Audit and Evaluation Plan. Seven risk criteria are used to rate major programs and services:

1) Materiality of the program budget
2) Number of affected clients
3) Program expenditure type – discretionary versus non-discretionary
4) Program delivery structure – centralized versus decentralized or partnerships
5) Degree of complexity of program design
6) Date of last audit or evaluation
7) Degree of public/media and Parliamentary interest

Agriculture and Agri-Food Canada's Agriculture Policy Framework includes a risk- and results-based planning strategy. This is broken into four stages running over four years: governance; performance measurement; success; and relevance/effectiveness. In evaluation planning, all possible projects are prioritized according to seven criteria: budget; previous evaluation commitment; potential impact or relevance to strategic outcomes; timing; relationship to departmental risks/issues; most recently completed evaluation; and availability and reliability of data.

Planning across multiple programs is facilitated by involving, not only evaluators, but also senior management and managers from various program areas in the business planning process. Common concerns are identified and addressed at a departmental/organizational level.

Evaluators in organizations where evaluation activities are not part of initial planning saw this exclusion as a weakness, lessening the effectiveness of corporate and evaluation operations. The preferred model was a corporate environment in which evaluation requirements were clearly identified and provided with sufficient resources. Some evaluation units noted that they had only established an accepted "evaluation schedule" for departmental programs or services.

Effective Practice:

Incorporate evaluation planning into program and policy design

Heads of evaluation agree that, where possible, evaluation planning should be incorporated into program, and with the 2001 Evaluation policy, into policy and initiative design. Doing this could be relatively straightforward for new programs, policies or initiatives, but it is more difficult for well-established, long-running programs. For some departments, the answer is to include long-running programs as part the risk-based evaluation planning (the length of time since the last evaluation being a risk criterion) and prepare evaluation frameworks for them.

Effective Practice:

Support from evaluation unit in development of program RMAFs

For many departments/agencies, the evaluation unit/team provides support in the development of program Results-based Management and Accountability Frameworks (RMAFs) — for example, through training sessions/seminars and formal/informal reviews, at least in the early stages of meeting TBS RMAF requirements. Some units would like to have more input into the RMAF design but feel that they lack the human resources required.

4. Ability to Influence Decision-making

One of the key findings of the interim study on the Treasury Board Evaluation Policy is that, in a number of federal departments and agencies, evaluation reports suffer from inappropriate timing and focus, reducing their use in decision-making. The following techniques are used by departments and agencies in this study to facilitate the provision of evaluation results for use in management-level decision-making.

Effective Practice:

Appropriate Consultations of Senior Management During Planning Process

Sufficient consultations as part of the planning process encourages evaluations to be have the right focus and to be undertaken when needed by program management and senior management. According to heads of evaluation, knowing the key decisions to be made by senior management in the coming months is a key consideration in the design and timing of evaluation studies and in the presentation of evaluation results.

Effective Practice:

Use of Steering Committees

The use of Evaluation Steering Committees that include a range of program stakeholders can improve the focus of evaluations. Such committees ensure that evaluation issues of importance to all stakeholders are covered by evaluation studies.

> HRSDC/SDC uses Steering Committees for all their evaluation projects. Committees have membership from relevant program and policy areas. Committees review project's terms of reference, methodology, findings and conclusions and management response. The establishment of these committees better facilitates the inclusion of partners' and clients' concerns and their views as part of the evaluation at all stages of the process. They also facilitate communications of findings in a timely manner, such that it is often the case that corrective management action can be undertaken prior to the completion of the evaluations.

Effective Practice:

Techniques to speed up the reporting process

Almost every department/agency uses a combination of techniques to speed up the report-writing process.

One option is to use a short reporting style for delivering preliminary and/or final results. Another is to conduct small-scale studies on a regular basis.

> The Canadian Nuclear Safety Commission and the Department of National Defence make use of briefing/reporting decks to provide evaluation results to senior management. This type of documentation reports high-level results, emphasizing the findings and the steps that should be taken. Instead of a narrative form, the decks use a short, snappy reporting style that better suits the needs and schedules of decision makers.

Some departments and agencies use general report templates or results outlines. Another technique is to formally track the evaluation process; this increases timeliness of evaluations, while monitoring for quality.

> The departments of Human Resources and Skills Development / Social Development provide evaluation personnel with a "Checklist Form for Internal Control of Evaluation Study." The checklist outlines requirements and deliverables of an evaluation project. The department also requires that a detailed point-form outline be submitted for review prior to the submission of a final report.

While many departments and agencies have at least a general template or skeleton outline for reports, more formalized report structures are considered too rigid and confining.

Effective Practice:

Smaller-scale studies to handle urgent issues and files

One of the ways of quickly assessing issues and reacting to urgent files is to use more-focused or smaller-scale studies. Sometimes these can be incorporated into a larger-scale evaluation.

> The Canadian Nuclear Safety Commission regularly uses smaller-scale studies (i.e. with less rigorous/robust evaluation practices) to address immediate questions. The evaluation unit has only two evaluators, but it produces numerous small-scale reports that are used in management-level decision making.

If information is needed partway through an evaluation, a solution is to present preliminary findings before the research is completed.

> Canada Mortgage and Housing Corporation recognizes that some information may be better than none. It produces interim reports summarizing preliminary results. Experience has shown that the final results typically resemble the preliminary findings, and that the risk of error at the preliminary stage is relatively small.

Effective Practice:

Quick contracting practices for addressing urgent issues

Approximately half of the departments/agencies in this study indicated that their evaluation unit uses some type of quick contracting practice to speed up the evaluation process. This shortens the time it takes to hire an external consultant.

Standing offers are used by many evaluation units, such as the Department of National defence Chief Review Services, which has 3 streams: evaluation services, audit services and consulting services. Setting up the standing offers requires a competitive process. Once it is established, research contracts can be let on short notice. All standing offers have their own rules, although they usually have ceiling values for individual call-ups.

Another option for quick contracting practices is the task authorization (once established). This open contract has a maximum call-up amount of $100,000 or more — higher than that for standing offers. A task authorization may be effective within 48 hours. The disadvantage is that the department/agency is liable for the value of the contract; if there is no work, it must pay a penalty.

Other organizations find that it takes too much time to establish a standing offer agreement list; they prefer using the standard request for proposals process. Some organizations consider that standing offers and task authorizations impair the competitive bidding process.

5. Departmental Performance Measurement Strategies

Many departments and agencies in this study are working on the implementation of Results-based Management and Accountability Frameworks and performance indicators. A number of strategies have been developed to collect performance measurement data for use in evaluations.

Effective Practice:

Combine performance measurement and evaluation functions

Combining performance measurement and evaluation functions enhances the availability of data for evaluation purposes. It thereby facilitates ongoing data collection, management and quality control.

> The evaluation team at Canada Economic Development for Quebec Regions undertakes both performance measurement and evaluation. Evaluators are responsible for data collection and management, and for data verification as part of quality control. However, this organization is much smaller than some of the federal departments included in this study.

Effective Practice:

Use standard data collection tools to quickly collect/access data

Since data collection, performance measurement and evaluation are often not formally linked, many departments and agencies in the study did not use a data collection template for evaluations. A small number made use of the Common Measurement Tool, or else they created their own data collection tools (e.g. survey instruments).

> To produce its annual Departmental Performance Report, for the past eight years Canada Economic Development for Quebec Regions has sent a standard template of questions to its 14 regional offices. The questions concern projects, results, etc. The survey findings are then presented to each of the offices. The data are also available and used for evaluation purposes.

6. In-house Expertise

Effective Practice:

Draw on in-house resources to benefit from organization-specific knowledge

Most departments and agencies in this study rely on experienced in-house resources to design, implement and report results. They cite the benefits of knowledge specific to the organization and its requirements (e.g. standard wording, policy, etc.).

> Environment Canada mostly uses internal resources for evaluations. As a result, evaluations are more relevant and more promptly completed, and they yield better results. Another benefit is that employees gain knowledge when evaluation remains in house. For special expertise not found in-house, the department has a small budget to hire contractors.

While all evaluation units in this study have expert evaluators on staff, the level of expertise could vary within a unit. Developing and maintaining in-house capacity is a priority for the heads of evaluation.

Effective Practice:

Train staff to avoid and/or address evaluation capacity gaps

All of the evaluation units involved in this study have well-established training policies and practices encouraging staff to seek training in one or more of the following formats:

- personal learning plans and similar types of human resources tools;
- assessment of training needs;
- training courses and professional events;
- working alongside consultants during evaluations;
- information sharing among staff; and
- follow-up sessions.

Some organizations have developed unique methods for providing training and addressing capacity gaps.

> The departments of Human Resources and Skills Development / Social Development offer the “ES Development Program,” which involves assessment and training for new employees. Participants are re assessed every six months and can be promoted, without competition, to a level as high as ES-5.

Health Canada provides training opportunities to evaluators, in accordance with skills development learning plans developed by the evaluators and management as part of the performance assessment process. In addition, each evaluator's learning and development needs are assessed regularly. Also provided are regularly scheduled performance measurement courses open to all employees, and specially tailored courses for entire organizational units.

Effective Practice:

Staff interaction with external evaluation teams/contractors

Another way for members of the evaluation unit to enhance their skills is through interaction with external evaluators. In several departments and agencies using mostly external resources, throughout the evaluation process the in-house evaluators provide advice/guidance and maintain contact with contractors, rather than merely managing contracts. The interaction is also thought to enhance the quality and timeliness of the evaluation.

7. Quality Control

In most of the departments and agencies in this study, quality control is typically conducted internally, and usually informally. For example, the professional opinions of other members of the evaluation team and senior management are often sought to determine quality. In a few instances, a formal review process with external experts is used to ensure quality.

Effective Practice:

Peer review

Some departments and agencies use peer reviews to ensure that their evaluation approach has the methodological rigour necessary to provide evidence-based, objective information for decision-making. Peer review may lengthen the time required to complete results, but it can help reassure external agencies (Treasury Board, Department of Finance, etc.) that the evaluation approach and conclusions are legitimate.

Of the departments represented in this study, the most intensive peer reviews appear to take place at the departments of Human Resources and Skills Development Canada and of Social Development Canada. The departments use external peer reviews to provide feedback not only at the end of the evaluation but throughout the evaluation process, including in the stage of developing methodology. External subject/methodology experts provide constructive advice/criticism on key aspects of the evaluation.

Most departments make use of internal peer review as a quality control mechanism.

Effective Practice:

Formative evaluations

Some departments/agencies involved in the study use formative (i.e. interim) evaluations to ensure quality and reliability of data and of data collection methods. Formative evaluations are also used to collect data supporting performance indicators and assess their quality. These methods are described as very useful to facilitate future impact assessments of programs.

Effective Practice:

Client satisfaction surveys

Some departments and agencies conduct formal post-evaluation surveys with evaluation users (program managers, program area decision makers) to assess the quality of the evaluation results and improve evaluation services in future. Through the surveys, program managers who participated in an evaluation provide feedback about their satisfaction with the evaluation project (e.g. in terms of quality, timeliness).

> After completion of each evaluation, Natural Resources Canada uses ISO 9000 to conduct client satisfaction surveys with program managers. The surveys measure aspects such as the timeliness of the evaluation. The survey results are aggregated yearly and reviewed to assess service quality and address performance issues.

> The evaluation unit at Environment Canada has developed its own client satisfaction survey, to be filled out by program managers after completion of each evaluation.
>
> The survey's objective is to receive feedback on levels of satisfaction with: the evaluation unit's ability to understand management needs; the methodology/approach used; the communication of results on a timely basis; the relevance of the evaluation report; etc.

8. Turning Findings Into Action

Effective Practice:

Use of evaluation indicates its quality/usefulness

Several federal departments and agencies in this study noted that the quality or usefulness of an evaluation can be measured by determining the extent to which management and senior managers make use of evaluation results and recommendations. In some evaluation units, follow-up on recommendations and action items is part of the evaluation process.

> The Department of National Defence formally tracks the implementation of major recommendations resulting from evaluation activities through its Audit and Evaluation Recommendations Management System. The system requires setting milestones and monitoring the progress of management in achieving the milestones. Formal follow-ups are conducted in instances where milestones are not being achieved.

> Agriculture and Agri-Food Canada formally tracks the implementation of evaluation recommendations. The tracking and follow-up process involves a tracking template that lists the various recommendations. The template is provided to the program manager, who then responds to each recommendation and indicates how and when each is to be addressed. The template is included as part of the final report provided to senior management and program management who make up the board of directors concerned. Follow-ups are conducted by the evaluation unit, and progress is reported to the Deputy Minister.

Challenges

Following are key challenges faced by participating departments and agencies in effectively completing timely and high-quality evaluations.

Lack of Data Collection

Although RMAFs and performance indicators have been introduced, in many instances they have not yet been fully implemented. Data collection has traditionally taken a back seat to most other corporate activities. Where formal data collection and management systems are in place, audit-type measures often predominate.

Suggested solutions:

- Train program managers (i.e. in terms of RMAFs and performance measurement).
- Make program managers more accountable by including the collection of performance information in Accountability Accords.

Human Resources and Capacity Gaps

Staff shortages make it harder to maintain sufficient capacity within evaluation units.

Suggested solutions:

- Use consultants for specific evaluation activities (e.g. data collection, preliminary analysis).
- Increase the number of full-time equivalents within evaluation units, allowing staff to spend more time on evaluation planning and project activities and/or conduct more high-level evaluations.

Timeliness Versus Quality

Nearly all participants in the study acknowledged trade-offs between timeliness and some of the quality control processes.

Suggested solution:

As much as possible, opt for quality over timeliness, recognizing the need for evaluations to address the information needs of multiple audiences, e.g. parliamentarians, Deputy Ministers and their Executive Teams, Central Agencies, stakeholders and Program Managers.