

Final Report to the Board



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Performance Evaluation Steering Committee

November 25, 2004

A. Highlights

CASA: An Effective Organization

Based on the results of the 2004 CASA performance evaluation, the Steering Committee concludes that overall, CASA is an effective organization which is making progress on its mandate and is following its procedures, although there are areas for improvement. Areas where CASA is very strong include the development of action plans once priorities are determined and following the principles of shared responsibility, consensus building and collaboration.

Highlights from the *Performance Evaluation 2001-2004* prepared by the independent evaluator, PAGE Management Counsel Ltd. ("PAGE") include:

- Considerable progress has been made in implementing the CAMS in Alberta (p. 6).
- Substantial progress has been made in prioritizing concerns with air quality in Alberta and in developing specific action plans and activities to resolve the concerns (p. 10).
- CASA does develop and execute action plans to address concerns once they have been identified, prioritized and accepted within CASA (p. 11).
- In-kind resource allocations are fundamental to the success of CASA (p. 11).
- The five elements identified for effective strategic air quality planning have been conducted in a generally thorough and successful manner (p. 13).
- Effective strategic planning has been conducted by CASA for air quality for Alberta (p. 15).
- With respect to each of the four key focus areas, pollution prevention/continuous improvement, human and animal health, ecological health, and socio-economic integration, progress is being made toward the relevant objectives (pp. 22, 24, 27, & 31).
- CASA operates by the principles it has articulated in the areas of shared responsibility, consensus building and collaboration (p. 33).
- CASA has conducted its performance measurement function in a very good manner, improving data collection, analysis, and reporting since 2000, and demonstrating an approach and commitment to continual improvement (p. 36).

Areas for Improvement

Areas for improvement identified in the 2004 CASA performance evaluation can be framed into the following questions:

1. **Public Involvement** Does CASA engage the public through stakeholder involvement or does it engage the public directly? Do the public stakeholders truly represent the public or to what degree do public stakeholders represent the public component?
2. **Implementation** What is the role of implementation teams within CASA? Are the recommendations of implementation teams on the same level as project teams?
3. **Prioritization/Resources** What process should the CASA board utilize to prioritize concerns with respect to air quality in Alberta? What role does the allocation of resources by members play in the prioritization process?
4. **Goals/Key Focus Areas** Can the current CASA air quality management goals and the CASA key focus areas be amalgamated to clarify how CASA is organizing its resources and to what end?
5. **Document Clarification** Can the CAMS process be restated to more accurately represent the process followed in practice by CASA?

B. Background

1. Previous CASA Evaluations

The bylaws for the Clean Air Strategic Alliance Association (CASA) contain the following provision:

16.01 **DATE OF REVIEW** The performance of the Society will be evaluated upon the expiration of three (3) years from, the date of its incorporation, or the date of its last performance evaluation, by the Members of the Society.

CASA's first formal performance evaluation (referred to by most members as the "renewal") took place in 1997. That process was undertaken in three stages: one, board members consulted with their respective stakeholder groups to confirm support for the process of CASA decision-making and priorities; two, board members held a workshop to present the results of their stakeholder meetings and discuss the issues identified with the renewal; and three, an action plan was developed dealing with a communications plan, board roles and processes, and ways to improve the effectiveness of project teams.

The second CASA performance evaluation was performed in 2001. It was more limited in scope than the 1997 review and was undertaken by a committee of four board members who considered the question: *Does CASA have the necessary elements in place to support its work?* The committee recommended that the board renew the CASA mandate for an additional three-year period and made suggestions regarding funding.

2. 2004 Performance Evaluation

At the March 18, 2004 board of directors meeting, the executive committee recommended the following process to the board for undertaking the 2004 performance evaluation:

...the CASA board set up a board committee consisting of one member from each sector to determine the scope of and oversee a performance evaluation of CASA to determine whether it is achieving its mandate, such evaluation to be undertaken by two volunteers with auditing experience, one from Alberta Environment and one from industry, to be completed and presented by the board committee to the CASA board at its September 2004 meeting.

CASA board members were supportive of the executive proposal to the extent that it involved a small, multi-stakeholder board committee to determine the scope of and oversee the evaluation of the performance evaluation. However, many board members were strongly of the view that CASA would benefit from an independent review, which would enhance the credibility of the results. As well, the insight provided from an independent evaluation could assist government in its plans to set up other institutions similar to CASA, for example the new Alberta Water Council. Concern was expressed at the apparent lack of funds to hire an independent evaluator.

Ultimately, the board decided by consensus to proceed with the establishment of a board steering committee for the performance evaluation, consisting of representatives from each of the government, industry and non-government organization sectors, to develop the scope and terms of reference for the performance evaluation and present those to the board for approval in June 2004. The committee was also directed to identify volunteers to undertake the evaluation and to solicit them from inside and preferably from outside the CASA partnership, seeking individuals who have experience and expertise with performance review audits.

Subsequently, a Performance Evaluation Steering Committee was formed consisting of one CASA board member from each sector plus alternates. Members of the Steering Committee are listed in Appendix A to this report.

The Steering Committee met on two occasions, May 21 and May 28, 2004, to prepare draft terms of reference for the 2004 performance evaluation and to propose a process for identifying an evaluator. At the June 17, 2004 CASA board meeting, the board agreed by consensus with the proposed terms of reference for the 2004 performance evaluation, including a governance process for the evaluation. The approved terms of reference are included in this report as Appendix B. The board also agreed to hire an independent consultant to undertake the evaluation given that sufficient funds had been identified.

C. Choice of Evaluator

The Steering Committee oversaw the process to choose an independent evaluator to undertake the 2004 performance evaluation. Following consultation with a number of CASA stakeholders, five consultants with experience in program evaluation were identified. All were approached by the secretariat and invited to bid on the project. Three expressed an interest in preparing a proposal and two consultants actually provided the steering committee with a proposal. The Steering Committee reviewed the proposals and chose PAGE Management Counsel Ltd. (“PAGE”) to undertake the 2004 performance evaluation.

D. Evaluation Process

The Steering Committee met with the independent evaluator, PAGE, twice, at the beginning of the evaluation and once the evaluation was complete. At the first meeting, the Steering Committee reviewed the terms of reference for the review and discussed PAGE’s proposed approach as set out in his original proposal. It was decided that the Steering Committee would review and comment on a detailed work plan to be provided by the consultant. The Steering Committee also discussed the question of access to CASA documentation since it had been agreed that the evaluation would be undertaken on the basis of a document review. With respect to the question of documentation, it was agreed that the secretariat would provide PAGE with a package of fundamental CASA documents to initiate the review and would subsequently provide the consultant with complete access to CASA’s electronic and paper records, including budget information. PAGE was also informed of the extent of information about CASA readily available on the CASA website.

In addition, during the course of the performance evaluation, PAGE asked the secretariat to prepare a document linking project teams active during the evaluation period to the steps in the CASA Comprehensive Air Quality Management System (CAMS). PAGE also received clarification on CASA processes from the executive director and attended parts of one CASA board meeting.

At the conclusion of the 2004 performance evaluation, the Steering Committee met with PAGE to review the contents of his report and to discuss his findings. The Steering Committee also asked PAGE for his insights into the evaluation process and his advice for the next CASA performance evaluation, due in 2007.

Discussion with the evaluator concerning the final report raised two important issues: one, the value of the numerical ranking system in the report, and two, the specific numerical rating assigned by the evaluator to the matter of progress on the “ecological health” key focus area. With respect to the first issue, while the evaluator was asked to provide CASA with a qualitative evaluation of each outcome in the terms of reference, and indeed did so, it is the evaluator’s view that the numerical ranking implies a level of precision which is not warranted. As noted in PAGE’s memo concerning future approaches to performance evaluation, the value of the 1-5 rating system is questionable given the subjective assessment required due to the lack of objective measures of performance. Accordingly, it is recommended that communications to stakeholders

about this performance evaluation focus on the qualitative assessment and not the numerical assessment. It should be noted that originally the steering committee had felt a numeric measurement of sorts would allow easier comparison in future evaluations over the years. One learning from attempting this process is that this would not be a recommended approach and one should concentrate on the qualitative points made.

With respect to the second issue, some board members questioned the value of the positive rating assigned to progress on the “ecological health” key focus area in the face of continuing challenges to move forward on ecological effects monitoring. In reply, the evaluator explained that he did not evaluate the overall effectiveness of CASA in achieving ecological health or in providing essential monitoring. Rather, he asked whether progress had been made and whether a process was in place in working towards the objectives in the ecological health key focus area. A footnote was added to the report elaborating on this point (p. 27).

E. Performance Evaluation Documents

PAGE produced four documents which constitute the 2004 performance evaluation. They are included with this report and are the following:

- 1. Performance Evaluation 2001-2004: Summary** (9 pages) – PAGE recommends that CASA board members read this report first.
- 2. Performance Evaluation 2001-2004** (41 pages) – This is the complete performance evaluation report.
- 3. Organization Effectiveness Checklist** (3 pages) – While outside the terms of reference for the 2004 performance evaluation, PAGE used its Organization Effective Checklist to examine CASA to provide additional discussion points.
- 4. Performance Evaluation – Comments on Future Approaches** – This memo from PAGE provides observations pertaining to the evaluation process and future evaluations.

F. CONCLUSION AND RECOMMENDATIONS

CASA: An Effective Organization

Based on the results of the 2004 CASA performance evaluation the Steering Committee concludes that overall, CASA is an effective organization which is making progress on its mandate and is following its procedures, although there are areas for improvement. Areas where CASA is very strong include the development of action plans once priorities are determined and following the principles of shared responsibility, consensus building and collaboration.

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5. **Document Clarification** Can the CAMS process be restated to more accurately represent the process followed in practice by CASA?

Accordingly, the Steering Committee recommends the following:

Recommendation 1: That the members of the Clean Air Strategic Alliance Association accept the *Performance Evaluation 2001-2004*, prepared by an independent evaluator, PAGE Management Counsel Ltd., as evidence of the satisfaction of the requirement in the CASA by-laws to undertake a performance evaluation every three years and confirm

that CASA has made progress on achieving its mandate in the evaluation period of 2001-2004.

Recommendation 2: That the CASA board establish a process for addressing each of the five questions listed above resulting in a report to the board of directors no later than June 2005, specifically, that:

- a. **Board of directors** - at its March 2005 board meeting address question 1 concerning *Public Consultation* and question 2 concerning *Implementation*;
- b. **Committee of the board of directors** - develop recommendations for the board on question 3 concerning *Prioritization/Resources* and question 4 concerning *Goals/Key Focus Areas*; and
- c. **Secretariat** - address question 5 concerning *Document Clarification* by developing a new draft of the CAMS for executive review and board approval.

Recommendation 3: That the CASA board consider the comments of PAGE Management Counsel Ltd. on future approaches to performance evaluation when planning the 2007 CASA performance evaluation.

Recommendation 4: In light of the independent evaluator's caution about the value of the quantitative evaluation, that communications to stakeholders about the CASA 2004 performance evaluation disregard the quantitative scores.

APPENDIX A

Performance Evaluation Steering Committee

Members:

John Donner, Alberta Environment, Provincial Government
Ian Peace, RAPID, Non-Government Organization
Ted Stoner, *Chair*, Canadian Petroleum Products Institute, Industry
Donna Tingley, CASA

Alternates:

Linda Duncan, Lake Wabamun Environmental Protection Association, Non-Government Organization
Myles Kitagawa, Toxics Watch Society, Non-Government Organization

APPENDIX B

2004 PERFORMANCE EVALUATION - TERMS OF REFERENCE

BACKGROUND

CASA's bylaws require the organization to undertake a performance evaluation every three years. The last such performance evaluation took place in 2001, culminating in a decision at the June 2001 board meeting to renew the mandate of CASA for another three-year period. The 2001 evaluation focused on the question: does CASA have the necessary elements in place to support its work, looking in particular at funding issues.

The next CASA performance evaluation is due in 2004 which is also the 10th anniversary of CASA's incorporation as a society.

GOAL OF 2004 PERFORMANCE EVALUATION

To undertake an objective assessment and analysis to determine whether CASA has made progress on achieving its mandate in the time period 2001-2004.

OBJECTIVES

1. Did CASA undertake effective strategic air quality planning for Alberta, using the CAMS process, by:
 - a. Clearly identifying issues;
 - b. Prioritizing current and emerging issues;
 - c. Allocating and coordinating resources;
 - d. Developing action plans; and
 - e. Evaluating results.
2. Did CASA make progress in each of its four key focus areas, namely:
 - a. Pollution Prevention/Continuous Improvement
 - b. Human and Animal Health
 - c. Ecological Health
 - d. Socio-economic Integration
3. Did CASA follow the principles of shared responsibility, consensus building and collaboration in the manner specified in CASA's mandate?
4. Did CASA demonstrate progress on each of its organizational performance measures, namely:
 - a. Improved air quality indicators in areas of CASA action.
 - b. Capability to measure air quality effects on humans and the ecosystem.
 - c. Number of recommendations through the Comprehensive Air Quality Management System process implemented.

- d. Degree of CASA members', partners' and clients' satisfaction with the CASA approach.
- e. Degree of recognition by emitters and the general public of CASA as a major vehicle for delivering improved air quality management for Alberta.

EVALUATION

For each of the objectives above, the independent evaluator will:

1. Seek evidence of results achieved to support a ranking of each objective;
2. Maintain a log of areas where deficiencies were identified and where improvement would benefit CASA;
3. Provide a quantitative and qualitative evaluation of each outcome, for example, on a scale of 1 to 10, including a list of reasons for each evaluation ranking;
4. Provide an overall evaluation based, for example, on an aggregate of the above.
5. Provide an evaluation of the performance measurement and management system of CASA.

AREAS FOR IMPROVEMENT

Based on the evaluation above, the independent evaluator will make recommendations to the CASA board to improve progress in meeting CASA's mandate in the next three-year period.

GOVERNANCE

The following points describe the process to be followed in completing the 2004 performance evaluation and the accountabilities of the CASA board, the Performance Evaluation Steering Committee, the CASA secretariat and the members of the society for each step of the process.

1. Process Design – The Performance Evaluation Steering Committee, consisting of one CASA board member from each sector, will prepare draft terms of reference for the 2004 performance evaluation for approval by the CASA board at its June 2004 meeting. While focusing on the 2004 performance evaluation, the Performance Evaluation Steering Committee will aim to identify a process that can be used for future performance evaluations, undertaken every three years in accordance with the CASA by-laws.
2. Choice of the Evaluator – Once the terms of reference for the 2004 performance evaluation have been approved by the board of the directors, the Performance Evaluation Steering Committee will identify and retain a qualified, independent evaluator to undertake the 2004 performance evaluation. The Committee will attempt to identify an external evaluator, within the financial constraints imposed by CASA's 2004 operational budget. If it is not practical to use an external evaluator, the Committee will satisfy itself that the evaluator chosen is as far removed as possible from the CASA board of directors and is not in a direct reporting relationship with any member of the CASA board of directors.
3. The 2004 Performance Evaluation – The Performance Evaluation Steering Committee will oversee the 2004 performance evaluation, specifically meeting with the evaluator at

the outset and at the conclusion of the evaluation. The performance evaluation will be undertaken on the basis of written documentation; in the absence of adequate documentation, the evaluator may interview board members or secretariat staff following consultation with the Performance Evaluation Steering Committee. The CASA secretariat will prepare documentation for review by the evaluator.

4. Report to the Members – The results of the 2004 performance evaluation will be presented to the members of the society (who are the same as the board of directors) at the September 2004 board of directors meeting.

June 4, 2004