Frameworks can inform each other – a case illustration

A COMPARISON OF THE MANAGEMENT ACCOUNTABILITY FRAMEWORK (MAF) OF THE TREASURY BOARD OF CANADA

WITH

ISO 9001:2015

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INTRODUCTION

This analysis grew out of self-study. It was motivated by a curiosity to understand how various governance/management frameworks (e.g. COSO, COCO, and others) are the same or different and perhaps finding potential for different frameworks to inform each other.

It is also a result of having conducted diverse performance and environmental audits of many federal and provincial government departments & agencies over a span of 40 years. Numerous mantras, concepts & management models have been experienced. Looking back, each had or have their own context, constituency and purpose and have had some lasting effect.

Overall, a personal view is that all indicate the best any entity might do is have meaningful purpose and have engaged people and useful tools for achieving desired results and avoiding undesirable ones. The art to master is being in control without controlling. Among the ingredients, values and ethics are most important. Above all – integrity. That and a great cup of coffee.

And, the only thing permanent is change. But as Deming said: *"It is not necessary to change. Survival is not mandatory."*

SOURCES OF INFORMATION

Publicly available information has been used as obtained from the Treasury Board of Canada Website and from publications purchased from the American Society for Quality (i.e. ASQ/ANSI/ISO 9001:2015 and the book called ISO 9001:2015 Explained, fourth edition by Cinanfrani and West).

Also, other materials have been considered such as those obtained from taking the BSI CQA audit leader course and from presentations about ISO 9001:2015 (i.e. June 2015 at the NAC as sponsored by the Canadian Public Service Excellence Network and the Canadian General Standards Board and, ASQ – How will you audit a risk assessment?: key attribute for auditing ISO 9001:2015 by Angelo Scangas in January, 2016).

Any observations and conclusions are strictly my own.

SUMMARY

This analysis was done using publicly available information. An in depth comparison of MAF and ISO 9001:2015 was not possible from information as available on the TBS website. This argues for better transparency for MAF. Apologies to those who would have liked probing beyond public information.

There is parallel between the two models in as much as they are similar in overall purpose and both seek quality in management and strong performing organizations. Both seek continuous improvement as well as greater efficiencies and stakeholder satisfaction. The two are aligned in some key elements. However, MAF is not formally a quality management system (QMS) and there are notable differences between the two. There are also similarities.

In my estimation, there is potential for ISO 9001:2015 to enhance MAF. There is also likely to be value in fathoming the contrast between MAF "acceptable" performance ratings and "shortcomings" reported by Auditors General of Canada and Chief Audit Executives of federal departments and agencies as well as the recent non-payment of thousands of public servant wages upon the introduction of a new federal payroll system.

The opportunity could be taken by TBS (and/or other federal entities) to consider QMS frameworks in any future development and/or application of MAF. There is potential for MAF to be more comprehensive (robust). At the same time, MAF could inform ISO 9001:2015 with respect to the importance of values and accountability. Also, it seems both could be enhanced by addressing sustainable development as a condition for strong organizational performance.

Finally, the two organizations responsible for these two frameworks seek to improve them. And, perhaps more importantly, this little exercise illustrates frameworks can inform each other. Which leads to another curiosity – beyond their own borders and membership, how do various independent professional bodies/institutions seek to learn and adapt from each other?

ABOUT MAF

The Treasury Board of Canada is a Cabinet committee of ministers. It oversees the government's financial and human resources and administrative responsibilities, and establishes policies that govern each of these areas. It has four main roles:

- ➢ Management Board
- ➢ Expenditure Management Board
- ➢ Employer (by managing compensation and labour relations)
- ➢ Regulatory oversight (to advise the Governor General on the approval of Governor in Council regulations and Orders in Council).

The Treasury Board Secretariat (TBS) is the administrative arm of the Treasury Board (TB). TBS supports the TB by making recommendations and providing advice while respecting the primary responsibility of deputy heads in managing their organizations, and their roles as accounting officers before the Parliament of Canada (re Federal Accountability Act).

MAF is a process in support of the role of TB as the "government-wide" management board of the federal government. It has been in place for about 10 years and appears to scope in (apply to) federal departments and agencies as scheduled in the *Financial Administration Act*. It operates on a three year cycle.

MAF is represented as a "powerful tool" that plays an important role in the improvement of management practices in federal departments and agencies. It is to identify the key elements needed for sound management and to ensure the federal public service continues to focus on management excellence and the delivery of effective programs and services. The objectives of MAF are to:

- Obtain an organizational and government-wide view of the state of management practices and performance;
- Inform deputy ministers and heads of agencies about their organizations' management capacity;
- Inform the TBS about the state of policy implementation and practices (compliance);
- Identify areas of management strength and any areas that require attention;
- Communicate and track progress on govern-wide management priorities; and
- Continuously improve management capabilities, effectiveness and efficiency government-wide.

MAF is represented as a framework for a well-managed organization. It sets out the "conditions" that are required to achieve strong organizational performance. These conditions/elements are represented in this diagram:
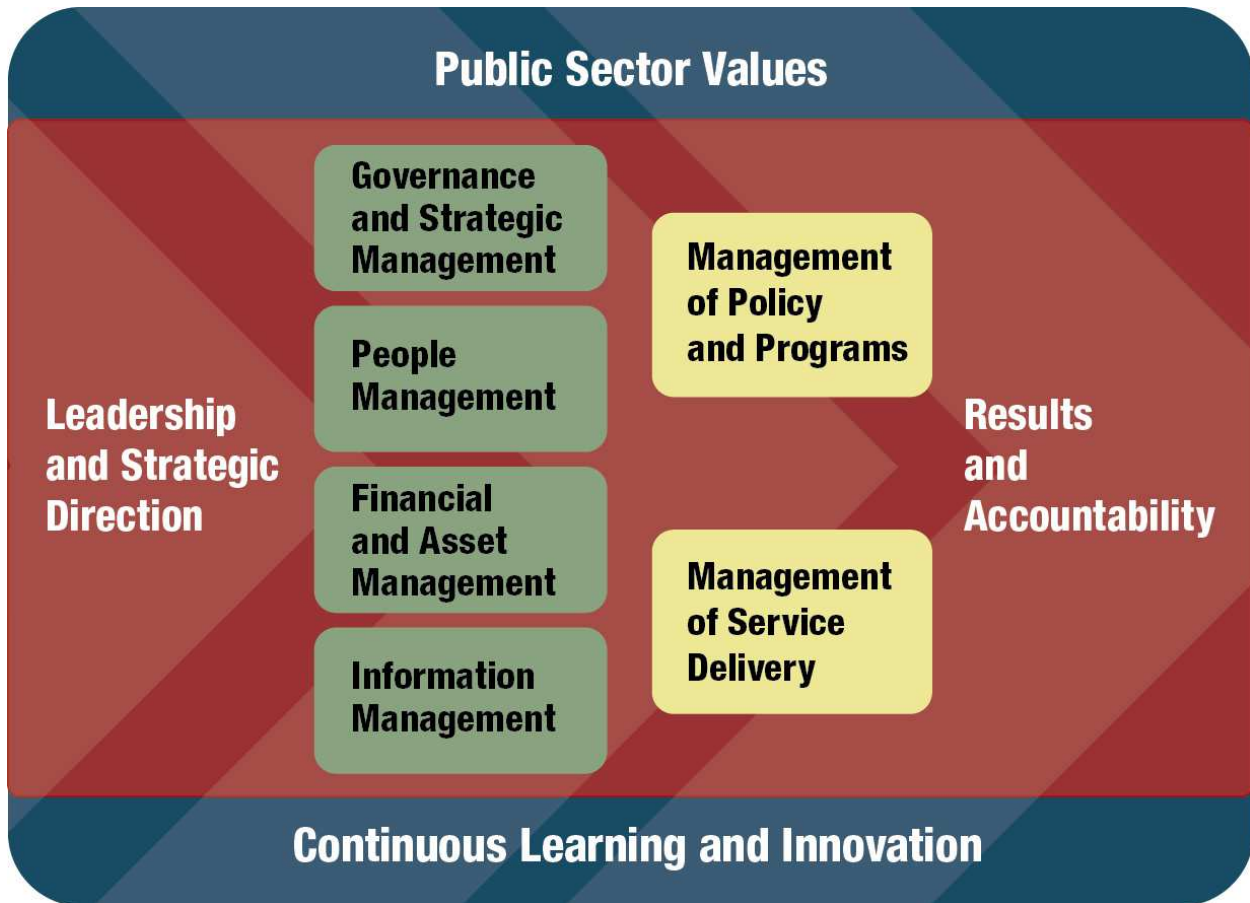
These elements are described/defined as follows:

Public Sector Values: Respect for people and democracy, serving with integrity and demonstrating stewardship and excellence.

Leadership and Strategic Direction: Vision, mandate and strategic priorities that guide the organization while supporting policies, programs, and services to Canadians.

Governance and Strategic Management: Maintains effective governance that integrates and aligns priorities, plans, accountabilities and risk management to ensure that internal management functions support and enable high performing policies, programs and services.

People Management: Optimizes the work force and work environment to enable high productivity and performance, effective use of human resources and increased employee engagement.

Financial and Asset Management: Provides an effective and sustainable financial management function founded on sound internal controls, timely and reliable reporting, and fairness and transparency in the management of assets and acquired services.

Information Management: Safeguards and manages information and systems as a public trust and a strategic asset that supports effective decision-making and efficient operations to maximize value in the serviced to Canadians.

Management of Policy and Programs: Designs and manages policies and programs to ensure value for money in achieving results.

Management of Service Delivery: Deliver client-centred services while optimizing partnerships and technology to meet the needs of stakeholders.

Results and Accountability: Uses performance results to ensure accountability and drive ongoing improvements and efficiencies to policies, programs, and services to Canadians.

Continuous Learning and Innovation: Manages through continuous innovation and transformation, to promote organizational learning and improve performance.

MAF assessments provide observations on where performance meets expectations on the performance indicators that are reviewed, and where there may be opportunity to improve. MAF information is for use by departmental managers to understand the management capacity that exists in their organizations and to identify areas that may require attention. Assessments also give deputy heads information to benchmark their organizations' performance.

MAF has evolved over time. In 2013-14 TBS reviewed the assessment process and renewed the MAF tool to ensure compliance with key TB policies and directives. A new online portal was also established for departments to report into TBS. The framework also changed. Previously MAF had 14 Areas of Management. It now has seven.

The MAF assessment process sets out the expectations of public sector managers and deputy heads in specific "Areas of Management" and measures organization performance against expectations. Each Area is said to represent key internal business functions critical to strong performing organizations.

There are seven Areas; four core and three optional (where entity operations align):

1. Financial Management
2. Information Management and Information Technology Management (IM/IT)
3. Management of Integrated Risk, Planning and Performance
4. People Management…. And the three optional as:
5. Management of Acquired Services and Assets
6. Security Management
7. Service Management

These areas do not directly map or align with the "conditions" (elements) of the MAF framework. The seven areas are assumed encompassed within the framework and linked as part of the assessment process within TBS.

MAF assessment appears based on self-assessment by entities through use of questionnaires developed by TBS functional specialists with resulting information reported to, and reviewed by, TBS. TBS assessment and "ratings" are reviewed with individual entities before being finalized.

According to the latest TBS Departmental Performance Report (DPR), TBS seeks continuous improvement in the "***quality*** of government-wide public service management" (bold underline for emphasis). Some performance indicators for TBS come from MAF results. For example, TBS sets a performance target of 75% (actual of 100%) of federal organizations that obtained an "acceptable" MAF rating for citizen-focussed service, management of security, integrated risk management, information and information technology. Another target is set of 80% (actual of 96%) of federal organizations obtaining a MAF rating of "acceptable" for use of information for decision making.

The fact that MAF is referenced in DPR's indicates that MAF assessment matters to organizational performance and thus likely a factor in evaluating the performance of senior management including Deputy Ministers and may impact performance pay. In which case a lot probably goes on behind the scenes to ensure MAF assessment is complete and fair.

Further details for purpose of this exercise could not be conveniently found regarding MAF elements, methodology and criteria (standards, conditions, expectations to be met, performance measurement used and reviewed etc.). After many search attempts, further details could not be isolated about sub-elements of the framework, criteria, questionnaires used, and the rating/assessment scale and how ratings are calculated/derived. MAF web site information is high level and diffuse when "googled".

Also, annual MAF assessment reports appear not to be made public. However, MAF is oft referenced in some way in a variety of published reports by federal departments and agencies (including but not limited to Departmental Performance Reports, Reports on Plans and Priorities, audit & evaluation reports).

This limits comparison of MAF with ISO 9001:2015 (or other frameworks or models) through use of publicly available information. And, what defines quality of, or in, public service management is not defined in specifics made public.

All the forgoing argues for improved transparency for MAF in keeping with a current priority of the federal government.

A CONUNDRUM

In doing this work, a contrast or contradiction is noted; a puzzle if you like. This is expressed as: How does one reconcile high "acceptable" MAF ratings with the frequent (and often serious) observations reported by the Auditors General of Canada and by Chief Audit Executives (internal audit and program evaluations conducted by individual departments and agencies)?

And, how might acceptable ratings square with the current problem of not paying thousands of federal public service employees after the introduction of a new payroll system? Why did this

happen? How is such breakdown possible with a mature MAF process in place? Would it be reasonable to expect MAF to have prevented or have expected such risk to be elevated up the chain of command to Ministers of the Crown including those of Treasury Board? Maybe it was.

That said, significant problems with IT projects are not that uncommon in private and public sectors. Why so – what are the root causes?

One could speculate the federal payroll system problem had to do with something amiss, not only in technical design, but also in the change management or integrated risk management process. Maybe there was a miscalculation in deciding to move and consolidate the payroll function and cut payroll administrative staff before changing over to the new Phoenix system and achieving stability in new system performance. Maybe the project was rushed and the system not sufficiently tested especially for being able to handle non-routine pay transactions such as term or casuals.

But I digress and speculate. Topic for another day. Am sure something will be learned from this event to inform the ongoing quality of public service management. Perhaps no better time for the 5 why technique used in quality management and auditing. Hopefully there will be a full public accounting given the impacts and millions of additional costs to remedy the problem.

One could also ask how acceptable is "acceptable" in MAF ratings; is there a higher standard to be set and met?

Exploring such conundrum would take much more time and effort than possible here. But it would, in my opinion, be worth the effort to reconcile and understand the "why" in some depth so that the quality of public service management might be improved through MAF and/or improving the MAF framework and process itself.

That said, MAF appears to be endeavouring to focus increasingly on performance and service standards. If so, there is potential for QMS frameworks/models such as ISO to inform MAF and/or the processes within individual departments and agencies.

ABOUT ISO 9001:2015

The International Organization for Standardization is a worldwide federation of national standards bodies (members). ISO 9001 was first published in 1987, revised on three occasions – the latest (5th edition) being 9001: 2015. It replaces ISO 9001:2008 and certification under the 2008 standard will no longer be valid after September 2018.

A few general things regarding ISO 9001:2015:

- The Standard is based on the quality management principles described in ISO 9000 (QMS – fundamentals and vocabulary) and also relates to ISO 9004 (managing for the sustained success of an organization).

- Requirements are generic and intended to be applicable to any organization regardless of its type and size, or the products and services it provides. This would include governments.

- The Standard specifies requirements for **a quality management system** when an organization needs to:

  - demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements; and

  - aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

- The adoption of a quality management system is a strategic decision for an organization that can help to improve its performance and provide a sound basis for sustainable development initiatives.

- The Standard can be used by internal or external parties.

- The Standard employs the process approach, which incorporates the classic Plan-Do-Check- Act (PDCA) cycle and risk-based thinking. The PDCA cycle enables an organization to ensure its processes are adequately resourced and managed, and that opportunities for improvement are determined and acted on.

- The Standard has made subtle but important changes to the previous Standard (2008) and can be seen as a broader or general management framework.

Quality Management Systems (QMS) requirements are set out in 10 sections (elements) and 67 clauses/sub clauses (sub elements). These are set out in Table 1.

Table 1 - Structure of ISO 9001:2015

1	Scope			
2	Normative references			
3	Terms and definitions – adopts ISO 9000:2015.			
4	Context of the organization	4.1	Understanding the organization and its context	
		4.2	Understanding the needs and expectations of interested parties	
		4.3	Determining the scope of the quality management system	
		4.4	Quality management system and its processes	
5	Leadership	5.1	Leadership and commitment	5.1.1 General 5.1.2 Customer focus
		5.2	Policy	5.2.1 Establishing the quality policy 5.2.2 Communicating the quality policy

		5.3	Organizational roles, responsibilities and authorities	
6	Planning	6.1	Actions to address risks and opportunities	
		6.2	Quality objectives and planning to achieve them	
		6.3	Planning of changes	
7	Support	7.1	Resources	7.1.1 General 7.1.2 People 7.1.3 Infrastructure 7.1.4 Environment for the operation of processes 7.1.5 Monitoring and measuring resources 7.1.6 Organization knowledge
		7.2	Competence	
		7.3	Awareness	
		7.4	Communications	
		7.5	Documented information	7.5.1 General 7.5.2 Creating and updating 7.5.3 Control of documented information
8	Operation	8.1	Operational planning and control	
		8.2	Requirements for products and services	8.2.1 Customer communication 8.2.2 Determining the requirements for products and services 8.2.3 Review of the requirements for products and services 8.2.4 Changes to requirements for products and services
		8.3	Design and development of products and services	8.3.1 General 8.3.2 Design and development planning 8.3.3 Design and development inputs 8.3.4 Design and development controls 8.3.5 Design and development outputs 8.3.6 Design and development changes
		8.4	Control of externally provided processes, products and services	8.4.1 General 8.4.2 Type and extent of control 8.4.3 Information for external providers
		8.5	Production and service provision	8.5.1 Control of production and service provisions 8.5.2 Identification and traceability 8.5.3 Property belonging to customers or external providers 8.5.4 Preservation 8.5.5 Post – delivery expectations 8.5.6 Control of changes
		8.6	Release of products and services	
		8.7	Control of nonconforming outputs	
9	Performance evaluation	9.1	Monitoring, measurement, analysis and evaluation	9.1.1 General 9.1.2 Customer satisfaction 9.1.3 Analysis and evaluation
		9.2	Internal audit	
		9.3	Management review	9.3.1 General

			9.3.2 Management review inputs
			9.3.3 Management review outputs
10	Improvement	10.1	General
		10.2	Nonconformity and corrective action
		10.3	Continual improvement
This numbering system is used to map ISO 9001:2015 to MAF.			

COMPARING MAF WITH ISO 9001: 2015

We now take a look at how MAF and ISO 9001: 2015 align/compare.

TABLE 2 -COMPARING MAF & ISO 9001:2015

MAF ELEMENTS	MAF AREAS © Core (O) Optional	ISO 9001:2015 Requirements	NOTES
Public Sector Values			Values are not a distinct element in the ISO Standard.
Leadership and Strategic Direction	Possible interrelationship with MAF areas below.	5 – Leadership	Possible further link-alignment with ISO element 4 – context of the organization, in particular understanding the needs and expectations of interested parties.
Governance and Strategic Management	Possible interrelationship with MAF areas below.	6 - Planning	Possible further link-alignment with ISO element 4 – context of the organization, in particular 4.1 requirement to determine external and internal issues relevant to an organizations purpose and strategic direction and that affect its ability to achieve the intended result(s) of its quality management system. Not clear in MAF what level or type of planning is covered (strategic, operational etc.). Not clear if and to what extent MAF includes/encompasses action to address both risks and opportunities similar to 6.1 of the ISO Standard (that also links to 4.1 and 4.2 of the Standard).
People Management	© People Management	7 – Support: 7.1.2 People.	
Financial and Asset Management	© Financial Management.	7 – Support: 7.1.3 Infrastructure; 7.1.5	Possible link with ISO sub-element 5.3 Organization roles, responsibilities and authorities.

MAF ELEMENTS	MAF AREAS © Core (O) Optional	ISO 9001:2015 Requirements	NOTES
	(O) Management of Acquired Services (procurement) and Assets.	monitoring and measuring resources.	
Information Management	© Information Management and Information Technology Management (IM/IT).	7.5 Documented information.	IM/IT is not a named element or subject/terminology used in the ISO Standard. However, requirement element "Support": under 7.5 on documented information in effect covers IM/IT in stating requirements for creating, updating and controlling of information required by the QMS.

Also, 5.1.1 General Leadership requirements - item e) requires top management to ensure resources for the QMS are available. This presumably would or could encompass IM/IT. |
| Management of Policy and Programs | Possible relationship with MAF core area below*. | 5.2 Policy.

5.3 Organizational roles, responsibilities and authorities. | |
| Management of Service Delivery | (O) Service Management. | 8 - Operation | Not able to tell if elements align in particular detail and to what level.

Possible that all of ISO section 8 (the largest section) requirements would or could be relevant to this MAF element.

If the MAF element of Management of Service Delivery happens to include the quality management system (QMS) of a federal government organization subject to MAF, then all of ISO 9001:2015 could be said relevant- potentially applicable. |
| Results & Accountability | Possible relationship with MAF core area below as starred*. | 4.4.1 item c) – the organization shall determine and apply the criteria and methods (including monitoring, | Accountability is not a named element or item in the ISO Standard.

Unlike ISO Standard element 9 (clauses 9.1 and 9.2), MAF does not specify monitoring in its elements or areas of |

MAF ELEMENTS	MAF AREAS © Core (O) Optional	ISO 9001:2015 Requirements	NOTES
		measurements and related performance indicators) needed to ensure the effective operation and control of processes. 7.1.5 Monitoring and measuring resources. 9 – Performance evaluation.	management. Internal audit and program evaluation are not mentioned but perhaps included as part of the MAF assessment process within and between TBS and individual departments and agencies.
Continuous Learning & Innovation		4.4.1 Item g) the organization shall evaluate QMS processes and implement any changes needed to ensure that these processes achieve intended results. 4.4.1 Item h) – shall improve the processes and the quality management system. 10 – Improvement.	Uncertain how lessons are learned and fed back (looped) into the MAF process as part of continuous improvement (similar to the Quality PDCA cycle model).
	*© Management of Integrated Risk, Planning and Performance.	6 – Planning. 9 – Performance evaluation.	Not clear if and to what extent MAF covers- explicitly requires action to address risks and opportunities similar to 6.1 of the ISO Standard. Possible MAF assesses use of performance information by departments to identify risks and establish priorities.
	(O) Security Management.		Security is not a distinct subject in ISO Standard. However, 5.1.1 General Leadership requirements - item e) requires top management to ensure resources for the QMS are available. This presumably would or could encompass security.

ANALYSIS

From the research and preceding comparison it is observed:

1. An in depth comparison of MAF and ISO 9001:2015 is not possible from publicly available information. This indicates potential for improved transparency for MAF.

2. There is parallel between the two in as much as they both seek quality in management and strong performing organizations. Purposes are similar. Both seek continuous improvement as well as greater efficiencies and stakeholder satisfaction.

3. The two align in some elements and cross over links are possible.

4. While there are parallels, it is up for discussion whether MAF can be considered a quality driven system (one that is focussed on the quality of the products and services and the satisfaction of the customer/client).

5. MAF speaks to quality in a general way but is not formally a quality management system. It does not speak to operations and processes in the same way ISO does. It mentions internal controls but does not speak to "control" and controls in the same way and extent as ISO. Perhaps this is because TBS sees operation control as exclusive domain of individual departments and agencies as part of "respecting the primary responsibility of deputy heads in managing their organizations, and their roles as accounting officers before the Parliament of Canada". This would be a challenging tension to manage – the balance in being responsible and accountable for an entity whole while having hundreds of highly autonomous and independent parts. A complex orchestration is to be appreciated. This may be a factor in the Phoenix pay implementation problems.

6. If the MAF element of Management of Service Delivery includes the QMS of federal entities, then all of ISO 9001:2015 could be said applicable or useful to MAF.

7. It is not clear if MAF looks for and assesses the QMS of the entities subject to assessment and might factor in whether or not a federal entity has or has not been ISO certified in a way relevant to their operations.

8. Unlike ISO Standard element 9, MAF does not specify monitoring in its elements or areas of management. Internal audit or program evaluation are not specifically named but perhaps are included as part of the MAF assessment process within and between TBS and individual departments and agencies. At the same time, the MAF assessment process itself is a monitoring tool of TBS.

9. On face, it is uncertain how lessons are learned and fed back (looped) into the MAF process as part of continuous improvement (similar to the Quality PDCA cycle model). TBS (and or individual entities) may well do something like this as part of the continuous

learning and innovation rubric of MAF or as part of the MAF assessment process. From a quality management perspective, it would be important to know how well departments set service standards (internal and external), address performance results and client feedback. Perhaps there is opportunity for improving service metrics.

10. It is not clear/evident if and to what extent MAF explicitly requires **action** by federal departments and agencies to address both risks and opportunities similar to 6.1 of the ISO Standard. It is possible, however, that MAF assesses use of performance information by departments to identify risks and establish priorities (part of use of information for decision making). And, there are indications that individual departments may take MAF assessment as part of their own enterprise-wide/integrated risk management system.

11. It appears MAF could inform ISO 9001:2015 with respect to values and accountability.

12. Finally, it is not clear how MAF takes into consideration sustainable development. At the same time, while the ISO Standard 9001:2015 mentions that, it has no particular details or requirements either. ISO has other standards relating to sustainable development. Perhaps the federal government has similar; but MAF could or might integrate sustainable development into the requirements/conditions for strong organizational performance.

CONCLUSION

An in depth comparison of MAF and ISO 9001:2015 was not possible from publicly available information. This argues for improved transparency for MAF.

There is parallel between the two frameworks in as much as they both seek quality in management and strong performing organizations. Both seek continuous improvement as well as greater efficiencies and stakeholder satisfaction. The two are aligned in some key elements. However, MAF is not formally a quality management system (QMS) and there are notable differences between the two.

There is potential for ISO 9001:2015 to enhance MAF. At the same time, MAF could inform ISO 9001:2015 with respect to the importance of values and accountability. Also, both could be enhanced by addressing sustainable development in a more concrete and explicit way.

Finally, the two organizations responsible for these two frameworks seek to continuously improve them. And, perhaps most importantly, frameworks can inform each other.

END NOTE – Survival is not mandatory

As an extension of the forgoing, accounting for quality or results at what price to whom is central to serving the common good. An emerging global shift is towards socially responsible and accountable enterprise where profit is not the singular imperative for measuring success and value of an organization. Social Responsibility and Sustainability are key to the future. This is

where governments and not-for profits can inform private enterprise and lead the way.   Again, another topic for another day.

A big thank you to my colleagues and friends who took the time to comment on this paper.