Session 3

Identifying and Describing Operational Functions, Associated Activities and Transactions

Developing Business Classification Schemes Using Functional Analysis
Session Purpose

- To review process for identifying operational functions, activities and transactions, recordkeeping requirements including follow-up notes and cross-references

- Workshops 1, 2, 3, 4 and 5

- To discuss software options for developing Business Classification Schemes

- Workshops 6 and 7
Goal

- Review and analyze documentary sources to determine the functions, activities and transactions of the organization AND
- Document the results on the Business Classification Scheme
What is a Business Classification Scheme?

- A conceptual model of what an organization does and how it does it. It involves the identification and documentation of each business function, activity and transaction and the documentation of the flow of business processes and the transactions which comprise them.
Agreements between municipalities

Other agreements

Section 6(3) of Ambulance Act (Ontario) specifies that the upper-tier municipality and local municipalities may enter into an agreement with respect to the costs associated with the provision of land ambulance services in both municipalities.

Section 6(8)(b) of Ambulance Act (Ontario) specifies that in discharging its responsibilities under..... an upper-tier municipality shall enter into such agreements as are necessary to ensure the proper management, operation and use of land ambulance services by operators.
Overview - Identifying Operational Functions

1. Review and mark up enabling legislation first
2. Conduct historical research on the Ministry
3. Document Operational Functions (from enabling legislation) on BCS
Identifying Operational Functions - Instructions

1. Review and mark up enabling legislation first
   - Establishes the Ministry
     - “Ministry of...”
   - Usually an Act
     - May be OIC
   - Not all equal
     - Some good, some not so good
   - Identifies first draft set of operational functions! (i.e. Titles)
IMPORTANT

• Read entire enabling legislation (i.e. Act) BUT scrutinize the wording used to describe the
  • Objectives, Duties and/or Functions of Ministry section
  • One “bullet” = one function
  • Pay special attention to
    • Sections and sub-sections
    • Do not split a “bullet”
    • Example: Five bullets = five functions (as a starting point); Three bullets = three functions
**Main Goal** = Develop function titles that summarize the essence of the “objectives, duties or functions” of the Minister

- Usually Section 4 or 5
- Sometimes additional responsibilities identified after
  - e.g. Idem, Exercise of Powers, Additional Powers, Particulars
- Note that some objectives, duties or functions cross multiple ministries/departments
  - Example: Statistics Canada
IMPORTANT

- Although the enabling legislation is used to develop a first-draft of the operational function titles, there may be other important information in the remainder of the Act.

- Highlight/circle additional information that may be useful in the development of the Business Classification Schemes.
  - Who’s who?
  - Other responsibilities (not at the function level) - possible activities? Or questions/facts that should be noted.
  - References to other legislation?
Associated Regulations

- Are there any regulations associated with the enabling legislation? Remember how to check?
- If yes, print out and review after enabling legislation
- Note: Associated regulations do not usually impact the identification of the operational functions
- However, they will be useful in identifying activities and transactions as development of the BCS continues
One of the functions of the Ministry of Tourism and Recreation is promote tourism and recreation in Ontario to residents of Ontario and other jurisdictions.

Suggested Function Title

= TOURISM AND RECREATION PROMOTION

Tip: Pick out key terms and reorganize to form a short (as possible) descriptive title – sometimes easy sometimes not!

Section 4(a), Ministry of Tourism and Recreation Act
YOU PRACTICE
Another function of the Ministry of Tourism and Recreation is to......

- cause the Ministry to stimulate employment and income opportunities through the effective development of tourism and recreation

Suggested Function Title

Section 4(b), Ministry of Tourism and Recreation Act
Individual Workshop 1 – Identifying Operational Functions

1. Refer to workshop 1 materials: Ministry of Municipal Affairs and Housing Act. This is the enabling legislation for the Ministry of Municipal Affairs and Housing. Using instructions provided on slides 7-10, read the entire Act but scrutinize the wording under Section 4: Functions of the Minister to develop a “first-cut” of the operational functions from Ministry’s perspective.

2. Underline or circle key terms/words within Section 4.

3. Develop a suitable short descriptive function title for each subsection within Section 4; e.g. (a), (b), and (c).

4. Underline or circle any other key terms/words or business transactions in the remainder of the Act. List any additional responsibilities, questions or facts that should also be noted. Group discussion on “results” will take place after the workshop. Do not document on BCS yet!
Interesting Tidbit!

- For Health Canada (federal), reviewed the two earlier versions of Department of Health Act
- Health Canada became a department in 1919
- First Department of Health Act
  - Had slightly different wording
  - Did not have consumer products responsibility
  - Did not include aircraft in description of transportation
  - Different order for sections

Very little change over 110 years!
We could have......

- Established Health Canada’s operational functions in 1919 and (although we would be over 100 years of age by now) the functions would have “stood the test of time.”

- The types of health risks (in other words – the subjects) in 1919 were different (e.g. leprosy) but the recordkeeping classification structure would have remained the same!
IMPORTANT

- Next few slides outline instructions for identifying activities and transactions
- Instructions are the same regardless of documentary source
  - Legislation
  - Whole of Government Legislation
  - Whole of Government Policy
  - Standards, Codes, etc.
2. Conduct historical research on the Ministry
   - Research history
   - How?
     - Provincial Legislature Library?
     - Previous versions? Comparisons?
     - Ministry Library?
     - Annual reports?
   - Helps to “firm-up” draft-set of operational functions
   - Don’t overdo! Easy to waste time
Identifying Operational Functions - Instructions

3. Document Operational Functions (from enabling legislation) on BCS
   - One function per BCS
   - Suggested function titles provide a starting point for identifying the activities and business transactions
   - Write a one sentence function description (from enabling legislation)
     - Expand later

1. FUNCTIONS

2. ACTIVITIES

3. Transactions

4. Resulting Records

4. Recordkeeping Requirements
Overview - Identifying Activities and Business Transactions

1. Identify all statutes administered by Ministry
2. Review one Act and then its related regulations
3. Scan Table of Contents first
4. Review Definitions
5. Review each Related Regulation (before moving on to next Act)
6. Read each section of Act/Regulation
7. Document the business transactions on the Business Classification Scheme
8. Identify and document resulting records
9. Identify and document any specific recordkeeping requirements
10. Identify and document any follow-up notes
1. If federal/provincial government, identify all statutes administered in whole and in part by the Department/Ministry
   - How?
     - Ask Ministry/visit website (Legislation)
     - If municipality, identify all impacting statutes
     - If private sector, identify all impacting statutes

Ministry of Municipal Affairs and Housing administers…

- Building Code Act
- Commercial Tenancies Act
- Municipal Act
- Municipal Elections Act

47 Acts in total
Identifying Activities and Business Transactions - Instructions

2. Review One Act and its related regulations first
   - Already assembled (Act + related regulation)
   - Purpose of each Act?
     - See “Purposes of Act” section, if included
     - Group by function before review and analysis?
     - On-screen workshop and suggested answer
   - Key ones? do first

Ministry of Municipal Affairs and Housing Act first and then

Planning Act
Greenbelt Act
Municipal Act
Road Access Act

Session 3: Identifying and Describing Operational Functions, Associated Activities and Transactions
Go to the Ministry’s website
Read three paragraphs under “About the Ministry”
  - Notice anything helpful?
Find a list of the legislation administered by the Ministry
  - How many Acts are administered by the Ministry?
Review list of Acts and read each short description
  - Are you able to sort the Acts according to operational function titles?
    - Yes – Does it have to be correct at this stage?
    - What do you notice about some of the Acts in the list?
    - What would be the value in sorting these Acts according to operational function title?
      - Handout suggested on-screen workshop answer
3. Scan Table of Contents first

- Act and Related Regulation
- Activities often stand out
- Highlight
- Terms often consistent
  - Examples: inspection, agreement, appeals, licensing
- Overview on contents of Act / Regulation
Individual Workshop 2 – Identifying Activities and Business Transactions – Table of Contents Review

- Refer to workshop 2 materials: Municipal Affairs Act. This is one of the key Acts administered by the Ministry of Municipal Affairs and Housing. Using instructions provided on slide 24, scan the Table of Contents from the Ministry’s perspective.
  - Do any stand out as possible activities?
    - Highlight
  - Do any others stand out? Section headings, sub-headings or just phrases?
    - Highlight
  - Use as gap analysis after review
Identifying Activities and Business Transactions - Instructions

4. Review Definitions

- Helps to determine players (Who’s who – us versus them)
  - Refer to Section 1, Municipal Affairs Act (Session 3, Workshop 2)

- You need to know because....
- Can refer back during review
- At beginning and often at other places within the Act or Related Regulation
- Excellent for developing new activity descriptors

Municipal Affairs Act
- Board
- Deputy Minister
- Local Board
- Minister
- Ministry
- Municipality
- Public Utility
- Treasurer
Identifying Activities and Business Transactions - Instructions

5. Review each Related Regulation (before moving on to next Act)

- Watch for
  - “Application” Section?
  - New players?
  - “Definitions” Section?
- Allows you to keep review in context

Municipal Affairs Act

R.R.O. 1990 Regulation 816 Tax Arrears and Tax Sale Procedures
6. Read each word of each section

- Watch section headings – may be helpful in identifying activity titles
- Note “who”
- Two questions to ask yourself......
First Question: Does this section result in a record?”

- If yes, who is creating the record?
  - If us, circle and note Function, Activity and Bt
    - = Creation Recordkeeping Requirement
    - = Access Recordkeeping Requirement?

- If not us, do we receive it?
  - If yes, circle and note Function, Activity and Bt
    - = Capture Recordkeeping Requirement

- If no, do not circle; however,.......
Identifying Activities and Business Transactions - Instructions

- Second Question: “Is this section a recordkeeping requirement other than creation, capture, or access?”
  - Example: retention, disposal, content or format/media
  - If yes, who is it for?
    - If us, circle and note recordkeeping requirement and for what; e.g. content of notice
  - If not us, do we receive it?
    - If yes, circle and note recordkeeping requirement; e.g. content of application
  - If no, do not circle – read next section and repeat two questions!
IMPORTANT

- Often the activity is identified/apparent
  - prior to identifying the bt
    - Via section heading?
    - Not always helpful!
  - at the same time as reviewing the bt
    - Key wording within bt

OR

- there are several bts relating to the same activity OR
- activity cannot be determined on first mark-up – perhaps second run through

Section Headings:
- Interpretation
- General
- Special Jurisdiction

Remember: What’s the principal activity?
Sometimes the activity is one you are familiar with
- REPORTING
- INSPECTION
- APPEALS
- Or from Keyword AAA product

Sometimes the activity is new
- LICENSING
- Note: section wording may assist in developing draft activity descriptor
IMPORTANT

- Avoid (for now) adding a subject term in front of an activity title
  - Establishment Licence
  - Medical Device Licence

- **ACTIVITY = LICENSING**

- Once bts grouped together on BCS and vetted with function & activity experts, make final decision on activity title
Section 20(1)
“A municipality may enter into an agreement with one or more municipalities or local bodies, as defined in section 19, or a combination of both to jointly provide, for their joint benefit, any matter which all of them have the power to provide within their own boundaries.”

- Does this section result in records?
- For whom?
- Do we circle and note as a Bt?
- Are you able to suggest an activity title?
Recap: On Screen Workshop: Municipal Act

- Section 46(1)
  - “Without limiting sections 9, 10 and 11, a municipality may provide for a system of licences with respect to a business and may, (b) refuse to grant a licence or to revoke or suspend a licence;”

- Does this section result in records?
- For whom?
- Do we circle and note as a Bt?
- Are you able to suggest an activity title?
Identifying Activities and Business Transactions - Instructions

7. Document the business transactions on the appropriate Business Classification Scheme and activity (after each documentary source reviewed)

- Document in order they appear in documentary source – sequentially numbered for reference purposes
- Provides second opportunity to review “analysis results” before entry into BCS
What if you cannot determine activity?

- You will document on BCS under “best guess” activity but note questions/comments in follow-up notes
- Answered during validation sessions with function and activity experts!
Session 3: Identifying and Describing Operational Functions, Associated Activities and Transactions

Jo-Anne Holm Consulting

38
Identifying Activities and Business Transactions - Instructions

8. Identify and document records resulting from the business transaction

- Place immediately after citation in business transaction
- Sometimes difficult to determine – may need to leave it until vetting with expert

OR

Records may include but are not limited to:
- Test Report or test certificate

Records may include but are not limited to:
- difficult to determine resulting records at this point - further research required

Session 3: Identifying and Describing Operational Functions, Associated Activities and Transactions
Identifying Activities and Business Transactions - Instructions

9. Identify and document recordkeeping requirements if not captured in business transactions

- Place immediately after business transaction
- Helpful when developing Corporate Recordkeeping Standard

**RECORDKEEPING REQUIREMENT:**
Section 2, Appeal of Parking Citations Procedure cites a content recordkeeping requirement for the appeal as follows:
a) Appeals must be complete and legible and must include the appellant’s name, address and University identification number.
b) As the onus is on the appellant to demonstrate the validity of their appeal, a brief explanation regarding the circumstances of the citation should be included. The appellant should describe why they believe they were wrongfully tagged, and include all information relevant to their appeal;
c) the citation number shown on the ticket must be quoted.
d) a mailing address must be included in the appeal letter as notice of the result of the appeal will be provided to the appellant by mail.

**RECORDKEEPING REQUIREMENT:**
Section 6(3), Commercial Vehicle Safety Regulation, Traffic Safety Act cites a format and content recordkeeping requirement as follows: A maintenance and inspection program under subsection (1) must be in writing and provide for a continuous and regular program for the inspection, maintenance and repair of the carrier’s commercial vehicle according to the following requirements, as applicable: (a) this section and Schedules 2, 3, 4 and 5; (b) sections 10 and 11; (c) the Vehicle Inspection Regulation (AR 211/2006).
Identifying Activities and Business Transactions - Instructions

10. Identify and document any follow-up notes

- Cross references (follow process thread)
- Questions for experts
- Developer notes

**FOLLOW-UP NOTES:**
- The cross references for this transaction are as follows:
  - X-ref PROPERTY, ASSETS AND EQUIPMENT – CONSTRUCTION to add alarms as part of a capital construction project. (Section 1, Control Centre Alarm Monitoring and Response Procedure)
  - X-ref PROPERTY, ASSETS AND EQUIPMENT – SECURITY to arrange for additional alarms in a specific area. (Section 1, Control Centre Alarm Monitoring and Response Procedure)
  - The above business transaction may be better placed under the INSTALLATION activity which is for placing equipment in position and connecting and adjusting it for use. If yes, move this business transaction and revise cross references.
EXAMPLE

• Source Name
• Name of Activity
• Summarized Title
• Citation/ Requirement (shall/will vs. may; who)
• Name of Record(s)

• Follow-up notes
  • Cross references
  • Questions for validation sessions
  • Developer notes – third person

16. Business Transaction(s)
A. Section 7, Natural Health Products Regulations. (Licensing) Issuance - (Natural Health) Product License. The Minister shall issue or amend a product license if..... Refer to Section 7(a)-(d) for details.
B. Section 14(2). Within 60 days after the day on which the product license is issued, the licensee shall notify the Minister of any information set out on the license that the licensee knows to be incorrect.

Records may include but are not limited to
- Product License
- Notification by licensee

FOLLOW-UP NOTE:
- The following cross references for this transaction are as follows:
  - X-ref AMENDMENT for issuing an amended product license. (Section 7, Natural Health Products Regulations)
  - X-ref CODE CONTROL for assigning a product number to each natural product in respect of which a product license is issued. (Section 8, Natural Health Products Regulations)
- The consultant did not place the second part of the above transaction under the NOTIFICATION activity as it appeared to still be part of LICENSING activity. However, this can be moved to NOTIFICATION if further research reveals otherwise.
Individual Workshop 3 –
Identifying Activities and Business Transactions
– Documentary Source (Act) Review

1. Refer to workshop 2 for workshop 3 materials: Municipal Affairs Act
2. Using the instructions provided on slides 28-33, read each word of each section in the Act from Ministry’s perspective.
3. Use the Keyword AAA for determining and identifying common functions.
4. Circle the business transactions resulting in records and “other” recordkeeping requirements
5. Note (mark-up) the resulting records
6. Suggest function and activity title(s), if possible
7. Do not document on BCS yet.

Workshop 3, Session 3: Additional Instructions
Workshop 3, Session 3: Table of Contents (Municipal Act)
1. Refer to workshop 4 materials: Tax Arrears and Tax Sale Procedures Regulation, Municipal Affairs Act
2. Using the instructions provided on slides 28-33, read each word of each section in the Regulation from the Ministry’s perspective.
3. Use the Keyword AAA for determining and identifying common functions.
4. Circle the business transactions resulting in records and “other” recordkeeping requirements
5. Note (mark-up) the resulting records
6. Suggest function and activity title(s), if possible
7. Do not document on BCS yet.
Individual Workshop 5 (Time Permitting) – Identifying Activities and Business Transactions – Documentary Source (Act) Review

1. Refer to workshop 5 materials: Greenbelt Act
2. Using the instructions provided on slides 28-33, read each word of each section in the Act from the Ministry’s perspective.
3. Use the Keyword AAA for determining and identifying common functions.
4. Circle the business transactions resulting in records and “other” recordkeeping requirements
5. Note (mark-up) the resulting records
6. Suggest function and activity title(s), if possible
7. Do not document on BCS yet.

Workshop 5, Session 3: Additional Instructions
Options for Documenting Functions on BCS

- Visio, Excel, Word, aka
- Set up one document (BCS) per function
- Note legal citation/source under function heading
Individual Workshop 6 – Entering Terms and Descriptions, etc. into Developmental Software

1. Instructions for Entering Terms and Descriptions, etc. into Developmental Software provided by instructor

2. Follow instructor instructions and Instructions for Entering Terms and Descriptions, etc. into Developmental Software

3. Instructor will assist, as required.
Individual Workshop 7 – Generating the Business Classification Scheme

1. Instructions for Generating the Business Classification Scheme provided by instructor.
2. Follow instructor instructions and Instructions for Generating the Business Classification Scheme
3. Instructor will assist, as required.
You are now ready to validate!

Session 4: Validating the Draft Business Classification Scheme