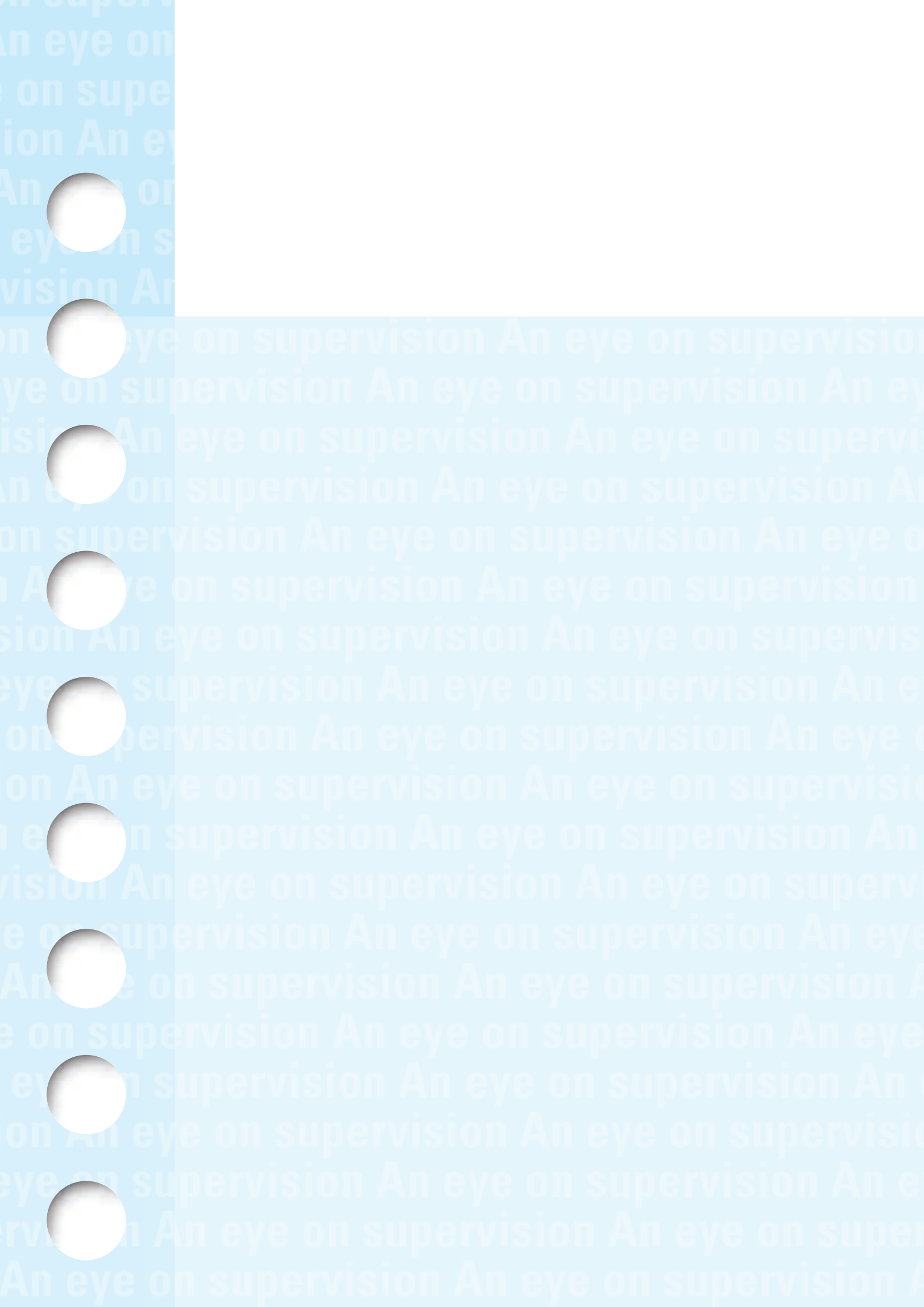




voedsel en waren autoriteit

1

**Effective supervision
...what does it take?**



Effective supervision ...what does it take?

Report on 'Towards Effective Performance'

January 2005

n An
ve on
sion
n eye
n su
An e
ion A
ye o
on su
on A
eye
sion
e on
An ey
on s
eye
on A
ye o
rvisio
An ey





Foreword

There is a lot of debate on supervision in politics and society at large. As a result of a number of calamities in the Netherlands and developments in society in relation to safety, supervision is in the spotlights. This also rubs off on the VWA. Effective supervision, linked to compliance of regulations was one of the most important reasons for the establishment of the VWA, a little over three years ago. Since then we've worked hard to accomplish our mission 'towards visible risk reduction'. A vision on effective supervision was developed and we created methods to convert this vision into actions.

This is the first volume of a series of publications that will give you an insight in Supervision by the VWA. This first volume contains the VWA vision on effective supervision and presents a number of tools for the implementation. The second volume 'a vision on outcome parameters' was published in Dutch in February 2005. The third volume 'enforcement communication in Theory and Practice' will be published in English in spring 2006. In the next two years more volumes will be published dealing with methods and instruments of effective supervision. Moreover external developments that influence supervision will be addressed in this series: An eye on supervision.

With this innovation in supervision we as VWA take responsibility as a professional supervisory body. We operate as an Authority by being transparent in our actions and the choices we make, towards politics and society as a whole.

The constant developments in supervision presents all of us with the challenge to shape the dynamics in supervision. I hope and expect that this first volume in the series will capture and most of all inspire you!

Jos Goebbels,

*Director Inspection, Strategy and Communication
Food and Consumer Product Safety Authority
The Netherlands*



Contents

1	Summary	7
2	Reader's guide	8
3	Introduction	9
4	Working methods for the pilot project	10
4.1	Models	10
4.1.1	Model 1	10
4.1.2	Model 2	10
4.2	Themes for development	11
4.3	Elaboration	11
5	What is "effective supervision"?	13
5.1	Summary: Effective Supervision	13
5.2	Effect	13
5.3	Supervision	14
5.3.1	Enforcement in the narrow sense	14
5.3.2	Enforcement in the broad sense	15
6	Effective supervision: actual practice	16
6.1	Approaches	16
6.2	Plans	17
6.2.1	Process-based approach	17
6.2.2	Problem-based approach	17
6.2.3	Similarities and differences	18
7	Effective supervision: the tools	19
7.1	Determine scope	20
7.2	Prioritise statutory provisions and/or risks	20
7.3	Measurement of compliance levels	21
7.4	Determining the target compliance level	22
7.5	Target group studies	23
7.6	Development of an enforcement strategy	25
7.7	Summary of tools and methods	27
8	Effect management model (outcome cockpit)	28
8.1	Outcome management model	28
8.2	Development	29
9	Questions and dilemmas	30
9.1	Changes in the supervision function	30
9.2	Client/contractor relationship	30
9.3	Conflict with performance management	30
10	Findings and conclusions	32
11	Appendices	33
A	Appendix: some current initiatives	33
B	Appendix: Format for supervision package	34
C	Appendix: Various applications and experience of participants	35

1 Summary

A pilot project on effective supervision was carried out in 2002-2004 within the Food and Consumer Product Safety Authority [*Voedsel en Waren Autoriteit, VWA*]. We investigated whether it was possible to manage the supervision process with a view to its effects rather than focusing on procedures alone, and how this could be effectuated.

Approach

We decided on a bottom-up approach. We used existing knowledge, insights and experience within the organisation to work towards achieving effects. This approach meant that the pilot project was largely instrumental in nature. It was on this basis that we developed our overall approach to effective supervision. This method allowed a sizeable group of staff who are involved in preparing and implementing supervision to become familiar with the various insights, methods and tools, which they have already been able to use in actual practice.

Period

The pilot project took place in a period during which the “discipline” of supervision was being developed in the context of the VWA. Supervision was the topic of frequent discussion, for example with clients, the Council of Inspectors General [*IG-beraad*], the “VIDE” professional association, at meetings with other inspection services in the Netherlands and elsewhere, and with politicians. While the pilot project was under way, we made grateful use of the opportunity to explain the insights it generated within these external bodies. Where possible, we also made use of external information and insights.

Results

All of this produced a set of models and practical tools that can be used to ensure effective supervision. It also produced an overall approach

to effective supervision that can form the basis of a VWA memorandum on Supervision Strategy.

Overall approach

This report describes an overall approach to effective supervision that can be briefly summarised as follows:

Supervision and enforcement mean “ensuring compliance with rules and standards”; they are effective if the objective that has been defined - expressed primarily as the level of compliance - is in fact achieved.

In order to put this overall approach into effect, we propose plans made up of a series of steps that take us through the process of supervision; these cover everything from development to evaluation. This report also offers practical tools linked to these plans to make it possible to proceed through the various steps.

Conclusions

Since the pilot project took place, great use has been made of virtually all the methods, models and tools it generated. We can therefore conclude that the VWA can indeed focus on achieving actual effects. In the near future, we will draw up an action plan to make implementation and continued development possible within the VWA. In doing this, we will key into existing initiatives where possible. The biggest challenge will be to determine the objectives (which are to be defined in advance) in collaboration with clients. The VWA has methods for ensuring that those objectives are in fact achieved.

2 Reader's guide

Within the context of "Towards Effective Performance" we attempted to give practical shape to effective supervision on the basis of an instrumental approach. This approach produced concrete, pragmatic tools, methods and models. We also gained insights and ideas regarding the concepts of "effect" and "supervision" and how they relate to external developments.

Introduction

This report begins with a summary providing a quick scan of its contents, the present reader's guide, and an introduction. Section 4 explains the methodology applied during the pilot project. So as to provide a clear framework, section 5 sets out the

strategic insights and ideas that the VWA gained regarding effective supervision. In section 6 we deal with the actual practice of effective supervision. Section 7 describes the tools that were developed and configured for practical use in the course of the pilot project. Section 8 gives an explanation of the "outcome cockpit". Section 9 then deals with a number of questions and dilemmas associated with the introduction of effective supervision. The findings and conclusions are set out in section 10 and the recommendations in section 11. The appendices comprise the necessary supporting information and some interesting personal comments by participants.

3 Introduction

In 2002 the VWA carried out an environment scan regarding the developments that are relevant to the supervisory function of the VWA. In the light of that scan, a pilot project commenced, with the aim to determine how the VWA can gear its work towards achieving “targeted effects”. The objective was formulated as follows:

“To make recommendations on the basis of which the VWA/KvW can manage its work so as to achieve ‘targeted effects’. The following activities were undertaken so as to attain that objective.

By using a pilot project team,

- *to develop shared expertise regarding the material;*
- *to acquire knowledge;*
- *to gain experience;*
- *to evaluate methods, techniques and processes.”*

First steps

This report deals with the results of the pilot project and gives an initial answer to the problem studied. It is neither complete nor exhaustive but attempts to provide insights and take the first steps towards the introduction of effective supervision within the VWA. Continuous development of methods and tools will then be necessary to ensure that the supervisory function keys into social trends and developments throughout government in the Netherlands in the field of supervision.

Period

In the course of the pilot project, its results and insights became increasingly topical due to the setting up of the Council of Inspectors General [IG-beraad] and the agenda for that body.¹ Preparations for the second “Enabling Vision of

Supervision” [Kaderstellende Visie op Toezicht] (covering the whole of government) and the start of “Rijk aan Handhaving” (a project to improve enforcement) offer further support in this respect.

The background to the project had a largely instrumental character. The pilot project nevertheless produced insights of a more strategic nature, owing to discussions regarding the use of various tools and the developments in the discipline of supervision. These insights can act as ingredients for a VWA-wide approach to supervision. They are presented in the first section of this report. The second section deals primarily with the instrumental aspects of effective supervision.

Scope

The scope within which this report should be read is “Supervision intended to ensure compliance with rules” (this will be dealt with in detail later in the report). VWA responsibilities such as “proactive risk assessment” and “monitoring and advising” do not fall within the scope of the report, nor do we deal with the aspect of efficiency.

Terminology

In this report, the terms “supervision” and “enforcement” [in Dutch: *toezicht* and *handhaving*] are used interchangeably. Both terms refer to the role of the VWA in ensuring compliance.

It should be noted that this report was produced in a period in which the move towards effective supervision became increasingly dynamic in nature. The report is therefore a kind of “dynamic photo” of the present moment. It looks back at recent developments and takes a brief look at the near future.

¹ Council of Inspectors General of State Inspection Services.

4 Working methods for the pilot project

Two models were taken as the starting point for the pilot project. A number of themes were then isolated on the basis of those models. A pilot project team then worked out those themes in more detail, adopting an incremental approach.

4.1 Models

4.1.1 Model 1

The aim of the first model is to clarify the position of supervision in the policy chain. In this model, there is only a question of supervision if legislation has been deployed as a policy tool to solve a problem in society (alongside or instead of other policy tools such as public information intended to influence behaviour, grants and self-regulation).

In the context of this model, supervision makes an independent contribution to the policy cycle regarding the extent to which enterprises comply with the relevant legislation and regulations. This

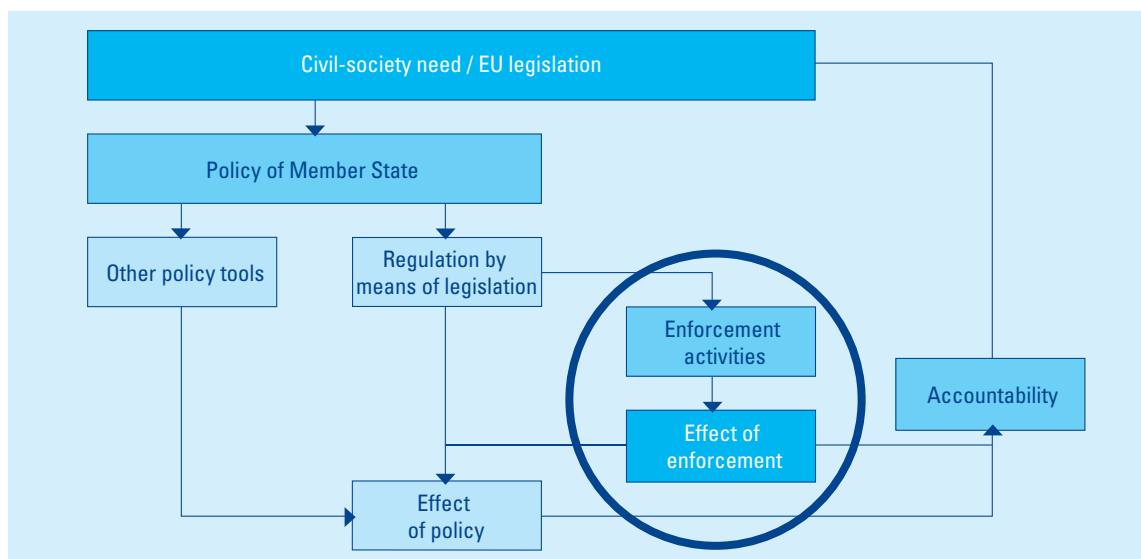
brings with it an independent obligation of accountability as regards the level of compliance. This is one of the effect parameters for the enforcement function. The level of compliance with legislation and regulations is often directly related to the extent to which the policy objective is achieved. The policy objective has been set for this legislation/regulations. The effectiveness of the policy pursued is therefore determined by the level of compliance, together with the effects of other policy tools that are deployed.

4.1.2 Model 2

In addition to this abstract model, a second model was also used. This was derived from a model produced by the "Quality Enforcement" [*Handhaven op niveau*] project office for the development of a supervision package. The model shows how the various different stages involved in developing and implementing supervision relate to one another.

Figure 1

Model 1: Position of supervision in policy chain/policy cycle



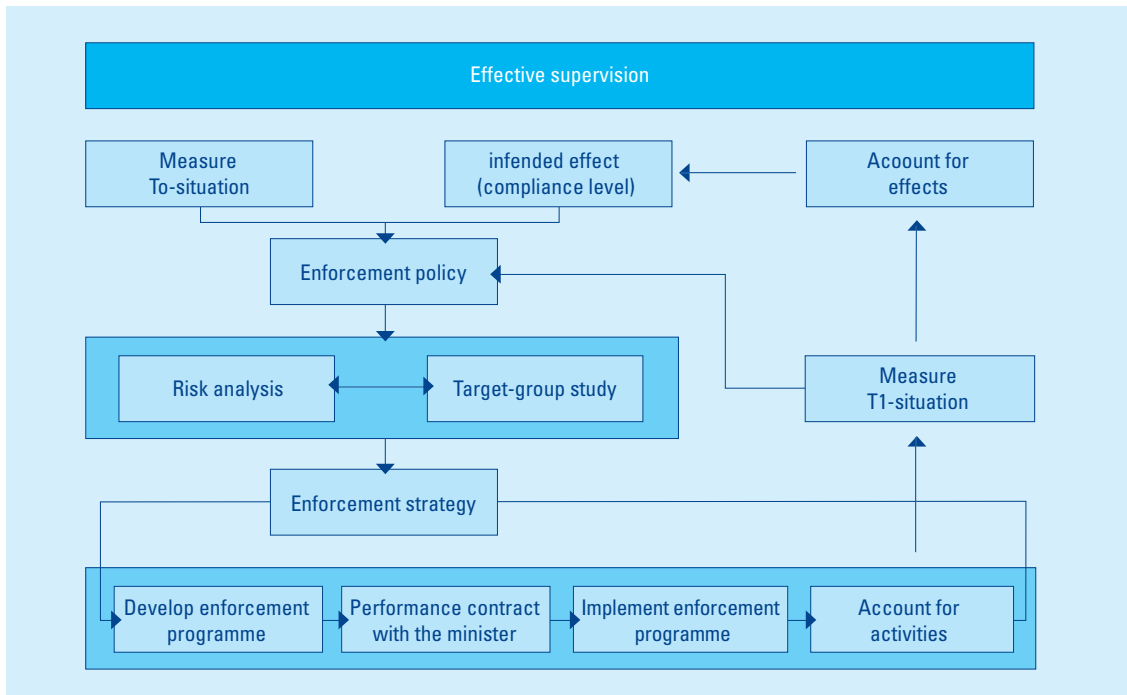


Figure 2
Model 2: Effective enforcement cycle

The bottom section of the model distinguishes a fairly flat primary implementation process. Until recently, many supervision bodies applied this kind of model. It runs from the production of plans for the year through agreements on regulations and their implementation to what is often quantitative accountability regarding the activities carried out. This primary cycle is embedded in the model in the number of process steps. These must explicitly precede this more-or-less classic model.

4.2 Themes for development

The following themes were identified on the basis of the second model and dealt with in the course of the pilot project:


- Overall approach to effective supervision
- Chain analysis
- Study of target group (Table of 11 Dimensions)
- Risk management (theoretical)
- Strategic risk-analysis model
- Trend analysis on the basis of past enforcement data
- Risk assessment on the basis of expert opinions
- Strategy model for supervision
- Outcome management cockpit
- Innovative enforcement tools

4.3 Elaboration

Elaboration and further exploration of these themes took place at workshops arranged for each of them. At each workshop, an external expert gave a presentation on the theme and participants then explored it in more detail during a discussion. A case submitted by one of the participants was then used to investigate the theme further, looking at potential applications, opportunities, risks, alternatives, etc. Those involved in the pilot project made good use of the periods (approximately one month) between the workshops, testing the knowledge and skills they had gained during projects for which they were responsible, and providing feedback at the next meeting. They also reported at length on each theme.

Composition of pilot project team

The pilot project team was broadly based, with project managers for various current or proposed substantive projects at the VWA/KvW taking part. The group had at least one representative, for example, of each incident identification department. There were also representatives of the "Focused Enforcement" [*Doelgericht Handhaven*]



programme² and the project for enforcing the Beverage and Catering Act [*Drank en Horecawet*] and the Tobacco Act [*Tabakswet*]. One of the representatives of the heads of enforcement and incident identification was also present at each workshop. The account departments were consistently represented by two participants. This broadly-based pilot project team was the heart of the pilot project. The group pooled and shared its knowledge and gained experience by applying that knowledge in its own projects, with regular evaluation. All of this served as the basis for the present report. The pilot project ran for a total of about eighteen months.

Learning by doing

The incremental methodology (bottom-up and learning by doing) meant that participants could already make practical use of the insights and

results generated by the project while it was still running. Partly as a result of this, organisational units continued to change their way of thinking and acting. Regular presentations regarding the substantive progress of the pilot project also stimulated development. Those presentations were given, for example, to managerial and team leader groups, regional management teams, and a delegation from the VWA/RVV. This means that some staff may already be familiar with the insights and components (such as the data analysis and the Table of 11 Dimensions) when this report is published. That is an unavoidable effect of the approach chosen.

² VWA/KvW programme to ensure coordination in the work of the various inspectorates, focused on carrying out targeted inspections.

5 What is “effective supervision”?

5.1 Summary: Effective Supervision

Supervision is effective if it leads to objectives being achieved that have been set in advance. Those objectives are often expressed as “target compliance levels”. They involve the “intermediate outcome” in relation to the intended policy objective (“final outcome”) which the regulations are meant to achieve. Other parameters are conceivable in addition to compliance levels, for example the level of public confidence, the extent to which political wishes are met, and the extent to which - or period within which - a problem is solved (animal disease, emergency, etc.). If no effect parameters can be defined (for example in the case of duties - such as inspections - that are prescribed by law), supervision activities are expressed as the number of activities carried out (*output*).

In all cases, supervision can only be carried out if it is clear in advance what it is intended to achieve. VWA supervision must therefore focus on the initial phase of supervision: what is the supervision intended to achieve and how can that be made as effective as possible?

Supervision is effective if it achieves the objectives set.

5.2 Effect

In order to work towards effective supervision and be accountable for it, we must begin by formulating a precise definition of “effect”. In order to do this where the VWA is concerned, we need to look at the VWA’s mission.

Mission statement

The mission of the Food and Consumer Product Safety Authority is to achieve a visible reduction

in the risks attaching to food and non-food consumer products in terms of public health, animal health and animal welfare. The VWA monitors the safety of food, animal health and non-food consumer products throughout the production and distribution chain. The objectives in terms of food and non-food products may be stated as follows:

- *Supervision: to ensure compliance with existing legislation.*
- *Risk assessment and investigation: to identify any potential threats and to conduct scientific risk assessment.*
- *Risk communication: to provide information about risks and risk reduction on the basis of accurate and reliable information.*

Consequences of this mission

One can conclude from this mission that supervision by the VWA must focus on reducing risks - insofar as those risks relate to public health, animal health and/or animal welfare - by “ensuring compliance” with legislation.

Reasoning in the other direction, it follows that supervision is clearly effective if one can show that:

- the level of compliance is increasing (or at least is not decreasing)
- with legislation/regulations of human health, animal health or animal welfare.

The model that served as the starting point for the pilot project (figure 1) positions the function of supervision and its effects (expressed as compliance with statutory rules) within the total policy cycle. Enforcing compliance with regulations consequently contributes to achieving the ultimate ministerial policy objective. When defining effect parameters for the VWA, it is important to distinguish between the effect of policy and the effect of supervision.

Effect of policy and supervision

The distinction between the intended effect of supervision (focusing on compliance levels) and the intended effect of the policy tools deployed (focusing on the level of food safety) can be described as two different levels of effect (outcome). The extent to which the policy objectives are achieved can be defined as “final outcome”. The effects that supervision is intended to achieve are defined as the “intermediate outcome”, i.e. a sub-effect.

Other objectives

In addition to this effects approach focusing on the compliance level, supervision can serve other objectives such as:

- Solving a problem that has been identified. These problems may derive from one’s own research or external indications such as complaints or reports. The regulations are not always adequate.
- Complying with political wishes/requirements, often relating to topical issues.
- Influencing or altering public perceptions if they are demonstrably different to the scientific reality (perceived risk versus objective risk).

Output as effect

It is not always possible, unfortunately, to express the effect of supervision in terms of compliance levels or problems solved. This is because it is not always possible to demonstrate effects by means of objective measurement. It is also very often impossible to indicate what element of an effect can be attributed to specific supervision efforts. Nevertheless, that is no reason not to develop effect parameters. If effectiveness cannot be demonstrated, or if the intended effect cannot be defined in terms of such things as compliance levels, the focus must then be on the actual

process of supervision. This approach to supervision leads to accountability on the basis of the amount of supervision that has taken place (output: number of policemen on the beat, for example). This either cannot be expressed in terms of compliance levels or does not need to be.

5.3 Supervision

The Cabinet position paper “Enabling Vision of Supervision”³ defines the concept of supervision as: “Collecting information regarding whether an action or item complies with the requirements set for it, assessing this, and if necessary intervening.”

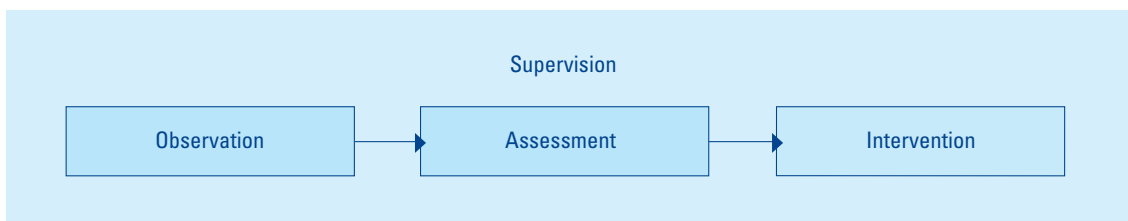
5.3.1 Enforcement in the narrow sense

The classic interpretation of the supervisory function involves testing compliance with the law. If the object of supervision remains in default, a penalty is imposed in the form of a warning, an official report or an administrative penalty, or its operations are suspended. This method is sometimes referred to as “enforcement in the narrow sense”, i.e. an expression of stringent, corrective action on the part of the authorities. For some supervision areas, this is probably the most obvious method to apply. It can probably be retained, for example for long-standing regulations that are of average relevance and are generally familiar and accepted. This type of supervision is characterised by a systematic approach to the prescribed methods of observing and assessing, accompanied by a reasonably standard intervention policy. One example is supervision of compliance with the maximum speed limit on the roads.

Innovation

For a number of years now, innovative changes have been under way in the three components of

³ Kaderstellende Visie op Toezicht.



the classic narrow approach to the supervisory function. Innovative methods of observation can be found in the case of the National Transport Inspectorate [*Rijksverkeersinspectie*] (speed cameras, route checks, etc.) and the VWA (targeted inspections, complaints hotline and team inspections). Innovations are almost always aimed at making the checks more efficient with a view to ensuring the maximum likelihood of a contravention actually being observed (increased risk of being caught). Where assessment is concerned, innovation is primarily intended to prevent discussion of the observed value and interpretation of the statutory standards that have been set. Examples include measurement correction in the case of speeding, or warning limits and correction of measuring errors in the case of sampling. Innovation in intervention also focuses primarily on imposing financial sanctions more efficiently and more directly, for example by means of compromise proposals and administrative penalties.

5.3.2 Enforcement in the broad sense

A few years ago, the concept of enforcement came to be seen in a different light when it was redefined as “ensuring compliance”. This definition places less emphasis on the various phases of supervision but focuses on the objective for which supervision is carried out. This definition also provides scope for preventive action, if that promotes compliance. Positive incentives are developed for those who

comply, for example, while alternative, corrective tools (public blacklists) can also be used for those who do not comply.

Development

The definition of enforcement in the broad sense offers a wide range of options for developing clever intervention methods and techniques, thus bringing incentives and information transfer within reach. Incentives may involve such things as a bonus/penalty system or channelling fines paid by offenders back to the sector as a reward for those who comply. Information transfer may involve such things as regulations or best practices. These may well make a bigger contribution to compliance than the classic enforcement methods. Examples of recent innovative intervention methods are enforcement communication and in-company hygiene training (provided by the sector itself) as an intervention method at Chinese restaurants. Enforcement communication involves communicating with the target group before, during and after inspections. Amongst other things, it covers the regulations concerned, the timing and methods of inspection, and ultimately the results of the inspections.

6 Effective supervision: actual practice

This section describes a method for implementing the types of effective supervision described in the previous section.

6.1 Approaches

The area of operations for the VWA can be subdivided according to the reason for its performing supervision. One of the reasons is to be found in its statutory duties, which include such things as inspection of slaughtered animals, issuing of certificates, etc. Another reason is the range of statutory provisions that those subject to supervision must comply with, something that the VWA is required to supervise (preventive function). A third possible reason is to be found in the occurrence (perhaps unexpected) or revelation of acute problems in relation to the policy fields of the ministries of Health, Welfare and Sport and Agriculture, Nature and Food Quality (“firefighting”).

Approaches to supervision

This three-part division is the basis for the three approaches to supervision within the VWA:

Features of the three approaches (with examples):

Approach	Features	Examples
Enforcement-based approach	<ul style="list-style-type: none"> ■ Prescribed statutory duty ■ Quantifiable, standardised activities ■ Process-driven by nature ■ Focusing on enforcement 	<ul style="list-style-type: none"> ■ Inspections ■ Issuing of permits ■ Issuing of certificates
Process-based approach	<ul style="list-style-type: none"> ■ Based on existing regulations ■ Priorities within that context ■ Focusing on compliance levels ■ Process-oriented by nature (“going concern”) 	<ul style="list-style-type: none"> ■ Supervision in the catering industry, trades using traditional methods, etc. ■ Supervision of alcohol and catering industry
Problem-based approach	<ul style="list-style-type: none"> ■ Starting point is “the problem” ■ Regulations not always entirely applicable ■ Also involves advising on policy ■ Often a “new” problem ■ Project-driven approach ■ Short term, non-cyclical 	<ul style="list-style-type: none"> ■ Animal disease epidemics ■ Emergencies ■ Tattooing dyes

- **The enforcement-based approach.** This applies to carrying out statutory duties. A long-standing approach, it has become routine at certain departments of the VWA. Accountability is based on the number of activities carried out.
- **The process-based approach.** This approach is based on the statutory framework, which means that this approach can be applied to most of the area covered by VWA supervision. Accountability is based on compliance levels.
- **Problem-based approach.** This is an approach that focuses on the problem. Accountability is in terms of “problems solved”.

The division into these three categories is useful when organising the wide range of VWA duties. The various different categories require different approaches in order to increase the likelihood of successful supervision. This section deals with two of the three approaches. The present report will not deal with the “enforcement approach” because that approach involves performing statutory duties in which effects play no role. Moreover, the two

delivery units that make up the VWA (KvW and RVV) derive their strength from the extent to which they have proved able to plan their activities, implement them, and account for them.

6.2 Plans

The following subsections deal with a number of plans that can be broken down into several different steps. Although one can identify a logical order in the various different steps, it is not the case that one must always begin with step one before moving on to step two. Implementing the VWA's duty of supervision is not, of course, a new task. Many implementation programmes have been designed on the basis of the implicit expertise of those preparing them; they consequently have inherent legitimacy. However, attempts will be made in the coming years to make choices and assumptions explicit when drawing up plans for programmes. In this way, the basis and purpose of supervision will be made perfectly clear.

6.2.1 Process-based approach

The process-based approach applies to supervision areas which do not comprise a specific problem other than a lack of compliance with the most relevant statutory provisions. The basic principle underlying this approach is the range of statutory provisions, within which priorities need to be set. Prioritising is based in the first instance on the relevance of each statutory provision to the policy objective concerned. Secondly, the level of compliance with the most relevant statutory provisions is used as a criterion for setting priorities.

Plan for the process-based approach

1. Determine the scope on the basis of such features as the target group, the chain, and the statutory provision concerned.
2. Working on the basis of a risk analysis in relation

to the policy objective concerned, set priorities as regards the statutory provisions.

3. Measure the level of compliance with the most relevant rules determined in stage 2.
4. Determine the extent (%) by which compliance needs to improve if one is to be able to speak of a reduced risk (intended effect).
5. Identify the target group's reasons for observing/not observing the rules.
6. Develop a set of intervention methods (supervision package) that influence the reasons for non-compliance.
7. Implement the supervision package.
8. Measure the compliance percentage and relate it to the intended effect.
9. Be satisfied and tell others, or amend the supervision package.


6.2.2 Problem-based approach

The problem-based approach is used when one is dealing with a more-or-less acute problem. An example might be the problem of tattooing dyes that have been found to contain components that are carcinogenic. This problem demands a solution, quite apart from the question of whether there is already relevant legislation. Another example of where a more immediate approach is necessary is the sale of "astrological tea" containing unsound ingredients, or a sudden outbreak of an infectious animal disease. The main feature of this approach is that it focuses on the problem itself and looks beyond the question of whether or not statutory standards apply. This approach often involves close contact with the relevant policy departments.

Approach

An interesting book on the problem-based approach has been published by Malcolm Sparrow,⁴ who carried out a worldwide study of regulatory organisations. The most successful of those organisations adopt more or less the following

⁴ The regulatory craft, Malcolm Sparrow, ISBN 0-8157-8065-6.



approach, one that would also be useful to the VWA when acute problems arise within its field.

Plan for the problem-based approach:

1. Specify the potential problem area/areas.
2. Analyse and define the problem.
3. Set effect indicators so as to determine whether or not the effect is achieved.
4. Develop interventions to solve the problem.
5. Implement the interventions and monitor the results. If necessary, make changes to the interventions.
6. If the desired effect has been achieved, conclude the activities and apply long-term monitoring.
7. Provide information on the success of the approach.

6.2.3 Similarities and differences

There are more similarities than differences between the process-based and the problem-based approach. Both require one to first determine the object/objects of supervision. In one approach, this is defined as a problem that needs to be solved; in the other, it is defined as a compliance level that needs to be achieved. Another feature that the two approaches have in common is the need to set priorities based on risk assessment. This applies to determining both the main problems that must be solved and the most relevant statutory provisions. Each of the two approaches also includes as a crucial component the stage of determining what must be achieved and the way it can be described, i.e. formulation of the objective of supervision and the associated measurement tools.

Differences

The two approaches differ as to substance, however, when it comes to choosing interventions. If there are no specific statutory provisions, the problem-based approach requires that one look beyond the boundaries of the statutory framework. This must, of course, be done in consultation with the other parties responsible, for example policy

departments. In the case of the process-based approach, it is the statutory framework that constitutes the starting point; on that basis, it is generally necessary to develop independent intervention mixes.

Dynamics

The dynamics of the two approaches are also different. The problem-based approach focuses on a more-or-less acute problem. In such situations, rapid action within a short period of time is necessary; this may or not involve a taskforce or crisis team. There is not a great deal of time for extensive research or for developing methods to measure the effect. Pragmatic but effective expedients are required. The process-based approach is less dynamic. Supervision concerns a set of statutory provisions that has a large and fairly stable core and in which changes are only made after extensive consideration, with an appropriate amount of time being taken. This therefore means that there is sufficient time to implement the various different steps, for example setting priorities on the basis of risk analysis or measuring the current level of compliance. The supervision packages therefore take a great deal more time than in the case of the problem-based approach. Further studies of the practical usefulness of the problem-based approach for the VWA still need to be carried out.

Tools

The process-based approach operates on the basis of regulations that can be implemented and are enforceable. The VWA intends using an enforceability test to determine whether regulations actually comply with these basic principles. The test will eventually be incorporated into the plans. During the "Towards Effective Performance" pilot project, we looked for and found or developed methods and tools for a number of the steps. The following section of this report deals briefly with those methods and tools, which are dealt with in greater detail in the appendices or in separate reports.

7 Effective supervision: the tools

The pilot project showed that there is no single way to carry out supervision effectively - the VWA's remit is too varied for that to be possible. Insights and effective action would seem to be the product primarily of a multifaceted approach. To that end, the VWA has developed the following methods or tools and configured them for practical use:

- Chain analysis
- Expert Choice
- Data analysis
- Table of 11 Dimensions

- Perception survey
- Compliance Square®
- Format of supervision package
- Outcome cockpit

Use of methods

The table below sets out the methods or tools that can be used for each activity in the process. This is not an exhaustive list but it does give an idea of what is possible.

Step	Activity	Method/tool
1	Determine scope	Describe
2	Prioritise statutory provisions and/or risks	Expert opinions supported by Expert Choice
3	Measure compliance levels	<ul style="list-style-type: none"> ■ Analyse compliance data per product or target group ■ Estimates by experts using electronic Table of 11 Dimensions ■ Measurement of compliance by means of telephone surveys ■ Analysis of past enforcement data using data analysis
4	Determine intended effect	Account managers in consultation with policy departments
5	Investigate reasons for non-compliance	<ul style="list-style-type: none"> ■ Behavioural analysis using Table of 11 Dimensions ■ Perception survey (by phone)
6	Develop supervision package	<ul style="list-style-type: none"> ■ Based on preliminary study, perhaps using supervision package template ■ "4 E's model" strategy
7	Implement supervision	Enforcement by the delivery units
8	Monitoring	<ul style="list-style-type: none"> ■ Data analyser ■ Outcome management cockpit
9	Communication regarding successes	Communication and provision of information



7.1 Determine scope

The scope depends primarily on the reason for switching to developing supervision packages. That reason is sometimes found in statutory provisions (process-based approach) which necessitate supervision (for example the Animal Feedstuffs Framework Act [Kaderwet Diervoeder]). It may also be the case that a specific target group (for example the catering industry) is the focus of attention, for example as part of a joint campaign with other State Inspection Services. Another possible reason is a study showing that a certain product is unsafe (for example electrical equipment).

Possible method: Chain analysis

The use of chain analysis can help determine the scope. Chain analysis clarifies production chains and their limits so as to determine the boundaries of the playing field. This kind of analysis collects the information on each link in the chain that is relevant to supervision by the VWA. An example might be the product flows from one link in the chain to the next. Another might be products/semi-manufactures, or such things as forms, product specifications, and quality guarantees. Chain analysis defines a product group or group of companies with a customer/supplier relationship. It involves searching, questioning, interviewing, and - above all - structured documentation. Chain analysis results in descriptive or modelled and structured analysis of a product or product chain.

Example

Chain analysis is not always a simple matter. This became apparent in the course of the pilot project from an account of the seemingly simple product chain involving a bag of assorted apples sold in supermarkets. It became clear that apples from a number of non-European countries might ultimately end up, in varying combinations, amongst the apples in the bag. In such a case, it is virtually

impossible to trace the products back to their origin. The scope of chain analysis to determine the size of the chain or a problem is sometimes much greater than one might think. In one case, a complaint or individual report brought to light the use of MPA (medroxyprogesterone acetate, a synthetic growth hormone). The problem was initially restricted to only a certain number of pig farms. When the glucose chain within which the MPA was processed finally became clear, it turned out that an uncontrollably large number of companies in various different sectors were involved.

7.2 Prioritise statutory provisions and/or risks

Once the scope has become clear, we look at the relevant statutory provisions that relate to the policy objective concerned. In the case of food safety, for example, the statutory provision regarding the temperature for storing perishable foods is more relevant than the rule that the walls of areas in which food is prepared need to be entirely covered with tiles. The most relevant statutory provisions are those where non-compliance is very likely to lead to products being unsafe or to an unsafe situation for the consumer. In other words, the provisions where non-compliance involves the greatest risk for consumers of the product.

Experts

Clarifying the most significant risks - and thus the most relevant statutory provisions - involves research, collecting information, assessment, consideration, and selection. This is sometimes carried out by means of scientific studies but more frequently it involves the existing professional knowledge of experts, for example policymakers, supervisors, experts on the sector, and university staff. The opinions and views of these experts may differ because existing professional knowledge is linked to personal experience and insights, with

each individual expert weighing up matters for himself. In the course of the pilot project, a tool was developed for use in such cases. This method combines a number of separate expert opinions. It was used within the scope of an experiment in risk analysis of “chemical food-related threats to the health of the consumer”⁵ and the Animal Feedstuffs Framework Act. (A report is available on both of these.) This method is now also used in the scope of unusual foodstuffs and beverages and non-food chemistry.

The experience gained with this method is positive. It has been possible - within a relatively short period and in a structured and transparent manner - to rank the risks within a particular search area. The sum total of the opinions of the various different experts are used to determine the most relevant risks and/or statutory provisions.

7.3 Measurement of compliance levels

The level of compliance with statutory provisions can be determined in a number of ways.

- Estimation of compliance by experts
- Compliance cockpit on the basis of enforcement data
- Compliance monitor with the aid of research in the field

Estimation of compliance by experts

The expert approach is based on the knowledge of the experts, who are asked to estimate the level of compliance within their field. The more experts who produce such estimates, the closer one can get to the truth. The Expert Choice method, combined with estimates, can provide support for the experts’ estimates. This method of estimating was developed at the behest of the Expertise Centre for Law Enforcement [*Expertisecentrum*

Rechtshandhaving, ERH] at the Ministry of Justice. It divides the target group into the following five categories:

- Those who comply of their own accord: these people would act in the proper manner even if there were no legislation.
- Those who comply deliberately: these people comply with the rules, partly because the rules are enforced.
- Those who comply inadvertently: these people comply with the rules “by chance”.
- Inadvertent non-compliers: these people are not aware of the rules and contravene them inadvertently.
- Deliberate non-compliers: these people contravene the rules in a calculating manner, regardless of enforcement.

Dividing up the target group into the categories of deliberate and inadvertent compliers gives us an idea of the relative size of the group made up of deliberate and inadvertent non-compliers and is therefore a measure of compliance. The ERH has made use of this method of estimation via the expert method on a number of occasions, including by the VWA/KvW⁶, and it has also been tested against observations in the field. The results approximated one another with a margin of 5 to 10%. The method is therefore valid and can be used by the VWA as an initial approximation of the reality. This method is available at the VWA and can be implemented within a fairly short period of time. Selection of the right experts is crucial when applying this method.

Compliance cockpit on the basis of enforcement data

Another approach used in the past involved data on enforcement, whether or not collected by means of

⁵ Experiment Risicoanalyse (chemische voedselgerelateerde bedreigingen), VWA directie Toezicht, January 2004.

⁶ Monitor naleving door snackbar- en cafetariahouders, KvW/ERH, 1999-2000.

a random survey. These data were analysed and related to the extent of the measurements and the size of the target group. At the VWA/RVV, supervision data are now recorded in the UBA; at the VWA/KvW this was already done in the ISI. Source data are therefore available for a large number of supervision areas. A prototype compliance cockpit was developed in the course of the pilot project in collaboration with Imtech Business Improvement and two account managers in the food sector. This makes it possible to get an idea of the level of compliance on the basis of existing data. A report is available on this promising prototype.⁷

Compliance monitor with the aid of research in the field

The most comprehensive method is the “compliance monitor” used by the Expertise Centre for Law Enforcement (ERH) at the Ministry of Justice.⁸ This monitor in fact consists of a mix of different methods for collecting data on compliance.

Using a random survey, a target group is questioned regarding the extent to which they themselves and their “colleagues” comply with the rules. A professional research organisation presents respondents with a questionnaire. The Randomised Response⁹ method is used to ensure that answers are objective. A group of supervisors are then asked, at a meeting of experts, to give their opinions on the results of the random survey. Finally, a random survey is carried out during which inspectors carry out checks or take samples over the period of the survey. By combining the results of these three studies, one arrives at an interval estimate for each statutory provision as regards the level of compliance with the rules. This interval

is determined by the lowest and highest results for each statutory provision.

Example

According to the target group itself, the percentage of businesses that store perishable foods at a temperature lower than the maximum recommended is 87%. On the basis of their experience, inspectors put that percentage at somewhere around 80%. Random surveys show that the proper temperature is observed in 74% of cases. In this case, therefore, the interval estimate for compliance is 75-87%.

7.4 Determining the target compliance level

But do all statutory rules actually require absolute and total compliance? In the world of supervision, this is a utopian objective and one that is impossible to achieve, although we can still aim for the maximum possible level of compliance.

Risk management approach

Statutory provisions are intended to prevent certain undesirable events occurring as far as possible. Speed limits on the roads, for example, reduce the number of collisions that occur. The level of compliance with legislation and regulations is directly related to the likelihood of an undesirable event occurring. The greater the level of compliance, the less the likelihood is of such an event taking place. The level of compliance therefore correlates to the extent to which the consumer is subject to risks.

The risk of an event occurring is not the only relevant factor. The general definition of risk is:

$$\text{Risk} = \text{Likelihood} \times \text{Effect}$$

⁷ Prototype nalevingscockpit, VWA, July 2003.

⁸ See, for example “monitor naleving door snackbar- en cafetariahouders”, KvW/ERH, 2001

⁹ See for an explanation report “monitor naleving door snack- en cafetariahouders”, KvW/ERH, 2001.

Impact

The impact or effect of an undesirable event therefore determines the level of risk. That fact gives us a basis on which to determine the target level of compliance. The minimum level of compliance that is necessary as regards less relevant statutory provisions (with a minor impact) can, after all, be lower than that for highly relevant provisions (with a major impact). This approach to determining the target level of compliance takes no account of the present level of compliance.

Pragmatic approach

There is another approach, which does in fact take the present level of compliance as its starting point. It involves the supervisory body using the present level of compliance to estimate how much compliance will improve if supervision is carried out.

Example

Let us say that our ultimate aim is to bring about a reduction in the number of people who become ill as a result of eating food that is unsafe. In order to achieve this, one determines the most relevant statutory provisions that affect food safety. These include, for example, temperature control and hygiene. The level of compliance with these statutory provisions must be extremely high so as to “guarantee” that food is safe. Needless to say, other less important rules must also be complied with, but even if the level of compliance with these less important rules is low, food safety will not be directly affected. These rules therefore enjoy lower priority when exercising supervision.

Development

The VWA wishes to develop a model for the first approach. It intends doing this in collaboration with the two policy departments and perhaps with other inspection services.

This approach places compliance levels most clearly in the policy chain (policy objective, policy tool, legislation, level of compliance, supervision, and enforcement). The VWA organised a seminar on this topic in March 2003. The conclusions of the seminar will be considered as we develop the model.

7.5 Target group studies

The aim of studying target groups is to determine how one can reduce the disparity between the current and target level of compliance. Target group studies focus both on the reasons for non-compliance and on the possibility of categorising members of the target group as compliers and non-compliers.

Reasons for compliance/non-compliance: the Table of 11 Dimensions

The Table of 11 Dimensions is a concise test - developed in collaboration with Erasmus University Rotterdam - for determining the enforceability of rules. It is a tool for analysing compliance behaviour and allows one to estimate the expected (spontaneous) level of compliance and the necessary enforcement methods/efforts. This can be done by considering why the target group fails to comply and developing programmes of intervention on that basis, including enforcement packages.

The Table of 11 Dimensions consists of 11 dimensions in three categories:

Category 1: Dimensions for spontaneous compliance

1. Knowledge of regulations (clarity, familiarity)
2. Costs and benefits (contravention, compliance, image)
3. Level of acceptance
4. Observance of standards (respectful of authority, law-abiding)
5. Informal social control

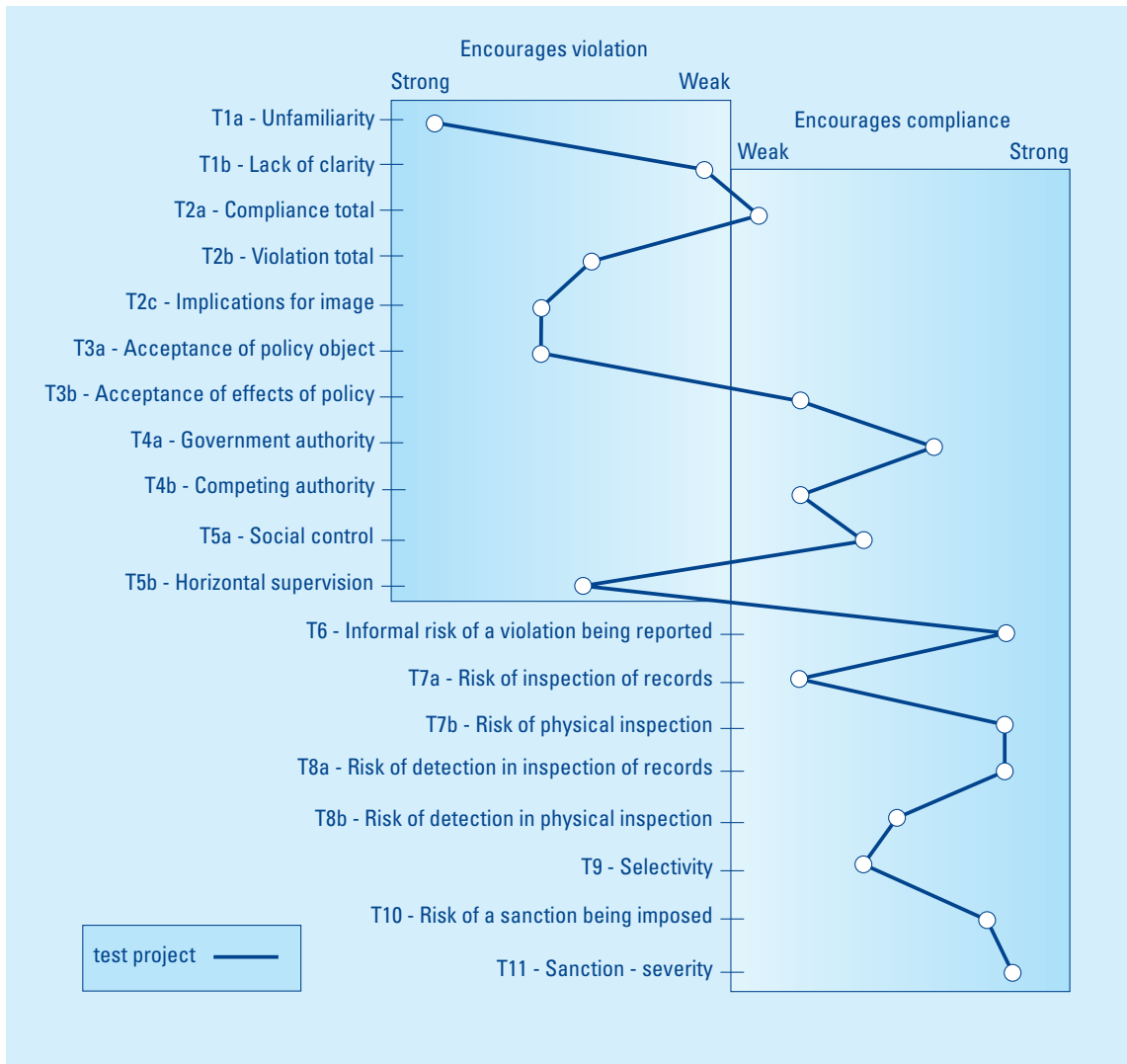


Figure 3
Results of analysis using Table of 11 Dimensions

Category 2: Control dimensions

- 6. Informal risk of reporting
- 7. Likelihood of inspection (administrative and physical)
- 8. Likelihood of detection (administrative and physical)
- 9. Selectiveness

Category 3: Sanction dimensions

- 10. Likelihood of a sanction
- 11. Seriousness of sanction

Researchers use questions to reveal what the experts or the target group believe are the reasons for a particular type of behaviour. Groups of experts can use the electronic Table of 11 Dimensions for this purpose. This makes it possible to get an idea

of the strong/weak reasons for compliance. It is important to consider that behaviour is not determined by the actual factors but by the way those factors are perceived by the target group. Figure 3 shows an example, with three different target groups being represented in a single graph.

The further a score is into the right-hand (green) area, the more that dimension influences compliance behaviour. The further the score is into the left-hand (red) area, the greater the likelihood of the rules being contravened. Dimensions T7 to T9 can be influenced directly by means of supervision. An electronic version of the Table of 11 Dimensions is available at VWA. This method was recently applied during a number of enforcement

projects, for example relating to snack bars, producers of meat products, and the animal feedstuffs sector.¹⁰

Analysis of past enforcement data

It is useful to know why a target group does or does not comply with the rules. It is also possible to carry out research regarding the possibility of segmentation of that target group. In other words, is it possible to distinguish those members of the target group that fail to comply with the rules from the rest of the target group?

Analysis of past enforcement data can help because behaviour in the past can assist in predicting behaviour in the future. The VWA/KvW and the VWA/RVV each have databases comprising location data for each inspection as well as data from the inspections and sample analyses themselves. These data can be used to identify trends and/or make predictions regarding non-compliance. A data analyser has been developed in collaboration in with the firm of Imtech Business Improvement. This applies to companies in the catering industry in the southern region and to the associated inspection data and microbiological specimen data. With a bit of tweaking, the analyser can also be used in other areas. A separate report is available on the data analyser.¹¹

7.6 Development of an enforcement strategy

The information acquired in the preliminary phases is used to develop activities intended to promote compliance behaviour within the target group over a specific period of time. During the pilot project, we used two different methods to develop those

activities, namely supervision packages and the Compliance Square®.

Supervision packages

A supervision package consists of a set of enforcement tools (observation and intervention tools¹² that influence the reasons or causes for non-compliance, which were investigated during the previous phases (Table of 11 Dimensions, data analyser). The enforcement tools are deployed according to a previously determined strategy. The most important thing is to select the optimum combination of enforcement tools, methods, scale and timing, and to link these to the target groups concerned. The point is to encourage compliance with the regulations in a way that can be measured.

In the course of the pilot project, an initial format was developed for assembling a supervision package. A detailed version is included as one of the appendices. It should be noted that there has as yet been insufficient practical testing but it can still act as a basis for developing a supervision package. This format was used in the project on “development of supervision packages for the animal feedstuffs sector”.

The format consists of the following components:

- Objective of the supervision package
- Control activities and tools
- Intervention policy and tools
- Communication regarding the various phases of the supervision package
- Context of the supervision package
- Assessment
- Risks

¹⁰ Toezichtarrangementen Risico gebieden Diervoederketen, VWA May 2004.

¹¹ Report data-analyse VWA horecabedrijven regio Zuid, VWA/Imtech BI, March 2003.

¹² Definition of supervision: observation, assessment, and intervention.

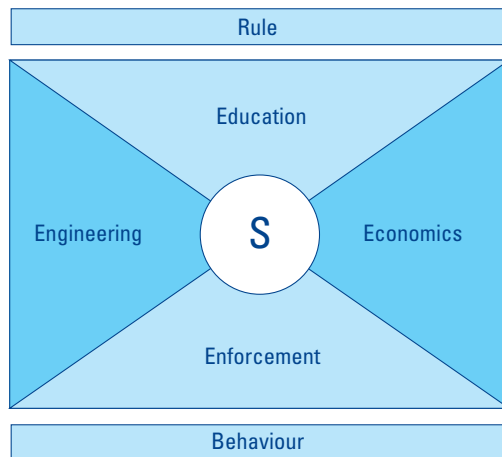


Figure 4
The Compliance Square[®]

The Compliance Square[®]

Another model for developing supervision packages is the Compliance Square[®]. This model is based on marketing principles and is also referred to as the “4 E’s model”.

The four “E’s” are:

- Education (information and instruction)
- Engineering (social and physical infrastructure)
- Economics (economic incentives)
- Enforcement (classical enforcement)

Education: all efforts focusing on the standards and values of the target group. These include such things as exemplary behaviour, instruction, schooling, and public information campaigns.

Engineering: all intervention in the physical environment (physical engineering) intended to make certain behaviour possible/impossible. This involves such things as constructing “sleeping policemen” in the road so as to cause traffic to reduce speed; installing bottle banks; or imposing a system of compulsory identification for admission to pubs or discos. Social engineering is intended to reinforce the social environment, thus making social prevention and social control more effective. This can be done, for example, by requesting collaboration on the part of the trade association or by introducing a quality mark for enterprises that do in fact comply with the rules.

Economics: all measures that make certain behaviour financially attractive or unattractive. This involves such things as handing out vouchers during roadside inspections or subsidies for places

of entertainment that do not serve alcohol.

Enforcement: all efforts in the field of supervision, enforcement and enforcement communication intended to prevent contraventions by means of restraint or the threat of restraint. This category include sanctions.

Integrated approach

An approach that focuses solely on enforcement is likely to produce only a weak improvement in compliance in situations which cannot be closely defined (probably the majority). This is because the capacity for enforcement will always be restricted. It is therefore insufficient to deploy enforcement as one’s sole tool. An integrated approach based on the Compliance Square[®], in which all four “E’s” are used, is more likely to be successful.

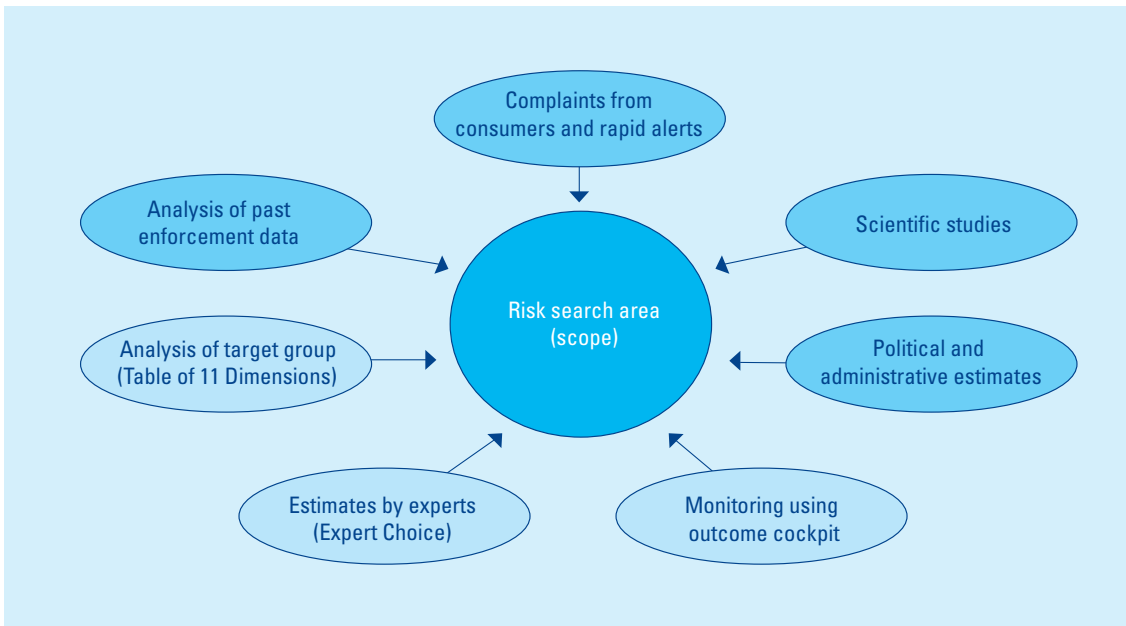
The 4-E model is already used by the Drink and Catering Sector Team at the VWA/KvW. They provided the input for this model during the pilot project.

Similarities and differences

The supervision package format and the Compliance Square[®] both contain the components of communication and enforcement. Both models apply a broad definition of the concept of enforcement, namely ensuring compliance. Both models also have a clear structure. As a result, enforcement is no longer a patchwork implementation function but part of a whole system of methods for influencing people.

Differences

What is different is the scope of the two models. The Compliance Square[®] focuses on communication and enforcement and on the external components of education and economics which the VWA cannot influence directly. These components, which are relevant to the



Figuur 5
Relationship of perspectives in high-risk area

enforceability of the regulations (and which therefore encourage compliance), can be considered as a policy tool rather than a tool of supervision. The model can therefore be deployed as part of policy preparation. A second difference can be found in the level of detail. The supervision package format is a model setting out the objective, strategy and implementation in detail. It is therefore a reasonably complete model for the supervision function. It consequently differs from the Compliance Square[®], which specifies the four “E’s” at a fairly high aggregation level and leaves the details to be worked out later.

Conclusion

The Compliance Square[®] is primarily suitable for use in new supervision areas where intervention in policy preparation is still possible. It can also contribute in the case of existing regulations or when improving existing supervision packages. That contribution will mainly involve specifying the context within which the supervision package can be applied. The supervision package format can be used when assembling and specifying supervision packages for existing regulations.

7.7 Summary of tools and methods

The methods and tools we have discussed were deployed experimentally during the pilot project.

Further validation and development will need to take place in the context of actual working practice.

The relevance of the methods and tools becomes apparent primarily when they are deployed in the context of the stepwise plans. The intention here is not to lay down a fixed pattern of phases and methods for developing effective supervision; rather the intention is to develop a set of guidelines that can help the VWA carry out effective supervision.

High-risk areas

High-risk areas in the context of supervision can be approached from a number of different perspectives. The perspectives applied in the context of the “Towards Effective Performance” pilot project are very much “inside-out” in nature. They are based on the VWA’s own expert assessments, responsibilities and views in the context of the supervision function. In addition to these expertise-oriented perspectives, however, the perspectives of scientific study, interests (including political interests), and the consumer are also relevant, although the pilot project did not focus on those perspectives.

8 Effect management model (outcome cockpit)

The effect-oriented approach to the VWA's supervision function involves many different elements. The previous section explained the tools that are relevant to preparing for effective supervision. It will only be possible to use those tools to change existing working methods if the necessary range of management tools is available to implement those changes. One of those tools is a management information system focusing on effect management (outcome).

8.1 Outcome management model

The management information systems in use at the VWA were developed in order to make production (output) management possible and therefore focus on control. Outcome management requires these control-oriented management information systems to be supplemented. A prototype outcome management model was developed during the pilot project.¹³ On that basis, it is possible to monitor the effects of implementing various supervision tools. The prototype is based on the hypothesis that a maximum guarantee of food safety is possible if process control at food companies is satisfactory.

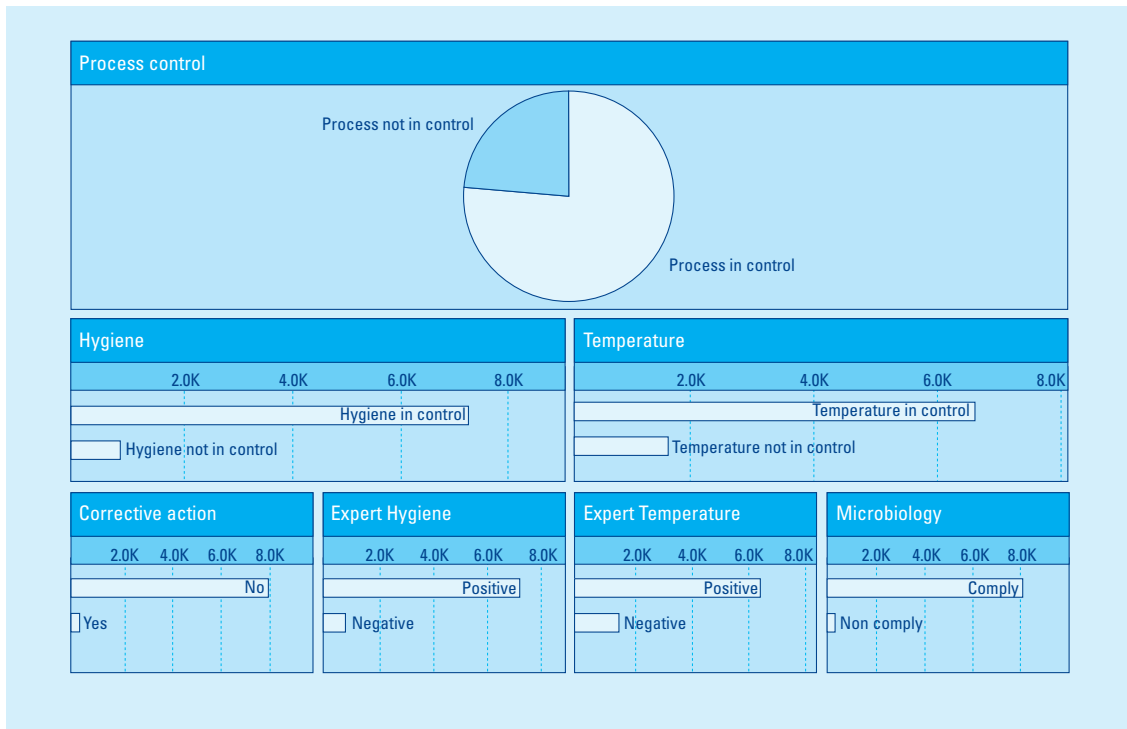
The intended effect of supervision (outcome) is expressed here as the percentage of companies where process control is satisfactory.

CCPs

One can speak of process control if one is in control of the Critical Control Points (CCPs) of a production process. The CCPs therefore need to be specified so that one can determine the extent to which they are actually under control. A meeting of experts specified the statutory CCPs relating to food safety and examined them in detail. The CCPs concerned are temperature control and hygiene control. If these two CCPs are under control, it implies that the production process is under control. The extent to which process control applies can be clarified by determining the compliance percentages for these two CCPs. This can be done by considering the following data (from the VWA's database):

- The corrective inspection measures taken as regards temperatures exceeding the limits and lack of hygiene.
- The expert opinion of the inspector, recorded in the inspection lists, regarding temperature control and hygiene control.
- The corrective measures taken if contraventions of the bacterial count standards are discovered during sampling. (The assumption here is that the standard is exceeded if the temperature has been too high for an extended period and/or if hygiene standards have not been observed.)

¹³ Rapportage outcome cockpit, VWA, 2003.



Figuur 6
Prototype outcome-cockpit

Weighting factors

Once all these data are known, a decision tree can be used to specify the level of process control. One can only speak of complete process control if there is a positive score for all the various parameters (compliance with the requirements). This makes it possible to determine the percentage of businesses with effective process control.

It is possible to assign weighting factors to the various different parameters. Temperature control, for example, might be weighted more heavily than hygiene control. This was not done in the prototype and all the parameters were weighted equally.

8.2 Development

Insights into what is or is not possible in the context of an outcome cockpit were investigated during the preliminary study. That study was based on a number of interviews. Its purpose was to clarify possible "outcome parameters" for the VWA.¹⁴ Is it possible to use enforcement data to clarify the level of compliance? That question will be dealt with during a later study. A separate report dealing with this matter will be published in the first quarter of 2005.

¹⁴ Reportage vooronderzoek outcome parameters, VWA, December 2003.

9 Questions and dilemmas

9.1 Changes in the supervision function

The introduction of effective supervision leads to changes in the traditional role of the supervisory body. The traditional role focused on monitoring and imposing penalties; the new role is much more concerned with enforcement in the sense of “ensuring compliance”. This means that the new supervision function is much more a component of the policy cycle than an isolated duty of government. Greater attention therefore needs to be given to coordination with policy and those responsible for it.

Distribution of roles

Tension regarding who is responsible (in the political or constitutional sense) or competent arises if the supervisory body deploys tools to promote compliance with the rules that could just as well be deployed as tools of policy or vice versa. That tension could be channelled if there were a clear distinction between roles in respect of the objectives concerned. Policymakers select tools, including regulations, for example to promote food safety. Supervisory bodies select tools to promote compliance with the rules. The supervisory body should become involved in policy preparation (for example taking on a formal advisory role), and those with responsibility for policy should, in turn, be involved in developing supervision packages.

9.2 Client/contractor relationship

According to the Netherlands Court of Audit [*Algemene Rekenkamer*], determining the intended level of compliance is a political responsibility.¹⁵ Up to now, however, the policy departments of neither the Ministry of Agriculture, Nature and Food Quality

nor the Ministry of Health, Welfare and Sport have set the intended level of compliance for a single statutory provision.

Seminar

In March 2003, the VWA organised a seminar as part of the move towards “effective supervision”. The seminar was intended for VWA management and the policy departments of the ministries of Agriculture, Nature and Food Quality and Health, Welfare and Sport. The intention was to put “intended levels of compliance” on the agenda and to initiate a programme to determine and effectuate those levels of compliance. After the seminar, the Department of Food Quality and Animal Health (LNV/VD) at the Ministry of Agriculture, Nature and Food Quality asked the Ministry’s Expertise Centre (EC) to develop a model. This will make it possible to determine intended levels of compliance. For a number of reasons, the EC was unable to do this. The policy department of the Ministry of Health, Welfare and Sport took various initiatives to formulate policy objectives in a more specific and more quantifiable manner (SMART).

Role of VWA

The VWA wishes to use its expertise to help develop a model that will allow the client to determine intended levels of compliance. The VWA itself can never take on responsibility for determining intended levels of compliance. Initiating a dialogue regarding this problem is the first step towards managing the VWA on the basis of intended levels of compliance. The VWA can take the necessary initiative for this.

¹⁵ Netherlands Court of Audit, report “onderzoek naar Rijksinspecties”, 2002.

9.3 Conflict with performance management

Management and control within the VWA have up to now focused solely on operations as they relate to supplying defined products. Those products include such things as certification, inspection and sampling. Switching from an output-driven organisation to an effect-driven organisation means that one must also develop the necessary management models and systems, not forgetting the associated culture. That requirement was to some extent anticipated by developing a prototype outcome cockpit during the pilot project.

Coordination

Operational management plays a major role in implementing and developing effective supervision. One is dealing, on the one hand, with the development of an effective supervisory organisation. On the other hand, one is dealing with the development of an agency focusing on control of operating processes. These two developments

are well coordinated with one another. The challenge is to combine a flexible, effect-driven organisation with a product-driven agency model based on cost price per defined product.

Role of account managers

A crucial element in progressing towards effective supervision is to formulate and define the targeted effects. Doing so requires parameters that can be used to express those targeted effects. Negotiations must also take place between the client and the contractor regarding how the intended objectives and implementation limits should be defined. Account managers will play a much bigger role in this. They not only negotiate with clients but also determine the direction for the VWA with respect to actual substance.

10 Findings and conclusions

The objective of the “Towards Effective Performance” pilot project was to determine if and how effective supervision is possible.

Possibilities

The pilot project produced a range of insights, methods and tools for effective supervision. These have been successfully used - wholly or partly - either in the context of the pilot project or elsewhere.¹⁶ Although the further development and validation of these matters is necessary if they are to be implemented by the VWA as a whole, we can conclude that effect-driven supervision by the VWA is in fact possible. One of the conditions for this is that the management model and the management and control culture of the VWA also develop in parallel with one another. The pilot project demonstrated that effective supervision by the VWA is in fact possible. Applying the insights, methods and tools that were produced will allow the VWA to comply with its mission of achieving a “visible reduction in risks” by making use of effective supervision.

Collaboration

The insights, methods and tools were to some extent produced informally in collaboration with members of other State Inspection Services. Recent developments within the Council of Inspectors General meant that we were able to test insights, methods and tools in a broader context and also share them with representatives of other State Inspection Services.

Necessary changes

The really necessary change in the VWA's supervisory function will be visible primarily in the way supervision is prepared and evaluated. The same applies to the client/contractor relationship.

Fewer changes will be apparent in the implementation phase of supervision. Instruction and training are necessary for staff whose duties involve making the necessary preparations for supervision. The methods and tools developed during the pilot project can serve as a frame of reference for a programme of instruction and training.

Effect parameters

The pilot project took the first steps towards defining effect parameters. It became apparent that the VWA is increasingly aware that supervision should be deployed to a greater extent as a means of bringing about certain effects, even though ideas regarding those effects differ substantially. Effect parameters need to be studied and defined, both within the VWA and by clients.

The incremental approach chosen for the pilot project meant that the various developments were not confined to the pilot project. The “knock-on effect” meant that methods and tools were also applied to other components. The appendices summarise the various initiatives.

Necessary changes

Moving towards effective supervision for the whole of the VWA requires a new way of working and thinking. Not only do methods and tools need to be easy to use, management systems and relationships also need to be adapted. It will therefore take years rather than months to implement a system of effective supervision.

¹⁶ Examples include: project on supervision packages for animal foodstuffs; prioritising of unusual foodstuffs and beverages; Drink and Catering Industry Act; residues of pesticides/herbicides; supervision packages for Chinese restaurants.

11 Appendices

A Appendix: some current initiatives

- Expert Choice: acquired and operational
- Expert Choice: group already trained (10 individuals)
- Expert Choice: R&D project department ≠ Periapt
- Prioritising of risks of unusual foodstuffs and beverages with the assistance of Expert Choice KvW Regional Inspectorate Southern Region
- Data analyser: in use by KvW Regional Inspectorate Southern Region for the catering industry
- Data analyser: Pesticides/herbicides KvW Regional Inspectorate North-West Region, operational
- “RIVIER” project: Data warehouse with respect to outcome: improvement of output reports and risk analysis on the basis of past enforcement data. Pilot projects at VWA/KvW Regional Inspectorate Southern Region and RVV.
- Think tank on outcome parameters, Supervision Department.
- Study of target group using Table of 11 Dimensions: applied by VWA/KvW Regional Inspectorates East, South-West and South
- Strategic reorientation non-food account, focusing on risk reduction
- Various applications of methods in KvW Beverage and Catering Act and Tobacco Act
- Tattooing dyes project, KvW Regional Inspectorate Northern Region
- Setting up of “effective supervision” team KvW Incident Identification (Eastern Region); including projects regarding fish, Rendering Act [Destructiewet], composition of meat products
- Supervision package for animal feedstuffs chain; developed according to the effective supervision method
- Draft method for training those involved in making preparations for enforcement (currently being developed in collaboration with the heads of incident identification)
- Effective supervision project for Chinese restaurants
- Knowledge pooled with other inspectorates by means of Council of Inspectors General teams
- International context: team managing effects of FLEP
- Collaboration with Transport and Water Management Inspectorate (IVW), Ministry of Housing, Spatial Planning and the Environment, Tax and Customs Administration and ERH on “enforcement and behaviour” project
- Contribution to preparation of “*Rijk aan Handhaving*” project (Ministry of Justice)

B Appendix: Format for supervision package

Objective of the supervision package

- Objective (SMART)
- Target group
- Risk profile T11

Control

- Objective of control
- Method for T=0 and T=1 measurement
- Object and/or activity of control
- Methods for control (inspection, sampling, administrative etc.)
- Implementation by VWA departments
- Extent of annual control activities
- Staff capacity necessary to implement control
- Cost of materials not staff-related
- Period for implementation
- Organisation (systems, coordination, etc.)

Intervention

- Objective (What aspect of behaviour is to be tackled?)
- Type of intervention (administrative penalty, advice, closing down business, etc.)
- Intervention policy/strategy (for example per target group or type of contravention)
- Implementation by VWA departments
- Extent of annual intervention activities (estimate)
- Staff capacity necessary to implement intervention
- Cost of materials not staff-related
- Period for implementation
- Organisation (systems, coordination, etc.)

Communication

- Objective
- Method for T=0 and T=1 measurement
- Linked to activity (control, intervention, independent component T11, etc.)
- Type of communication, medium, target group
- Implementation by VWA departments
- Extent of annual communication activities
- Staff capacity necessary to implement communication
- Cost of materials not staff-related
- Period for implementation
- Organisation (systems, coordination, etc.)

Context

- Relations with VWA departments
- Relations with other supervisory bodies
- Relations with sector/sector representatives
- Relationships with other developments, topics and projects

Assessment

- Period/periods for evaluation
- Methods of evaluation
- Evaluator

Risks

- Risk of damage VWA
- Implementation risks (availability of qualified staff, budget, etc)

C Appendix: Various applications and experience of participants

Pilot project on enforcement communication for alcohol/catering/tobacco

"A pilot project was carried out over the past two years using the tool of enforcement communication in the field of alcohol and tobacco. In the context of effect-driven enforcement, various enforcement activities were developed and implemented in association with enforcement, with enforcement being supported by communication. Where possible, there was also collaboration with trade associations, civil-society organisations and other investigation services. One of the models used was the '4 E's' model.

Communication

The following were determined for each activity (depending on the objective):

- the message (explanation of rule, VWA intends carrying out checks, size of sanction, etc.);
- communication points (beforehand, during, afterwards);
- channels of communication (general media, trade associations, professional publications, VWA website, etc.) and
- means of communication (press release, interview, alcohol/catering/tobacco newsletter, editorial article, letter, presentation, etc.).

Research

Research was carried out to observe the effect on the target group brought about by the action taken. A telephone survey of the target group was carried out both before and after the activities. The questions put to respondents related to their knowledge of the regulations, the scope of communication, attitudes and behaviour, likelihood of checks, likelihood of detection, likelihood of sanctions and likelihood of reports. A similar study will be carried out every two years

to investigate the availability of alcohol and tobacco to young people. Interviews will be carried out both with businesses and young people.

An annual media analysis will be carried out. The free publicity (newspapers, radio, TV, specialist publications) will be collected and analysed according to subject, familiarity and type of communication ("Shell Model" [*Schillenmodel*[®]]: information regarding enforcement, agenda-setting, information regarding measures, information regarding arguments etc.). The extent to which VWA press releases are used by the media will also be investigated.

The effect


A great deal of publicity was generated during the pilot project regarding enforcement of the Beverage and Catering Act and the Tobacco Act. All the relevant VWA press releases were used by the media. Among other things, this media attention led to the problems associated with alcohol being given a more prominent place on the public agenda, in any case where local authorities are concerned. There was also a significant increase in familiarity with the role of the VWA/KvW in enforcing this legislation.

Studies have shown that the subjective risk of being caught has increased among a number of target groups as a result of various campaigns (enforcement and communication) both among those who were checked and those who were not.

Some examples

Summer Carnival in Rotterdam

Every year, alcohol is sold illegally along the route of Rotterdam's Summer Carnival parade. In the past, checks were carried out and offenders dealt with without prior communication having taken place. One can also decide, however, to publicise



the checks in advance. This turned out to be more effective. Letters were sent to the businesses concerned before the Summer Carnival, informing them that they were not permitted to sell alcohol and that checks would be carried out, and making them aware of the size of the penalty. As a result, the businesses concerned refrained from selling alcohol.

Age checks in retail sector

The trade association first provided members with full information regarding the legislation prohibiting the sale of alcohol to minors and the way in which

the VWA carries out checks. Members of the alcohol/catering/tobacco teams then carried out an enforcement campaign. Studies showed that the subjective risk of being caught increased as a result of enforcement and enforcement communication, both among those who were checked and those who were not.”

Marian Gagcsbarani-Smink,

VWA/KvW Regional Inspectorate Southern Region

Project on “definition of meat content in compound products”

“The guiding principle behind all the activities of the VWA/KvW is to simply *ensure food safety, reduce risks to health, and prevent consumers being misled*. As one can well imagine, the VWA could use the whole of the government budget to perform its task. This is not a realistic option, of course, meaning that it must carefully consider how it deploys the available means. What is essential is that it has good reasons for taking a given decision. This is necessary because other important areas also covered by the VWA may be the object of less attention during a given period as a result of the priorities that have been set. Consideration of priorities also means that we must consider other criteria such as lawfulness, effectiveness, caution, efficiency, transparency, and responsibility. Making a decision to which the various inspectorates must adhere - combined with the restricted means available - is an extremely important component of the overall approach that must be developed.

Themes

The project ‘Towards Effective Performance’ discussed a number of topics that can help arrive at a properly substantiated decision. One of those topics focused on using the “Table of 11 Dimensions”. This method can best be viewed as a concise test for determining the enforceability of rules. The project manager made use of the project

on ‘Definition of meat content in compound products, 2003’ to experiment with this test prior to the actual commencement of the project. With the aid of the *enforcement policy* available to the VWA/KvW, an expert estimate was made prior to the programme for the project being drawn up. The complexity of the new regulations and uncertainty as to how they would be applied meant that the level of spontaneous compliance was estimated as likely to be only low. That conclusion was confirmed when the results of the project were evaluated. Active application of the T11 showed that this test can make an effective contribution to substantiating priorities in combination with the selection of enforcement packages that can most successfully achieve the VWA’s objective.”

Joost van den Akker
VWA/KvW Regional Inspectorate Eastern Region



In search of dangerous products

“Just imagine what it would be like if the VWA were to systematically investigate all non-food products in the Netherlands, from A to Z. It would need to start with abrasives and finish with zips.

Exploratory studies

In order to determine priorities, Incident Identification South-West Region explored new areas. Exploratory studies were carried out in the course of 2003 in the fields of ‘Child Safety’, ‘Hobbies and Leisure Time’, and ‘Safety in and around the Home’. This kind of study is intended, on the one hand, to clarify the environment within which a product is used. It involves considering such matters as the target group for the product, the market, and the organisations and experts that can be added to our network. On the other hand, our object is to survey the risks associated with products. In order to do this, we make use of accident statistics collected for us by the Consumer Safety Institute [*Stichting Consument en Veiligheid*]. The results of the study can ultimately lead to the Chief Inspector advising on whether or not to (temporarily) prioritise supervision of the product group.

In the course of the past year, studies were carried out on the following topics/products: hearing impairment in children; small ‘amusement devices’ at fairgrounds and amusement parks; baby carriages/baby buggies; eye damage caused by

dodgem cars; safety problems at amusement parks; scuba diving; professional products on the consumer market; fire safety of tumble dryers; rental of machines for DIY use. (See also Annual Report on Non-Food Product Safety [*Jaarverslag NF Productveiligheid 2003*]).

Future

This approach enables us to make effective use of our capacity. We can supervise where the level of compliance is lowest and/or where the potential health benefit will be greatest. The level of compliance can be measured, but it is more difficult to express health benefits in the form of statistics. Ideally, we should be able to identify a fall in the number of accidents in the future. We may find, for example, that our supervision of right-angle grinders has led to a decline in the number of accidents among DIY’ers involving a particular machine. It is too early for that at the moment, but we hope that it will be possible in the future.”

G.M. Heijne-Kloet

Incident Identification Non-Food Product Safety VWA/ KvW Regional Inspectorate South-West Region

Use of techniques in studying the effects of the Tobacco Act

Simultaneously with the "Towards Effective Performance" project, a study commenced of the social effects of tobacco regulation. The study looks, on the one hand, at the implementation programme focusing on compliance on the part of businesses and, on the other, at the awareness-raising programme aimed at changing the behaviour of consumers. Techniques dealt with in the course of the "Towards Effective Performance" programme were used, specifically as regards the implementation programme.

Some examples are:

Smoking ban in the healthcare sector

A long-term enforcement study commenced in 2002 with a view to investigating the factors that explain the level of compliance and the effects of the programme of measures that have been introduced.

Measurements

Measurements were carried out during three enforcement campaigns to determine the level of compliance and the reasons for compliance/non-compliance. The level of compliance was measured during the checks. Reasons for compliance/non-compliance were measured by listing the factors that promote/impede compliance. Measurement took the form of telephone surveys of 'compliers' and 'non-compliers'. The model is

based on the Table of 11 Dimensions. The data will be used to develop an explanatory model for compliance.

As a result of questions in Parliament regarding problems in implementing the smoking ban at permanently occupied health and welfare institutions, the Minister of Health, Welfare and Sport, Hans Hoogervorst, decided in 2004 to suspend enforcement until 2005. The third series of measurements will specifically investigate the effects of this decision (a unique one).

Provision of tobacco products to young people

As part of the biennial monitoring study of sales of tobacco products to young people, a supplementary study began in late 2003 among relevant businesses. That study is based on a behaviour-predictive model in the field of healthcare information - the "ACE model" - and the Table of 11 Dimensions. The new model examines the effect of enforcement on compliance behaviour in relation to other factors.

A follow-up study will take place in 2005 to compare the influence of various different techniques of enforcement communication. The study will cover both tobacco and alcohol suppliers.

Wendy Verdonk-Kleinjan
VWA/KvW Incident Identification Southern Region

Effective enforcement - data analyser

Introduction

When planning enforcement by the VWA, it is important to know where one can most effectively deploy the available capacity. In order to make that choice, we need to know the segment of the market where most contraventions take place. The problem is that a large number of different parameters are applied when measuring a large number of different samples at a wide range of companies. Incident Identification Southern Region carried out a pilot project using the Microsoft Data analyser software package to quickly produce graphical representations of the relationship between a large number of different parameters. The firm of Imtech, which implemented the project, produced a user manual that allowed experienced users of Impromptu/Excel to use the software without further training. When dealing with herbicide/pesticide residues, the Central Enforcement Department (North-West Region) also has to take account of a very large number of parameters, products and origins. A data analyser was constructed for this topic on the basis of data such as are taken from ISI for the monthly and annual reports.

Elaboration

Two models were produced, one focusing on samples and the other on residues. The fact that multiple residues may be present in a sample means that it is difficult to combine sample and

residue amounts in a single count. Figure 1 shows the start screen for sampling data and figure 2 for residues. Clicking on a bar changes all the windows so that they show the data for the selected item. This allows one to quickly determine the segment of a collection of data where a certain type of excess, residue, product, etc. occurs. Other bars can be called up behind each bar. The countries of the EU can be shown, for example, behind the "E" in "EU", or sample numbers behind the products. This allows one to determine in detail when a particular event occurred. More or less deep zoom options are possible depending on the desired speed of the system. It is possible to record all the results of 15 years residue research (some 130,000 samples with 320,000 pieces of data) in a single model.

*Henk van der Schee,
VWA/KvW Incident Identification North-West
Region*

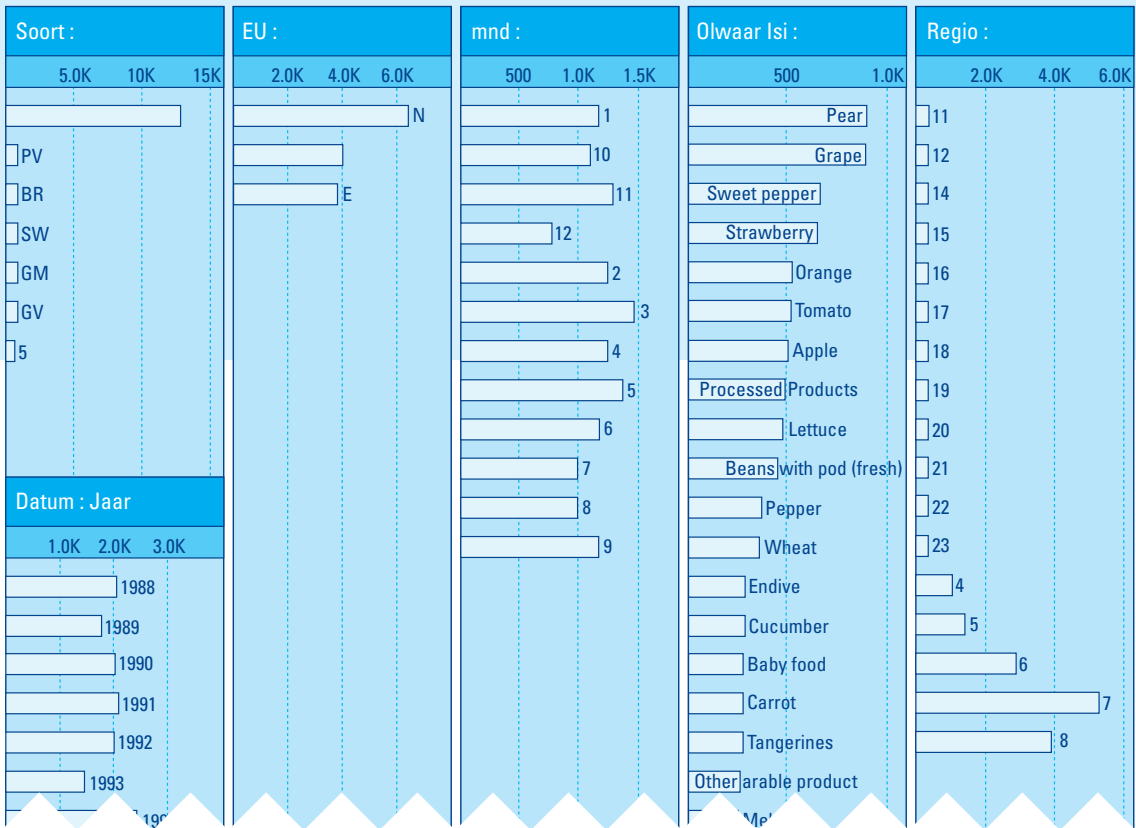


Figure B1
Start screen for sampling data

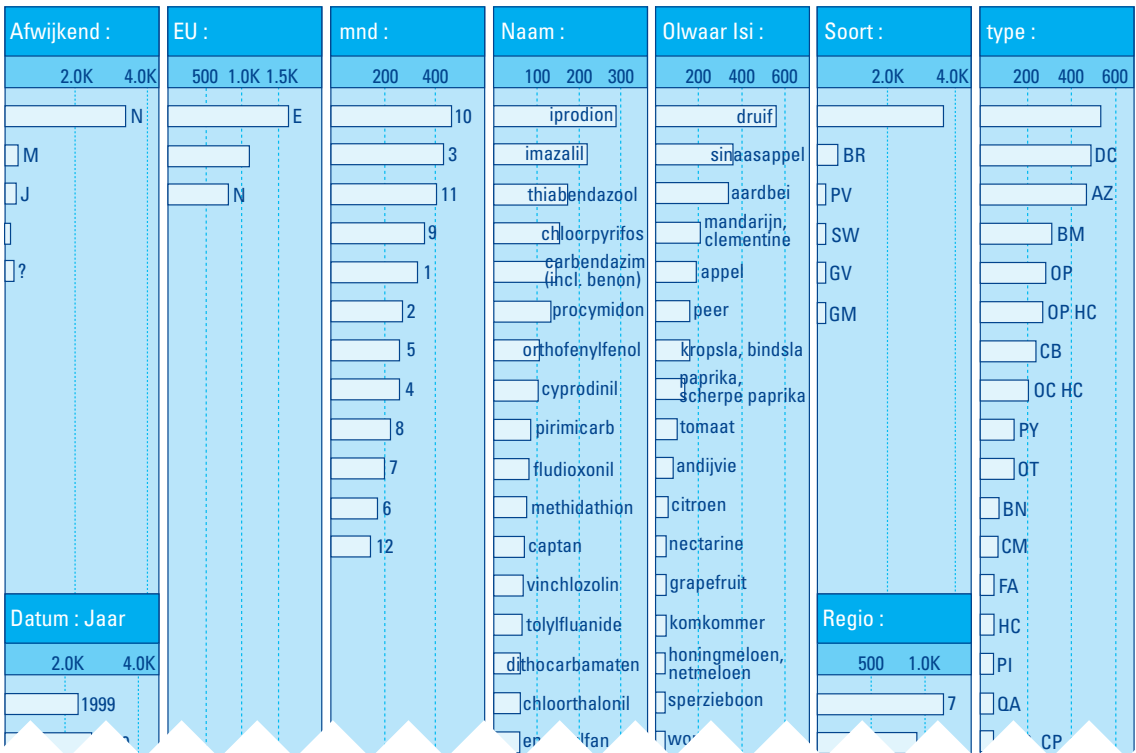


Figure B2
Start screen for residue data



Colophon

Food and Consumer Product Safety Authority (VWA)

Inspection, Strategy and Communication Department

Strategy Development Cluster

P.O. Box 19506

2500 CM The Hague

The Netherlands

Visitors' address: Prinses Beatrixlaan 2

2595 AL The Hague

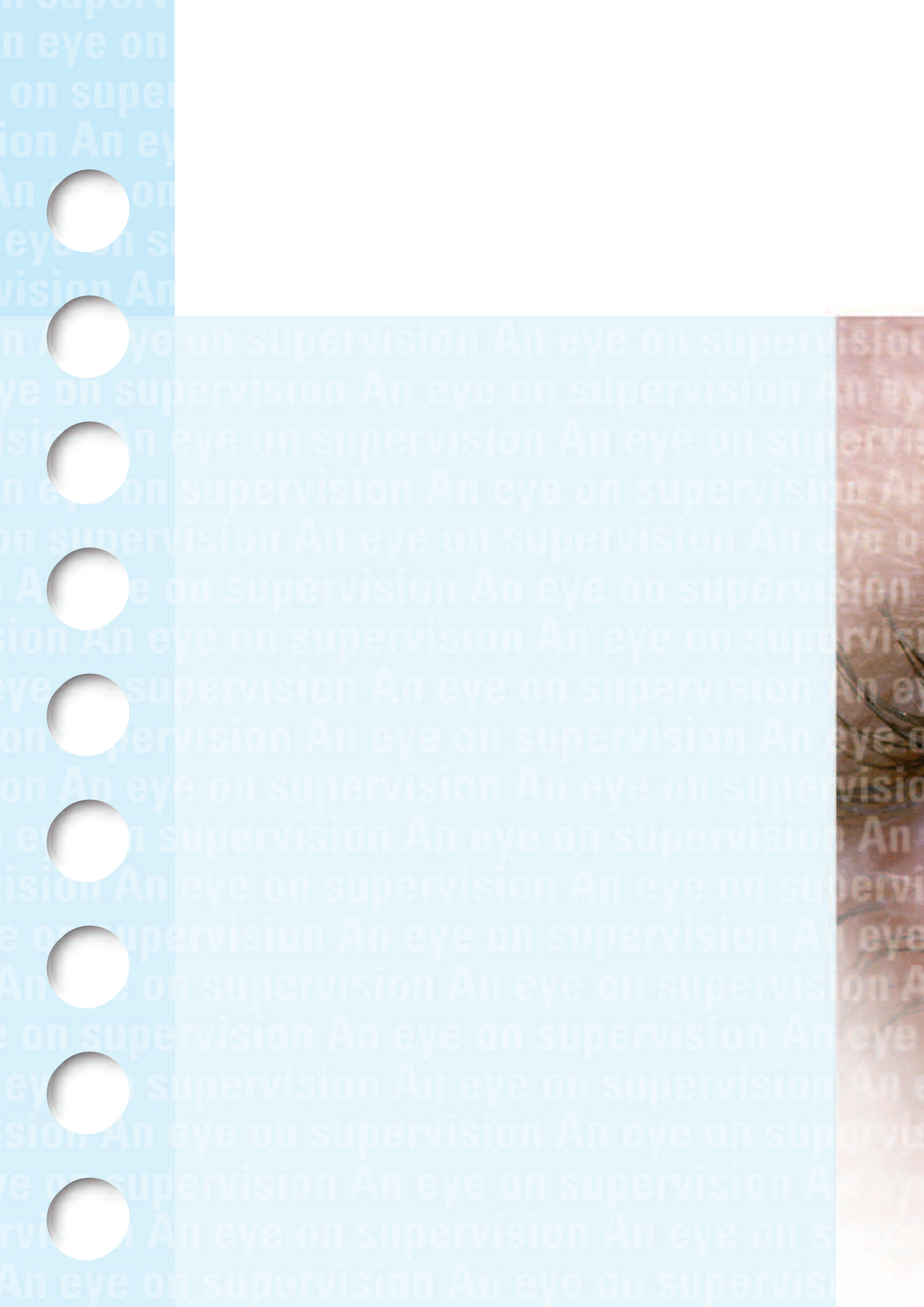
info@vwa.nl

www.vwa.nl

Contact

Marijn Colijn

marijn.colijn@vwa.nl



...apert
...n eye on
...on super
...ion An ey
...An eye on
...eye on s
...vision An

...n eye on supervision An eye on superv
...ye on supervision An eye on supervision An ey
...ision An eye on supervision An eye on superv
...n eye on supervision An eye on supervision An
...on supervision An eye on supervision An eye o
...An eye on supervision An eye on superv
...sion An eye on supervision An eye on superv
...eye on supervision An eye on supervision An ey
...on supervision An eye on supervision An eye r
...on An eye on supervision An eye on superv
...e on supervision An eye on supervision An
...ision An eye on supervision An eye on superv
...e on supervision An eye on supervision An eye
...An eye on supervision An eye on supervision A
...e on supervision An eye on supervision An eye
...eye on supervision An eye on supervision An e
...sion An eye on supervision An eye on superv
...ve on supervision An eye on supervision An ey
...rvis An eye on supervision An eye on s
...An eye on supervision An eye on superv

...ision
...n ey
...ervis
...An
...eye o
...sion
...An ey
...An
...An
...eye
...on A
...An
...An e
...An
...An
...An