



**REVIEW OF GOVERNANCE MANDATE, STRUCTURE  
AND ACCOUNTABILITY OF THE  
CANADIAN RESIDENT MATCHING SERVICE (CaRMS)**

**GOVERNANCE REVIEW COMMITTEE  
FINAL REPORT TO CaRMS BOARD OF DIRECTORS –  
Executive Summary, Recommendations, and Conclusion**

**NOVEMBER 15, 2010**

# EXECUTIVE SUMMARY

## ***Introduction***

In 2009, the Board of Directors of the Canadian Resident Matching Service (CaRMS) established a Governance Review Committee to review governance in its organization and make recommendations for any needed change.

Sister Elizabeth Davis was appointed Chair of the Committee. The Committee engaged the Institute on Governance (IOG) to conduct an initial review and deliver a report on their findings.

The Governance Committee envisioned a review that would have three main tasks:

1. An assessment of CaRMS' current governance mandate, structure and accountability;
2. Recommendations for any changes that would strengthen CaRMS governance, and;
3. Initial preparation of a work plan to carry out these recommendations if approved by the Board.

These tasks involved a comprehensive review of the CaRMS foundational and governance documents, as well as interviews with current Board members, senior staff and stakeholder representatives. An initial report on the findings and recommendations was delivered to the Board in October 2009, followed by an interim report in June 2010. The Board approved the final report in November 2010.

## ***Report elements***

The final report, *Governance Review Report of Findings*, contains four main elements:

1. A summary of the findings from IOG's interviews with board members and representatives of stakeholder groups;
2. Assessment of the current statements of vision/mission and mandate; the board structure and composition; and the levels of accountability;
3. Recommendations for change in these three areas; and,
4. A proposed work plan to implement the recommended changes.

Highlights of each of these elements are described in the following sections.

## ***Findings***

The report findings are based on a review of: governance policies including Terms of Reference for Board committees, documents relating to the history of CaRMS and its governance, CaRMS' most recent strategic plan, and Board minutes and other information. In addition, 49 one-on-one interviews were conducted with current Board members, senior CaRMS staff, past CaRMS chairs and Board members, representatives of International Medical Graduates (IMGs) and Canadians Studying Abroad, learners (medical students and residents), deans of medical faculties, government representatives, and other national health organizations.

Two major conclusions were reached:

1. CaRMS is well-regarded for its skills in delivering matching services, engaging a variety of medical education stakeholders, and its capacity to fulfill the governance role of the organization.
2. There are a number of key governance challenges facing CaRMS.

### ***Assessment of challenges and recommendations***

Based on the document reviews and interviews, the Governance Review Committee developed an assessment of the main elements of CaRMS governance (mandate, structure and accountability) and made 28 recommendations for change. The following highlights some of key challenges and recommendations.

#### **Mandate**

The report addresses key components of the CaRMS mandate such as the organization's mission and vision, its position on advocacy and public policy, and its two-fold role as provider of application and matching services and holder of sensitive, confidential data. There was agreement that providing application and matching services as well as services related to matching is the core mandate of CaRMS, but that the CaRMS mandate should include both matching services and data.

While CaRMS has mission and vision statements, it was recommended that a separate statement of values would be beneficial to reflect its two-fold mandate and its need to operate within a context of social accountability (see recommendation #1).

With respect to its core service mandate, CaRMS frequently receives requests for new matches and related services, including fundamentally new types of services, given the ongoing changes in the health system and medical education. To address concerns about CaRMS' process for adding new matches to its offerings, criteria and guidelines, as well as a stakeholder communication plan, to clearly outline the organization's approach to adding new services or providing information on future services will be developed (recommendations #4, #5, #7).

#### **Structure**

In considering the best structure for the Board of CaRMS, two principles were deemed to be essential:

1. The voice of everyone who has a vested interest in the mandate of CaRMS and the outcomes of its services will be heard at the Board level.
2. Persons appointed to the Board, while serving in that capacity, even though they will come with unique perspectives, have a fiduciary responsibility to CaRMS that places the interests of CaRMS first in their deliberations and in their decisions.

To ensure everyone who has a vested interest in CaRMS has a voice, the Board accepted the Governance Review Committee's recommendation to supplement the current governance structure with the addition of up to three "directors-at-large," who would have full Board member status, and who would be identified by a Nominating Committee. The Nominating Committee will put forward nominations for individuals representing a number of perspectives seen as missing from the Board, and the Board will then make its selection from that group (recommendation #14).

An important challenge of a board whose directors are appointed by member organizations is to find the right balance of skills and competencies. CaRMS requires Board members with financial literacy, an intimate understanding of how CaRMS works, a grasp of stakeholder perspectives, and many other attributes. To encourage appointment of individuals with the right skill set as well as the perspectives of the organizations they represent, the Board has agreed to be more precise in identifying the competencies it needs when it communicates with member organizations (recommendation #18).

### **Accountability**

The report identifies the need to establish new mechanisms to help CaRMS connect with member organizations and other stakeholders (recommendation #22). For example, the Board agreed that consistent written messaging about CaRMS' Board meetings would balance the need for Board confidentiality with member organizations' interest in obtaining more information from CaRMS.

A communications policy and plan to support consistent communications were also recommended (recommendation #23) and have already been developed and approved by the CaRMS Board.

The report also identified CaRMS' information technology infrastructure as one of the significant risks for the organization. While CaRMS has a rigorous refresh plan in place to keep the systems up to date, capital planning is not addressed at the board level. It was recommended that the Board consider including capital planning in the Terms of Reference of the Finance Committee (recommendation #26).

### **Next steps**

The CaRMS Board approved the report with its recommendations in November 2010 and directed the Chief Executive Officer to begin implementation of the recommendations. CaRMS has already begun to implement the recommendations for change and will continue to do so through 2011.

## RECOMMENDATIONS

### CaRMS' MANDATE

#### Foundational Statements

**Recommendation #1:** that the Board of CaRMS review the organization's current mission and vision statements and develop a statement of values in the context of its twofold mandate (matching services and data) and its social responsibility.

**Recommendation #2:** that the Board and the Chief Executive Officer, within the context of the statements of mission, vision and value, develop a formal strategic plan. This plan would be reviewed annually.

#### Advocacy and Public Policy

**Recommendation #3:** that, through a policy statement, the Board articulate CaRMS' role in advocating for fairness, transparency and integrity of the application and match process and the limitations of its role in public policy.

#### Services

**Recommendation #4:** that the Board develop criteria to guide the Board's decision-making related to requests to provide new services.

**Recommendation #5:** that the Board develop a due diligence checklist for those stakeholders requesting a service from CaRMS and confirm that these criteria have been met before establishing the new service.

**Recommendation #6:** that CaRMS ensure that all match and other service materials are available in both official languages.

**Recommendation #7:** that the Chief Executive Officer prepare a communication plan for stakeholders which clearly outlines the approach CaRMS takes when it adds new services or provides information on future services.

#### Data

**Recommendation #8:** that the Board expand CaRMS' mandate to explicitly include data analysis of the data base collected as the result of the provision of services.

**Recommendation #9:** that the Board expand and clarify the terms of reference of the Board Committee (either the current Research Committee or a new committee) whose primary purpose is to enable the effective use of the CaRMS data base.

**Recommendation #10:** That the Board establish guidelines for the disposition of data requests to members and to the public, including appropriate processes, procedures and fees.

**Recommendation #11:** that the Chief Executive Officer develop a clear communication plan relating to CaRMS' role in collecting and using data.

**Recommendation #12:** that the Chief Executive Officer, in consultation with stakeholders, review and, if appropriate, revise the present format and contents of match reports and outcomes.

## STRUCTURE

### CaRMS Membership Structure

**Recommendation #13:** that the Board maintain its current structure as a board with designated members who appoint directors with the understanding that, once appointed to the Board, these directors with their unique perspectives from the appointing organizations have a fiduciary responsibility to CaRMS that places the interests of CaRMS first in their deliberations and in their decisions.

**Recommendation #14:** that the Board add directors who are directors-at-large not appointed by member organizations but by the Board itself. The number of directors-at-large and their terms of office will be decided on an annual basis. There will be no more than three directors-at-large at any one time. These directors-at-large once appointed will have all the rights and responsibilities of any Board member.

**Recommendation #15:** that the Board appoint a Nominating Committee whose duties would include matters related to the directors-at-large as well as the identification of needed skills and perspectives to be communicated to the member organizations as a guide in their appointments.

**Recommendation #16:** that the Board begin the process of making the appropriate amendments to the By-Laws in light of all the accepted recommendations of this report, and in light of the new *Canada Not-for-Profit Corporations Act*.

**Recommendation #17:** that, in anticipation of approval of the amended By-Laws, the Board with input from a Nominating Committee appoint the proposed directors-at-large as observers until the amended By-Laws are approved.

### Board Roles and Skills

**Recommendation #18:** that the Board, when it communicates to the member organizations the appointment of new directors, be more precise in identifying the particular skills and competencies needed at the Board in addition to the perspective of the particular organization.

**Recommendation #19:** that the Board implement a board accountability process with evaluations of each board meeting as well as an in-depth annual board evaluation.

**Recommendation #20:** that the Board prepare an explicit plan to strengthen board engagement including a job description for directors, a strengthened orientation program, a review of the number of meetings annually, the expected level of attendance at board meetings, and participation on board standing and ad hoc committees.

### Board Committees

**Recommendation #21:** that, during this coming year, the Board review the Terms of Reference for the Executive Committee, the Finance and Audit Committee, and the Research Committee (see Recommendation #9). Reviews of all Board Committees will be undertaken thereafter every three years.

## ACCOUNTABILITY

### Accountability to Members and Other Stakeholders

**Recommendation #22:** that the Board establish new mechanisms for linkages with member organizations and other stakeholders to ensure (i) regular, consistent, written messaging for stakeholders about board decisions and CaRMS activities, and (ii) opportunities for interaction with and input from stakeholders.

**Recommendation #23:** that the Chief Executive Officer develop a communications policy and plan for approval by the Board.

### Board and Chief Executive Officer Relationships

**Recommendation #24:** that the Board develop a performance evaluation for the Chief Executive Officer based on clearly defined and mutually accepted performance goals.

**Recommendation #25:** that the Board advise the Chief Executive Officer of the official reports it needs so that board members can appropriately discharge their fiduciary responsibilities.

### Financial, Technological and Reputational Accountability

**Recommendation #26:** that the Board include capital planning in the Terms of Reference for the Finance Committee.

**Recommendation #27:** that the Board direct the Chief Executive Officer to draft an annual report, for its consideration and approval.

**Recommendation #28:** that the Board establish a policy on the risk management assessment processes for CaRMS (e.g., financial, informational, reputational) and the manner of reporting on these processes to the Board and to stakeholders.

## CONCLUSION

The members of the Governance Review Committee express appreciation to the Board for the trust given to us in carrying out this Review. We thank the Board for accepting the Interim Report in June 2010 and beginning implementation of its recommendations. With the submission of this Final Report, we believe that we have completed the mandate given us. We have received invaluable input from the representatives of member organizations and others with a vested interest in a strong CaRMS led by an effective Board. You as Board members have given your rich and considered input. We as Committee members have given many hours of thought, study and deliberation to come to our conclusions. No matter what our organizational affiliations were, we endeavored to always place the interests of CaRMS first.

We encourage you as a Board to implement as much of this Report as you find acceptable, to put in place an accountability mechanism to periodically assess your progress in implementing the recommendations and to keep member organizations informed of that progress. CaRMS is a critical organization in the strengthening of medical education and the health system in Canada. We trust that this Report will be a valuable resource for you in ensuring the continued viability, credibility and responsiveness of CaRMS in this second decade of the 21st century.