

**ISSUE: PWC – ORGANIZATIONAL CAPACITY REVIEW REPORT
(PWC REPORT) – REMAINING 12 ISSUES REFERRED TO IN
MPHA SGM AGENDA ITEM 4**

BACKGROUND:

The Manitoba Society of Pharmacists (MSP) Government Relations (GR) Committee met on October 7th, 2009 to review the PwC Report, dated September 28th, and the fifteen recommendations included therein. The following week at the request of the GR Committee, MSP President Mel Baxter, wrote to MPhA President Randall Stephanchew to request an opportunity for the MSP Board to meet with MPhA Council. The GR Committee wanted this meeting arranged prior to MPhA Council making decisions with respect to implementing, or responding, to the fifteen recommendations.

Initially it appeared that MPhA Council may be available on October 25th, 2009 to meet with the MSP Board. MSP was able to determine that most if not all Board members were prepared to meet on this proposed date. MSP was advised that Council was not able to meet, and that they would be meeting on October 26th, specifically to consider the PwC Report.

MSP was of the opinion that the only alternative was to provide Council with a brief summary of the positions and opinions the GR Committee adopted with respect to the fifteen recommendations included in the PwC Report. MSP would welcome the opportunity to review these responses with MPhA Council directly, as this would allow for more comprehensive input and discussion.

MSP RESPONSES TO THE PWC RECOMMENDATIONS:

1. MPhA Council should enhance its strategic planning process through alignment with widely recognized good practices. Once the enhanced process has been documented and implemented, the resulting Strategic Plan should become the basis for monitoring, tracking, and reporting on organizational and individual performance results.

MSP RESPONSE: Straight forward recommendation and should prove beneficial to MPhA. It was unclear if the individual performance results refer to staff and/or council. MSP would appreciate clarification on this issue.

2. MPhA Council should establish the following Committees of Council:
- **Finance & Risk Committee** would oversee the financial affairs of the association and be responsible for identifying, assessing, and monitoring organizational risk. The Finance and Risk Committee would operate independently of the Governance and Compensation Committees (i.e., no common chairs between these committees).
 - **Governance Committee** would be responsible for reviewing and making recommendations to Council regarding governance policies. In the absence of a separate nominations committee, the Governance Committee could also bring forward recommendations regarding the skills/experience requirements for appointed councilors; the Governance Committee would also be responsible for preparing the call for nominations for elected members of Council and ensuring that the call for nomination speaks to the requirements of being an effective Councilor.
 - **Compensation and Performance Committee:** would be responsible for reviewing the compensation provided to Councilors, Committee members, and senior staff and for making recommendation to council for changes to the compensation policies. This committee would also be responsible for the proposed self-assessment process for assessing the performance and effectiveness of Council.

Once the above-listed committees have been established, Council should evaluate whether there is any remaining requirement for an Executive Committee. If, after instituting the above-listed committees, Council decides that it is necessary to maintain the Executive Committee, then the membership of the Executive Committee should be expanded to include a public representative member of Council, who will be elected to the Executive Committee by Council. The role of Executive Committee will need to be reviewed in light of the mandates for the committees outlined above.

MSP RESPONSE:

Finance and Risk Committee – It was agreed that this committee would put additional control on the management of MPhA finances. The concept is good but the details will need to be worked out by the Council. It was suggested that the committee be represented by a staff member to be determined and that there should also be representation from lay members, the MPhA auditor, and the Treasurer.

Governance Committee – It was agreed that this recommendation makes sense but that council member responsibilities are not generally identified during elections and that the election outcome has more to do with name recognition than qualifications. It was agreed that the Lay Members should know what their requirements are and

that it is also good for the membership in general to know whether there is a position available that they have the skills to fill. There are councilors who do not participate on committees and so they are not engaged. MSP is supportive of this recommendation.

Compensation and Performance Committee – PwC does not like the fact that councilors are not compensated for committee work. It was agreed that compensation is a good incentive but that there would need to accountability. This committee would be responsible to determine criteria and tie compensation to performance for councilors.

It was suggested that report cards for councilors that would let members know councilor's performance as a matter of record would be a way to hold council members accountable. Attendance is something that can be tracked and made available to the membership prior to election or after a period of time. Report cards should contain objective information only. It was suggested that it was necessary to keep attendance at all committee meetings and make the information available.

Executive Committee – MSP would not agree that the Executive Committee needs to be dissolved. Suggestions regarding changes to the Executive Committee include expanding the committee to include a lay member and either removing the past-president position or retaining the past-president on the committee in an advisory role without voting rights. The Executive Committee can allow for a vehicle for MPhA to manage issues effectively between Council Meetings.

It was agreed that all committees should allow for an overlap of members but that there should not be common chairs.

3. The MPhA should develop richer orientation materials for new Councilors and provide Councilors with opportunities to obtain training on good and effective governance practices.

MSP RESPONSE: General agreement with the recommendation. It was suggested that the orientation should take place prior to elections and to the new Council taking any substantive votes.

4. Develop Terms of Reference documents for each Committee of Council. The Terms of Reference would address committee member composition, meeting schedule, roles, responsibilities, and reporting mechanisms. Priority should be given to development of the Terms of Reference for the proposed new committees, which are delineated in the following bullet. These Terms of Reference should be reviewed annually to ensure they are current, relevant, and consistently followed.

MSP RESPONSE: Agreement that Terms of Reference should be developed for all committees.

5. Staff participation in Council meetings should normally be limited to only the Registrar.

Additionally, Council should make sufficient use of the privilege of meeting in camera, without the participation of management, to ensure that Council is making decisions independent of management.

MSP RESPONSE: It was agreed that there would be a need to have an additional staff member in attendance for the recording of minutes as that is clearly not the registrar's immediate responsibility, but beyond that there was agreement with the statement. There was agreement that Council should meet in camera with no staff present when required or deemed beneficial.

6. MPhA Council and the Registrar's office should continue to work together to enhance their consultation and communications processes. This can be accomplished by:

- MPhA Council and the Registrar's Office should increase the transparency of policy decisions and development of documents;
- MPhA Council and the Registrar's Office should use the internet more frequently to disseminate knowledge and foster discussion (see final recommendation for further information); and
- MPhA Council and the Registrar's Office should develop clear communications guidelines to support member relations.

MSP RESPONSE: Total agreement with this recommendation. Access to minutes was specifically discussed and it was suggested that minutes be made available on the MPhA website in a member only area.

7. The MPhA should consider developing a Communications and Member Relations ("C&MR") role within the organization.

- The C&MR role would become responsible for all member relations, under the direction of the Registrar.

MSP RESPONSE: Support this recommendation.

8. The MPhA should consider creation of middle management roles and appropriate delegation of responsibility and accountability to reduce the administrative and management burden that is currently concentrated in the Registrar role. This could include replacement of

the role of Assistant Registrar with the following new roles: a Deputy Registrar, Professional Development Manager, and an Inspector/Investigator¹.

- In August 2007, People First HR Services recommended the creation of an Office Manager position to reduce the number of direct reports into the Registrar; PwC concurs with People First's recommendations regarding the creation of an office manager position.

MSP RESPONSE: Agreement with the recommendation and it was suggested that some of the positions would not necessarily have to be staffed by pharmacists. The office manager, communications position, inspector/ investigator and the professional development positions could be staffed with skill sets more suited to the positions. Suggestions included a trained office manager, trained communications person, retired police officers to conduct investigations and an educator responsible for professional development.

9. MPhA Council should consider developing, formalizing, and making transparent the process for conducting the performance appraisal of the Registrar and other senior management staff. These reviews should incorporate a range of feedback, and measurement of achievements against targeted objectives. It is further recommended that the proposed Compensation and Performance Committee be responsible for the evaluation of the Registrar.

MSP RESPONSE: Agreement with the recommendation.

10. MPhA should develop a project management plan for any major projects it undertakes, which includes a detailed stakeholder engagement strategy, key accountabilities, and response mechanisms to ensure stakeholder concerns are acknowledged and considered.

- The Communications and Member Relations role recommended would have responsibility for working with Project Managers to ensure that member relations are conducted in a transparent manner during each engagement process. This should include an ability to ensure all stakeholder concerns are documented, acknowledged, and considered.

MSP RESPONSE: It was agreed that this is a generally accepted practice and there was support for this recommendation.

¹ The titles used here are for illustrative purposes. It is expected that MPhA Council would determine the most appropriate division of responsibilities and titles for these roles.

11. MPhA should review its remuneration policies for Councilors and members of Committees of Council.

- The (proposed) Compensation and Performance Committee should review the current remuneration policies with a view to make recommendations that strike an optimum balance between minimizing remuneration-based disincentives to involvement in Council and Committees of Council and costs to the organization.

MSP RESPONSE: It was agreed that if there was to be remuneration provided to Council members to assume additional responsibilities, then there would have to be accountability. It was agreed that MPhA should take this recommendation under consideration.

12. PwC recommends that MPhA engage an external consultant to review its use of technology and provide specific recommendations to improve operational effectiveness through judicious investments. The People First findings should be used as a basis for conducting the work.

MSP RESPONSE: Complete support for this recommendation.

CONCLUSION

In closing, the GR Committee recognized that the PwC Report, although specific to MPhA organization and operations, offers recommendations which could be beneficial to countless associations. This includes MSP, and the GR Committee recommends the MSP Board consider recommendations which may be of benefit to Society.