

COUNCIL ENDORSES RECOMMENDATIONS FOR ENGINEERS CANADA GOVERNANCE REFORM

460th MEETING, FEBRUARY 25, 26, 2010

By Jennifer Coombes

PEO COUNCIL IS GENERALLY onside with the recommendations of Engineers Canada's Synergy Task Force, a group charged with improving the working relationships between the national body and the constituent associations/ordre.

A proposed new governance model for Engineers Canada, on which all constituent associations have had a chance to comment, addresses the major areas of concern that PEO council identified in September 2009 in terms of direction, performance, communications, governance and support.

The task force proposes five guiding principles for Engineers Canada's governance:

- to provide full and fair representation by constituent associations to achieve a balance between regional representation and serving the national interest;
- to ensure the commitment and engagement of the constituent associations;
- to provide role clarity on the activities and initiatives where the constituent associations require Engineers Canada to develop a national consensus and take a lead role when requested;
- to ensure open and transparent communications; and
- to ensure timely and committed decision making.

Engineers Canada's proposed new governance model involves changes in:

- Board composition—the task force recommends that the composition of the board of directors reflect the size of each constituent association's membership (i.e. each association would have at least one director and one additional director for every 25,000 members). For Ontario, this would mean adding one director. The board would also include five ex officio non-voting representatives: the CEO of Engineers Canada; the chair of the Chief Executive Officer Group (formerly the Staff Liaison Group); the chair of the National Council of Deans of Engineering and Applied Sciences; the chair of the Canadian Engineering Accreditation Board; and the chair of the Canadian Engineering Qualification Board;

- Board voting protocol—three decision-making protocols are recommended to recognize that not all decisions are equal. Each director would have one vote for all decisions and, for most board decisions, a simple majority of votes would be required. For matters involving the strategic plan, budget, board policies, standards, national initiatives and court actions, approval by two-thirds of the directors, representing 60 per cent of the assessment fees, would be required. Matters involving changes to assessment fees and requests for special project funding would require unanimous approval;
- Board president—the task force proposes a president-elect be elected at the annual meeting to serve for one year, becoming president the following year. The position of past president would be eliminated. The president and president-elect could not be from the same region;
- Executive Committee—it is recommended the Executive Committee, which establishes operational priorities and guides Engineers Canada's CEO, comprise five voting positions (one each from Ontario, Quebec, Atlantic Canada, the west and the territories) and two non-voting ex officio members: Engineers Canada's CEO and the chair of the Chief Executive Officer Group; and
- Director expectations—the proposal includes terms of reference for directors, including three critical expectations: directors must participate in meetings of the Engineers Canada board and of their respective constituent association, present the views of their constituent association as they relate to matters under discussion by Engineers Canada, and vote in the national interest.

At an Engineers Canada plenary session on February 27, the president of each constituent association reported its council's comments, suggestions and questions, so that the task force could develop a revised proposal for consideration by the constituent associations. If approved, the new model would be implemented in May.

PEO GOVERNANCE ISSUES

At the February meeting, council reviewed an Executive Committee report providing recommendations on ways council could resolve certain governance issues. In particular, the report addresses the process of ongoing governance improvement, including the role of the Executive and Human Resources and Compensation committees; the role of the president; conditions of service on council; and serving consecutive terms on council.

The report follows from the June 2009 meeting, at which council directed the Executive Committee to review the governance issues relating to some disagreement and miscommunication between council and the president regarding the National Framework for Membership and Licensure. It also addresses the issues raised in the member submission presented at PEO's most recent AGM that proposed PEO councillors (president, vice president,

[IN COUNCIL]

councillors-at-large and regional councillors) not hold the same position for two consecutive terms.

On the basis of the report, council approved amending the Executive Committee's terms of reference so that it would annually review emerging issues related to governance and make recommendations to council on:

- council's and PEO's governance structure;
- council mandates, charters and work plans;
- position descriptions for officers of council; and
- the composition of and potential candidates for appointment to council, officers of council and board committees according to council-developed criteria and considering the strengths, skills and experience on council, retirement dates and PEO's strategic direction.

The Executive Committee would also be charged with ensuring that peer review is undertaken according to council policy.

Council approved amending the Human Resource and Compensation Committee's terms of reference such that the committee would advise and make recommendations to council on the organizational effectiveness of members of council. The committee would also:

- develop and oversee the process for regularly evaluating the performance of council, council chair and council members;
- conduct the annual council survey;
- oversee the development of and any amendments to a council code of conduct policy, conflict of interest rules and confidentiality policy;
- make recommendations to council on the amount and nature of remuneration, expense reimbursement, and any other payments to members of council;
- create, maintain and support a process of succession planning and training for council; and
- develop recommendations on the essential and desired experiences, skills and other characteristics for potential councillors and members of board committees, taking into consideration council's short-term needs and long-term succession plans.

Council approved amending the role of the president to read: "The president, as chair of council, guides council to carry out its governance and fiduciary responsibility as a collegial exploration to build consensus on issues of substance that will advance PEO. The chair assures the integrity of council's process, and represents council to outside parties and provides leadership to ensure PEO is effectively governed. The chair speaks for council with all levels of government, universities, industry and all external stakeholders, other than in specifically authorized instances. Deriving from the firm principle that council's role is supervisory, with operations delegated to management, the chair has the ultimate formal authority and responsibility for overseeing the manage-

ment. The chair may provide guidance to the CEO/registrant on operational matters and has authority as directed by council."

Council approved amending Regulation 941 to enable council to remove an elected councillor from office by a two-thirds vote of the council if he or she by reason of incapacity is unable to act as a member of council, has been found guilty of professional misconduct or incompetence, fails to attend three consecutive regular meetings of council without cause, ceases to be eligible for election to council, or ceases to be a member in good standing of the association.

Similarly, council approved enabling the president on council's behalf to provide the reasons and request the attorney general to remove an appointed councillor when requested by a two-thirds vote of the council if the councillor by reason of incapacity is unable to act as a member of council or has been found guilty of professional misconduct or incompetence.

In the cases of both elected and appointed members of council, a person disqualified from sitting on council would be deemed to be removed from council.

One of the more controversial recommendations of the Executive Committee's report is that the president be selected from the elected membership of council, the process many of Ontario's regulatory bodies use to elect their chair or president. Among the advantages the report cites for this method of election are that it:

- ensures the president enjoys the confidence of council and enters the office with a clear mandate and council's support to carry out that mandate;
- prevents conflicting agendas and messages so PEO speaks with a united voice;
- supports the implementation of council's long-term strategic direction and policy initiatives; and
- ensures both licence holders and the public, through the LGAs, participate in the selection, enhancing the legitimacy of the office.

Of the idea, President-elect Diane Freeman, P.Eng., said: "Obviously, this has to undergo peer review, but council has the authority to make this change and I think this is good governance. We make better decisions with a strong chair who helps build consensus around the table."

Other councillors voiced concerns that the concept's details have yet to be fully worked out and that such an option appears to go against democratic process. However, most agreed the concept would address some past issues with the president's relationship with council.

In the end, council agreed to endorse the concept of council annually selecting its chair from among the elected membership of council, and directed the Executive Committee and CEO/registrant to develop an implementation strategy for peer review.

Council defeated the Executive Committee's proposal to limit an individual from holding the same council position for more than two consecutive terms. Σ