

AGENDA OF THE
194th ENGINEERS CANADA BOARD MEETING

April 16, 2019

1:00 pm – 3 :00 pm

<https://attendee.gotowebinar.com/register/6132508908729822221>

Please refer to the Board Policy Manual and By-law

1	OPENING
	1.1 Call to order and approval of agenda <i>THAT the agenda be approved and the President be authorized to modify the order of discussion.</i>
	1.2 Declaration of conflict of interest
2	APPROVAL OF 2018 AUDITED FINANCIAL STATEMENTS (attachments) p.3
	<i>THAT the Board approve the Engineers Canada financial statements for the fiscal year ending December 31, 2018, as audited by KPMG LLP, and that the financial statements be placed before the Members at the May 2019 Annual Meeting of Members for approval.</i>
3	UPDATE ON 2019 BUDGET – G. MCDONALD (attachment) p.49
	To provide an update on closing balance of Engineers Canada 2018 unrestricted reserves
4	IMPLEMENTATION OF THE NOMINATIONS TASK FORCE RECOMMENDATIONS – R. KINGHORN p.53
	<ul style="list-style-type: none"> a) <i>THAT the Board approve Policy 6.9 Canadian Engineering Accreditation Board</i> b) <i>THAT the Board approve Policy 6.10 Canadian Engineering Qualifications Board</i> c) <i>THAT the Board approve that the term limits in policies 6.9 and 6.10 apply only to members of the CEAB and CEQB appointed in 2019 or later, and that existing members be eligible to serve a total of 9 years, with an additional 3 years if elected or confirmed as vice-chair, chair, or past-chair, subject to confirmation by their home regulator.</i>
5	APPOINTMENT OF THE 2019-2020 HUMAN RESOURCES COMMITTEE– R. Kinghorn p.100
	<i>THAT the outgoing 2018-2019 president, past-president, and president-elect be authorized to establish the membership of the first 2019-2020 Human Resources Committee</i>
6	CHANGES TO THE ENGINEERS CANADA BYLAWS – R. Kinghorn (attachments) p.102
	<i>THAT the Board recommend modifications to the Engineers Canada Bylaws to the Members.</i>

7	UPDATE ON PEO AFFINITY FUNDS –D. Brown
	Verbal update
8	IN-CAMERA SESSION
	<i>THAT the meeting move in-camera and be closed to the public at the recommendation of the Executive Committee. The attendees at the in-camera session shall include Board members, and the Engineers Canada CEO.</i>
9	CLOSING (motion not required if all business has been completed)

BRIEFING NOTE: For decision

Approval of 2018 audited financial statements		2
Purpose:	Inform the board of the auditor’s determination and findings from the audit of 2018 financial statements. Recommend that the Members approve the 2018 audited financial statements.	
Link to the strategic plan	Board responsibility 5: Ensure the CEO maintains and acts on a robust and effective risk management system which reflects the Board’s risk tolerance level and directs Board approved mitigation strategies Internal enablers: Finance and administrative services	
Motion(s) to consider:	<i>THAT the Board approve the Engineers Canada financial statements for the fiscal year ending December 31, 2018, as audited by KPMG LLP, and that the financial statements be placed before the Members at the May 2019 Annual Meeting of Members for approval.</i>	
Vote required to pass:	Simple majority	
Transparency:	Open session	
Prepared by:	Jorge Monterrosa, Controller Willow Guy, Governance Administrator	
Presented by:	Danny Chui, Chair, Audit Committee	

Problem/issue definition

- Annual audited financial statements prepared by a public accountant are required to comply with the requirements of the *Canada Not-for-profit Corporations Act* (NFP Act).

Proposed action/recommendation

- The audit process was completed by KPMG LLP after the close of year end. The Audit Committee met on January 30, 2019 with KPMG LLP to discuss the proposed audit plan. On March 20, 2019, the Audit Committee met with the auditors to review the draft financial statements and the 2018 Audit Findings Report. The committee recommends that the Board approve the statements as presented for members’ approval on May 25, 2019.

Financial implications

- The possibility of PEO joining the TD affinity program by April 30, 2019 and therefore being eligible to receive two million dollars from Engineers Canada as PEO’s portion of the 2018 TD affinity revenues is reflected in the financial statements. In following the accounting principle of conservatism, it has been determined that the most appropriate representation of this potential liability is to include in the “Accounts payable and accrued liabilities” balance sheet line item the two million that may become due

to PEO. Should PEO not join the TD affinity program for 2018, the two million dollars would be recognized as Engineers Canada revenue in 2019.

Next steps (if motion approved)

- Draft 2018 audited financial statements to be placed before the Members at the May 25, 2019 meeting for their approval

Appendices

- 2018 draft audited financial statements
- 2018 Audit Findings Report



French statements drafted on March 8 KP

DRAFT Financial Statements of

ENGINEERS CANADA

Year ended December 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of Engineers Canada

Opinion

We have audited the financial statements of Engineers Canada (the Entity), which comprise:

- the statement of financial position as at end of December 31, 2018
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at end of December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

date

ENGINEERS CANADA

Statement of Financial Position

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December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash (note 3)	\$ 1,400,672	\$ 629,357
Amounts receivable (note 4)	1,132,944	1,261,091
Prepaid expenses and deposits	361,161	320,209
	<u>2,894,777</u>	<u>2,210,657</u>
Investments (note 5)	6,187,639	6,274,236
Tangible capital and intangible assets (note 6)	887,220	1,129,676
	<u>\$ 9,969,636</u>	<u>\$ 9,614,569</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 2,859,032	\$ 838,790
Deferred contributions	33,000	126,171
	<u>2,892,032</u>	<u>964,961</u>
Deferred lease inducement (note 8)	658,294	745,747
Net assets (note 9):		
Internally restricted:		
Four-year rolling operational reserve	4,000,000	4,000,000
General contingency reserve	1,325,000	1,325,000
Capital reserve for the purchase of assets	250,000	250,000
Other internally restricted	211,400	211,400
Invested in tangible capital and intangible assets	564,690	764,462
Unrestricted	68,220	1,352,999
	<u>6,419,310</u>	<u>7,903,861</u>
Commitments (note 10)		
	<u>\$ 9,969,636</u>	<u>\$ 9,614,569</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

ENGINEERS CANADA

Statement of Operations

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Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Affinity and insurance (note 11)	\$ 5,970,478	\$ 5,905,316
Regulator assessment	3,021,619	2,949,363
Secondary professional liability insurance	684,143	729,719
Research and outreach	345,666	192,500
Public policy	170,225	46,691
Interest and dividend income	168,122	169,447
Rent revenue	23,450	28,809
National Council of Deans of Engineering and Applied Science	17,500	17,500
Accreditation	16,637	16,127
Other	344	4,429
Online competency project	-	6,563
Unrealized gain (loss) on investments	(218,340)	418,877
	<u>10,199,844</u>	<u>10,485,341</u>
Expenses:		
Human resources	5,501,105	5,324,750
Finance and administration	1,122,289	1,276,019
Affinity and insurance programs	912,161	1,127,841
Accreditation	841,164	567,746
Governance and executive office	745,475	513,251
Board meetings	593,984	684,843
Regulatory support	453,259	351,436
Research and outreach	448,470	385,600
Information services	276,060	119,311
Public policy	268,103	120,254
Qualifications	206,431	256,129
CEO and President's travel	83,141	115,559
Communications	69,915	67,588
Legal and brand protection	61,181	87,549
Public affairs	54,648	46,358
Board committees	47,009	148,569
National and international mobility	-	8,323
	<u>11,684,395</u>	<u>11,201,126</u>
Deficiency of revenue over expenses	<u>\$ (1,484,551)</u>	<u>\$ (715,785)</u>

See accompanying notes to financial statements.

ENGINEERS CANADA

Statement of Changes in Net Assets

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Year ended December 31, 2018, with comparative information for 2017

	Four-year rolling operational reserve (note 9)	General contingency reserve (note 9)	Capital reserve for the purchase of assets (note 9)	Other internally restricted (note 9)	Invested in tangible capital and intangible assets (note 9)	Unrestricted	2018	2017
Balance, beginning of year	\$ 4,000,000	\$ 1,325,000	\$ 250,000	\$ 211,400	\$ 764,462	\$ 1,352,999	\$ 7,903,861	\$ 8,619,646
Deficiency of revenue over expenses	-	-	-	-	-	(1,484,551)	(1,484,551)	(715,785)
Amortization of tangible capital and intangible assets	-	-	-	-	(291,948)	291,948	-	-
Additions to tangible capital and intangible assets	-	-	-	-	49,492	(49,492)	-	-
Amortization of leasehold inducement	-	-	-	-	42,684	(42,684)	-	-
Balance, end of year	\$ 4,000,000	\$ 1,325,000	\$ 250,000	\$ 211,400	\$ 564,690	\$ 68,220	\$ 6,419,310	\$ 7,903,861

See accompanying notes to financial statements.

ENGINEERS CANADA

Statement of Cash Flows

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Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (1,484,551)	\$ (715,785)
Items not involving cash:		
Amortization of tangible capital and intangible assets	291,948	387,825
Amortization of lease inducement	(87,453)	(87,453)
Net unrealized loss (gain) on investments (note 5)	218,340	(418,877)
Change in non-cash operating working capital:		
Decrease (increase) in amounts receivable	128,147	(68,704)
Increase in prepaid expenses and deposits	(40,952)	(28,362)
Increase in accounts payable and accrued liabilities	2,020,242	258,937
Decrease in deferred contributions	(93,171)	(44,728)
	952,550	(717,147)
Investing activities:		
Net decrease in investments	(131,743)	619,986
Additions to tangible capital and intangible assets	(49,492)	(70,337)
	(181,235)	549,649
Increase (decrease) in cash	771,315	(167,498)
Cash, beginning of year	629,357	796,855
Cash, end of year	\$ 1,400,672	\$ 629,357

See accompanying notes to financial statements.

ENGINEERS CANADA

Notes to Financial Statements

DRAFT

Year ended December 31, 2018

1. Governing statutes and nature of operations:

Engineers Canada is a national federation of the twelve provincial and territorial associations authorized to license engineers and regulate the practice of the profession across Canada. Engineers Canada exists so that constituent associations have support for an advancing engineering profession and its self-regulation in the public interest at a cost that is justified by the results.

Engineers Canada was originally incorporated without share capital under Part II of the Canada Corporations Act. Effective October 31, 2013, Engineers Canada continued its articles of incorporation from Canada Corporations Act to the Canada Not-for-profit Corporations Act and changed its name to Engineers Canada from the Canadian Council of Professional Engineers. Engineers Canada is a not-for-profit organization and as such is exempt from income tax under Section 149(1)(l) of the Income Tax Act (Canada).

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting and include the following significant accounting policies:

(a) Basis of presentation:

Engineers Canada follows the deferral method of accounting for contributions for not-for-profit organizations.

(b) Revenue recognition:

Engineers Canada's principal sources of revenue are provincial assessment fees from members, amounts from affinity and insurance programs, and government project funding.

Revenues for the provincial assessment fees are recognized when the constituent members have been invoiced. The amounts are included in finance and administration revenues on the statement of operations. Revenues from the Affinity Programs are recognized when the amount becomes collectible according to the terms of the arrangement.

Government funding that is externally restricted for specific projects are deferred and recognized as revenue in the period in which the related expenses are incurred. Funding received for tangible capital and intangible assets is deferred and amortized over the same term and on the same basis as the related asset.

ENGINEERS CANADA

Notes to Financial Statements (continued)

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Year ended December 31, 2018

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Interest income is recognized based on the number of days the investment was held during the year. Dividends are recognized as of the ex-dividend date. Gains or losses on the disposal of investments are determined using the average cost method. All investment revenues including realized and unrealized gains and losses on investments are recognized in the statement of operations.

Externally funded project revenues, which include government funded project revenues, are recognized using the deferral method of accounting as the related eligible expenses are incurred in accordance with the terms of each contract. Amounts received in excess of eligible expenses are disclosed as a liability.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Engineers Canada has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using straight-line rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, Engineers Canada determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Engineers Canada expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

ENGINEERS CANADA

Notes to Financial Statements (continued)

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Year ended December 31, 2018

2. Significant accounting policies (continued):

(d) Tangible capital and intangible assets:

Tangible capital and intangible assets are recorded at cost less accumulated amortization. When a tangible capital or intangible asset no longer contributes to Engineers Canada's ability to provide services, its carrying amount is written down to its residual value.

Amortization of tangible capital and intangible assets is provided on the straight-line basis as follows:

Asset	Terms
Tangible capital:	
Furniture, fixtures and equipment	4 years
Computer hardware	4 years
Leasehold improvements	Remaining term of lease
Intangible:	
Computer software	4 years
Engineering Talent project	4 years

(e) Deferred lease inducement:

Leasehold inducements are deferred and amortized over the term of the lease. Annual amortization is recorded as a credit to rent expense.

(f) Allocated expenses:

In the statement of operations, Engineers Canada presents its expenses by function.

Engineers Canada does not allocate expenses between functions subsequent to initial recognition.

(g) Foreign currency translation:

Foreign currency transactions are initially recorded at the rate of exchange prevailing at the date of translation. Thereafter, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Revenue and expenses in a foreign currency are translated at the average monthly rate in effect during the year. Gains and losses resulting from the translation are included in investment income in the statement of operations.

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

2. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

3. Cash:

Engineers Canada's operating cash is held in Canadian chartered banks. Substantially all the accounts are Canadian dollar accounts and earn interest at variable rates established from time to time by the bank based on its prime rate less 2.75% (2017 - prime rate less 2.75%).

Line of credit

Engineers Canada has a line of credit allowing it to borrow up to \$500,000 (2017 - \$500,000) at an interest rate of prime plus 1%. That line of credit is subject to annual renewal. There was no outstanding balance as at December 31, 2018 (2017 - \$Nil).

4. Amounts receivable:

	2018	2017
Affinity and insurance programs	\$ 1,058,956	\$ 1,092,224
Due from members	17,022	84,329
Government remittances receivable	56,966	84,538
	<u>\$ 1,132,944</u>	<u>\$ 1,261,091</u>

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

5. Investments:

	2018		2017	
	Fair value	Cost	Fair value	Cost
Cash and money market funds	\$ 428,515	\$ 428,515	\$ 237,952	\$ 237,952
Bond funds	2,668,838	2,681,008	2,520,186	2,496,629
Canadian equity funds	1,184,624	911,080	1,282,315	870,290
U.S. equity funds	1,203,589	855,917	1,414,557	930,129
International equity funds	702,073	566,710	819,226	578,315
	\$ 6,187,639	\$ 5,443,230	\$ 6,274,236	\$ 5,113,315

Investments are held by Engineers Canada to fund its internally restricted net assets for the purposes specified in note 9 (a).

6. Tangible capital and intangible assets:

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
Tangible capital:				
Furniture, fixtures and equipment	\$ 203,098	\$ 160,649	\$ 42,449	\$ 92,112
Computer hardware	492,776	442,806	49,970	44,558
Leasehold improvements	1,045,996	308,595	737,401	826,001
Intangible assets:				
Computer software	602,722	579,637	23,085	109,818
Engineering Talent project	91,500	57,185	34,315	57,187
	\$ 2,436,092	\$ 1,548,872	\$ 887,220	\$ 1,129,676

Cost and accumulated amortization at December 31, 2017 amounted to \$2,386,600 and \$1,256,924, respectively.

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

7. Accounts payable and accrued liabilities:

	2018	2017
Operating	\$ 289,963	\$ 391,911
Payroll related accruals	264,025	211,967
Accrued liabilities	2,264,968	192,254
Secondary Professional Liability insurance premiums repayable to members	40,077	42,658
	<u>\$ 2,859,033</u>	<u>\$ 838,790</u>

There are no amounts payable for government remittances such as sales or payroll-related taxes included in operating or accrued liabilities.

8. Deferred lease inducement:

In 2015, Engineers Canada entered into a lease agreement to rent premises for the next ten years. As part of this agreement, Engineers Canada received a tenant allowance to cover fit-up costs up to a maximum of \$30 per square foot of space rented, as well as a rent-free period for nine months.

	Rent-free leasehold inducements	Tenant allowance - fit-up costs	Total
Balance, beginning of year	\$ 380,533	\$ 365,214	\$ 745,747
Less amortization	(44,769)	(42,684)	(87,453)
Balance, end of year	<u>\$ 335,764</u>	<u>\$ 322,530</u>	<u>\$ 658,294</u>

9. Net assets:

Engineers Canada's overall objective with regard to its net assets is to fund future projects, ongoing operations and tangible capital and intangible assets. Engineers Canada manages its net assets by establishing restricted funds and committing amounts in the internally restricted net assets for anticipated future projects, contingencies and other capital requirements. These allocations are presented in the statement of changes in net assets and disclosed in note 9(a).

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

9. Net assets (continued):

Engineers Canada's objective with respect to unrestricted net assets is to maintain a balance sufficient to meet the needs associated with ongoing operations and to finance any unrealized losses on Engineers Canada's investments. Engineers Canada's net assets invested in its tangible capital and intangible assets is equal to their net book value less the corresponding lease inducement.

Engineers Canada is not subject to externally imposed capital requirements and its overall strategy with respect to net assets remains unchanged from the year ended December 31, 2017.

(a) Internally restricted net assets:

Internally restricted net assets are funds committed for specific purposes, which reflect the application of Engineers Canada's Board policy as follows:

The Four Year Rolling Operational Reserve is to provide Engineers Canada with sufficient resources to identify other sources of revenue in the eventuality that significant sources of revenues are no longer available, or in the event of a severe disruption of operations to downsize activities in a rational manner. This reserve is being maintained at a target level of \$4,000,000.

The General Contingency Reserve ensures that funds are available in case of legal challenge, to provide funds to cover the deductibles for insurances, and to assist the constituent members where it is demonstrated that they do not have the financial resources to defend an enforcement action and/or statutory obligation that has a clear and significant impact on the other members. This reserve has a target level of \$1,325,000.

The Capital Reserve for the Purchase of Assets is to provide funds which are available to allow for replacement of capital assets. This reserve has a target level of \$1,000,000 by 2026.

The other internally restricted net assets category was effectively established by Engineers Canada's Board of Directors to reflect budgetary decisions made by Engineers Canada's Board of Directors when the funding source is not budgeted revenue. As at December 31, 2018, these decisions relate to legal defence costs and other program enhancements of \$211,400 (2017 \$211,400).

Engineers Canada's Board of Directors will also create new reserves and/or discontinue existing reserves, if and when required.

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

10. Commitments:

- (a) Engineers Canada leases office space under an operating lease which expires on June 30, 2026. The future minimum rental payments required over the next five years and thereafter are as follows:

2019	\$	321,846
2020		321,846
2021		341,003
2022		360,161
2023		360,161
Thereafter		900,403
	\$	2,605,420

11. Affinity and insurance programs:

The Engineers Canada is a party to a number of agreements with financial services companies. Under these agreements Engineers Canada derives revenues, referred to in these financial statements as affinity program and secondary professional liability insurance based on the purchase of goods and services by the members of Engineers Canada's various provincial and territorial member associations.

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

11. Affinity and insurance programs (continued):

These agreements have varying terms and conditions as well as varying termination dates and methods, some of which have fixed expiry dates with renewal options and some of which are on-going until terminated with notice by either party.

The two most significant agreements account for 89% (2017 - 71%) of the affinity and insurance program revenues and have the following terms:

- twelve-year term expiring December 2029 with automatic five year renewals until terminated by either party with 180 days' notice prior to the end of any such period which accounts for 64% (2017 - 64%) of the affinity program revenues; and
- on-going with no fixed expiry date which accounts for 25% (2017 - 24%) of the insurance program revenues.

12. Pension plan contributions:

Engineers Canada is the administrator of the Staff Pension Plan for Employees of Engineers Canada, which is a defined contribution plan registered with Financial Services Commission of Ontario. The contributions to the plan are \$193,938 (2017 - \$181,305), which are included in salaries and benefits expense.

13. Financial risk management:

Engineers Canada is exposed to various financial risks resulting from both operational and investment activities. Engineers Canada's management addresses the situation by having different related policies such as the Reserves Policy, the Financial Commitments and Payment Policy, amongst others. Engineers Canada also outsources the management of its investment portfolio to an outside firm.

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Engineers Canada is exposed to market risk with respect to its investments, as disclosed in note 5.

ENGINEERS CANADA

Notes to Financial Statements (continued)

DRAFT

Year ended December 31, 2018

13. Financial risk management (continued):

(b) Foreign currency risk:

Engineers Canada is exposed to foreign currency risk with respect to U.S. currency holdings and investments in U.S. and international equity mutual funds. As at December 31, 2018, \$Nil USD (2017 - \$576 USD) currency was held along with U.S. equity and international equity mutual fund balances are disclosed in note 5.

(c) Credit and interest and rate risk:

Engineers Canada is exposed to credit and interest rate risk with respect to its interest-bearing investments. The bond mutual funds held by Engineers Canada are disclosed in note 5 and bear interest at fixed rates and Engineers Canada is therefore, exposed to the risk resulting from interest rate fluctuations. Engineers Canada's other financial assets and financial liabilities do not bear significant amounts of interest at fixed rates and therefore do not comprise any significant interest rate risk exposure to Engineers Canada. Engineers Canada does not use derivative financial instruments to reduce its interest rate risk exposure.

(d) Liquidity risk:

Liquidity risk is the risk that Engineers Canada will be unable to fulfill its obligations on a timely or cost effective manner. Engineers Canada manages its liquidity risk by monitoring its operating requirements. Engineers Canada prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2017.

14. Comparative information:

Certain 2017 comparative information has been reclassified to conform to the financial statement presentation adopted for 2018.

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Executive summary



Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the audit committee, in your review of the results of our audit of the financial statements as at and for the year ended December 31, 2018.

This Audit Findings Report builds on the Audit Plan we presented to the Audit Committee.



Changes from the Audit Plan

There have been no changes regarding our audit from the Audit Planning Report previously presented to you.



Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- completion of certain file review procedures and file documentation;
- receipt of the bank confirmation request;
- completing our discussions with the audit committee;
- obtaining evidence of the Board's approval of the financial statements.

We will update the audit committee, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

*This Audit Findings Report should not be used for any other purpose or by anyone other than the Audit Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Executive summary



Audit risks and results

We discussed with you at the start of the audit the different areas of audit focus pertaining to the significant accounts as well as the related to the presumed risk of management override of controls.

These risks have been addressed in our audit.



Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

Executive summary



Adjustments and differences

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

We did not identify differences that remain uncorrected.



Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting (ICFR).

Further, we did not identify any control deficiencies that we consider to be other internal control deficiencies.



Independence

We confirm to you that we are independent with respect to the Organization, within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation.

Audit risks and results

We highlight our significant findings in respect of significant financial reporting risks as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.

Significant financial reporting risks

Why is it significant?

Fraud risk from management override of controls

This is a presumed fraud risk.

We have not identified any specific additional risks of management override relating to this audit.

Our response and significant findings

- As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.

Technology in the audit

As previously communicated in our Audit Planning Report, we have utilized technology to enhance the quality and effectiveness of the audit.

Areas of the audit where Technology and D&A routines were used	
Tool	Our results and insights
Journal Entry Analysis	<ul style="list-style-type: none">– Utilizing KPMG application software (IDEA) to evaluate the completeness of the journal entry population through a rollforward of all accounts.– Utilizing computer-assisted audit techniques (CAATs) to analyze journal entries and apply certain criteria to identify potential high-risk journal entries for further testing.
KPMG Clara Client Collaboration	<ul style="list-style-type: none">– KPMG created an online client collaboration portal to share and store client documents. The portal remained unused throughout the course of the audit.
KPMG DataShare	<ul style="list-style-type: none">– KPMG sent an invitation to KPMG's DataShare service to extract financial data from the Engineers Canada accounting system. The service remained unused throughout the course of the audit.

Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the Company's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

We also highlight the following:

Form, arrangement, and content of the financial statements

The presentation and disclosure included in the financial statements of Engineers Canada are in accordance with Canadian Accounting Standards for Not-for-Profit Organizations

Adjustments and differences



Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

Corrected adjustments

The management representation letter includes all adjustments identified as a result of the audit, communicated to management and subsequently corrected in the financial statements.

Uncorrected differences

We did not identify differences that remain uncorrected.

Control observations



In accordance with professional standards, we are required to communicate to the Audit Committee any control deficiencies that we identified during the audit and have determined to be material weaknesses or significant deficiencies in ICFR.

Significant deficiencies

Description	Potential effect
We did not identify any control deficiencies that we determined to be significant deficiencies in internal controls over financial reporting (ICFR).	

Key deliverables and milestones

Audit work and deliverable description	Planned Milestone Date for FY2018 Audit	Actual Date for FY2018 Audit
Lean in Audit™ process mapping session on Payroll.	December 17, 2018	December 17, 2018
Draft audit plan and send to management for review and approval	January 9, 2019	January 9, 2019
KPMG provides audit work paper requirements listing to EC management	January 15, 2019	January 30, 2019
Presentation of audit planning report to the Audit Committee	January 21, 2018	January 30, 2019
Receipt of the confirmation letters from management	January 31, 2019	February 1, 2019
Management to complete the close of the year-end books and records	January 31, 2019	February 7, 2019
Management to provide required working papers based on year-end audit work paper requirements listing	February 4-8, 2019	February 11, 2019
Audit fieldwork to be performed by KPMG	February 11-22, 2019	February 11-22, 2019
Late entries/adjustments compiled and discussed with KPMG as to whether to adjust FS	During audit fieldwork	March 11, 2019
Draft financial reporting deliverables prepared by KPMG and provided to management	March 6, 2019	March 12, 2019
Presentation of audit findings to the Audit Committee	March 18, 2019	March 20, 2019

Appendices



Appendix 1: Required communications



Appendix 2: Audit Quality and Risk Management



Appendix 3: Management representation letter



Appendix 4: Current developments

Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit.

These include:



Auditors' Report

The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.



Management representation letter

In accordance with professional standards, copies of the management representation letter are provided to the Audit Committee. The management representation letter is attached.

Appendix 2: Audit Quality and Risk Management



KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the six key elements of our quality control system.

Visit our [Audit Quality Resources page](#) for more information including access to our audit quality report, [Audit quality: Our hands-on process](#).

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits
- Technical department and specialist resources provide real-time support to audit teams in the field

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.

We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience
- Rotation of partners
- Performance evaluation
- Development and training
- Appropriate supervision and coaching

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Appendix 3: Management representation letter

Appendix 4: Current developments

Current Developments, created by the KPMG Public Sector and Not-for-Profit Practice, summarizes some of the regulatory, operational and governance developments impacting public sector, charitable and not-for-profit organizations. We provide this summary to inform our clients of changes that they may impact their organization, and the trends we see in the industry based on our discussions with the management and Audit Committee members of our clients.

We attach this summary to our audit plans and audit findings reports that we provide to the Finance, Audit and Risk Committees of our public sector, not-for-profit and charity clients. Some of these developments may not impact your organization directly but we believe it is important for management and Committee members of charities and not-for-profit organizations to understand what is happening in the broader public, not-for-profit and charity sector.

Annual Accounting, Tax and Risk Update for Not-for-Profit Organizations

KPMG held its Annual Accounting, Tax & Risk Update for Not-for-Profit Organizations on April 12, 2018 at the KPMG office in downtown Ottawa. The seminar covered current accounting, tax, technology and risk issues, including some of those discussed below, in greater detail providing not-for-profit organizations and charities with guidance on new standards, regulations and best practices. This event consistently attracts over 100 executives, financial officers and Board members from the Ottawa and area not-for-profit and charity community.

Audit Committee members are also invited to attend our 2019 session, which is scheduled for April 4, 2019. If you wish to have your name included on the invite list going forward, please e-mail Chelsey Croteau at ccroteau@kpmg.ca

Registered Charities

Below we provide a summary of activities and announcements that could have an impact on Canadian registered charities:

Official Donation Receipts:

All official donation receipts need to include the CRA's name and website address. CRA's website recently merged with the Canada.ca domain website. Therefore, official donation receipts will need to be updated to include the new website address: [Canada.ca/charities-giving](https://www.canada.ca/charities-giving). Receipts issued after March 31, 2019 must include the new website address.

Social Innovation and Social Financing:

The federal government's Social Innovation and Social Finance Strategy Co-Creation Steering Group released its report: *Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities*. The report provides a number of recommendations to the Government to promote social innovation and social financing in Canada, and is of significant interest to the Canadian charity and not-for-profit industry. The full report can be found at the following website:

<https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/reports/recommendations-what-we-heard.html>.

Senate Committee on the Charitable Sector

In January 2018, The Senate of Canada established a new special committee to examine the impact of federal, provincial and territorial laws and policies governing charities and study the role that the charitable sector plays in Canadian society. The Committee will issue a report of the Committee's findings and make recommendations on revisions to government policies at all levels to support charities fulfil their important missions. The Committee continues to hold meetings and hear from expert witnesses from the charity and other sectors. More information on the Committee can be found on the website of the Senate of Canada.

CRA's Charity Education Project

In the fall of 2017, Canada Revenue Agency announced the implementation of its Charity Education Project (CEP) initiative, as a complement to its traditional audit program. Per the CRA announcement the CEP program is “*designed to conduct in-person visits with registered charities, providing them with information and assistance in understanding these obligations*”. A CEP visit by a CRA Charity Education Officer will include information sharing on the charity's purpose and activities, a review of the charity's books and records and T3010 information return, and a summary of findings and recommendations prepared by the Charity Education Officer. The registered charity will be requested to sign the summary of findings and recommendations to indicate their agreement with it.

CRA plans to perform 500 CEP visits per year. We are aware of registered charities receiving notification that they have been selected for a CEP visit in January 2018. At KPMG, we will be tracking these initial visits at our clients to identify patterns in CRA's approach and in their findings and recommendations, to assist our clients in preparing for future CRA visits.

To paraphrase Shakespeare's “A rose by any other name would smell as sweet”; a CRA visit by any other name smells like an audit. We encourage our registered charity clients who receive a CEP request letter to contact us to discuss how to prepare for CRA's visit and to prepare a response to the summary of findings and recommendations.

As a matter of good governance, we also encourage all registered charities to do the following on a regular basis:

- 1) Review the charity's operations to verify that activities directly support their charitable objectives. Consider the level of time and resources invested in fundraising or political activities, as these are two activities that CRA monitors.
- 2) Verify that the charity's T3010 Charity Information Return is accurate and that it strategically and faithfully represents the activities and operations of the charity. Verify that the T3010 published on the CRA's website agrees with the submitted return.
- 3) Assess the charity's accumulated reserves, surpluses and net assets, including the purpose for having them and support for the amounts. Consider developing a Board-approved “net asset reserve policy” documenting the purpose and amount of reserves in the context of organization risks and strategic plan.

KPMG will continue to monitor this situation and will provide updates to you.

Tax-Exempt Status of Not-for-Profit Organizations

Over the past few years, the income tax-exempt status of not-for-profit organizations and the activities that should be eligible for this exemption have been the subject of significant political and public debate.

This debate intensified with the CRA's Non-Profit Organization Risk Identification Project (the “NPORIP”) looking at entities claiming the exemption from income tax under Paragraph 149(1)(l) of the Income Tax Act of Canada, and the release of their report in 2014. The report emphasized three main risk areas which in the eyes of CRA would disqualify a not-for-profit organization from claiming the income tax exemption:

- having individual activities not related to their not-for-profit objectives; or earning non-incident profits from individual activities
- using income to provide personal benefits to members
- maintaining excessive accumulated reserves, surpluses or net assets

In 2014, the Department of Finance announced its intention to hold public consultations with not-for-profit organizations on these issues. Since then, the Department of Finance has provided no further indication as to when, or if, it expects to begin public consultations with the not-for-profit community on the issues surrounding the tax-exempt status of not-for-profit organizations, or when legislation is anticipated.

In the interim, CRA has not performed specific audits of the income tax-exemption status of not-for-profit organizations to our knowledge. However, CRA continues to perform regular HST and payroll compliance audits of not-for-profit organizations and charities. As part of these audits, CRA has included questions relating to the accumulated surplus/net assets/reserves of the audited organization, and is seeking documented evidence of purpose, future plans and governance oversight related to these balances.

KPMG encourages the Boards and management of not-for-profit organizations, and of charities, to continue to prepare their organizations for the anticipated changes to tax legislation and regulations. Not-for-profit organizations should review and consider their not-for-profit or charitable objectives, strategic plans, risk assessments, financial results and operational practices in the context of the aforementioned risk areas identified by CRA. In particular, not-for-profit organizations should develop or update a written, approved Board policy relating

to their net assets, accumulated surpluses and/or reserves explicitly documenting the reasons for maintaining these balances, how the amounts were calculated and quantified, and how the amounts will ultimately be used. Boards should also demonstrate and document their oversight of this policy on an annual basis.

KPMG continues to monitor this situation closely and will continue to update you and all of our NPO audit clients.

Decriminalization of Cannabis

On October 17, 2018, the use of cannabis for recreational purposes became legal in Canada. Most organizations are reviewing their policies with respect to the use of cannabis from a human resources perspective, such as impairment in the workplace. However, from a governance and management perspective there are also a number of policies that will also need to be considered and revised. A couple of examples:

- 1) What is the organization's policy with respect to serving cannabis-infused drinks or products at official events and functions?
- 2) What is the organization's policy with respect to reimbursing for cannabis-infused drinks and products on expense reports of employees, volunteers and Board members?
What are the policies of your funders relating to whether these will be considered eligible costs under their contribution agreements?

Fortunately, most organizations have these policies relating to alcohol which will serve as a good starting point. We encourage our clients to review all of their policies to identify ones potentially in need of revisions to reflect this new law.

Charities, Not-for-Profit Organizations and the # MeToo Movement

In the last five years, the bar has been raised steadily for employers by a series of class-action and individual law-suits, legislative, regulatory and public policy changes, all in relation to sexual harassment in the workplace. There is a need and desire to stamp out sexual harassment in the workplace, and Boards and Management must understand their role in addressing this very real and significant workplace risk. Apart from the obvious impact to individuals involved in a harassment situation, there are significant reputational risks for charities, not-for profit organizations and individuals.

Managing the risk of sexual harassment in the workplace is similar to managing other risks in the organization and must be included as a very important element of an organization's overall governance and risk management strategy. To protect against the risk of sexual harassment in the workplace, Boards and Management need to maintain a robust risk management program designed to address the core objectives of prevention, detection and response.

Prevention starts with the "tone from the top", where a culture of honest and ethical behaviour is promoted throughout the organization, starting with the Board and Senior Management. This tone can be reflected in the Code of Conduct or Ethics policy, outlining core values and specifics regarding what constitutes sexual harassment. In addition to setting an appropriate tone for the organization, periodic risk assessments should be conducted, which identify the areas/business units and activities most susceptible to incidents of sexual misconduct.

Detection of sexual harassment in the workplace can be difficult, and as such, it is critical for organizations to provide a mechanism for employees, volunteers and the public at large to report incidents of sexual harassment to Senior Management or the Board, if they suspect an issue. The keys to a successful incident reporting mechanism include sufficient training and awareness for all employees and volunteers, ongoing communication including periodic reminders of the program (and annual signoff by employees regarding their awareness of the program and their duty to report), and transparency of reporting the status of complaints (in an anonymous fashion) to employees.

An organization's **response** to sexual harassment in the workplace is critical in mitigating potential damage, including personal and organizational reputational harm. As such, it is important to have a response plan in place before a sexual harassment complaint occurs, including investigation and communication protocols.

Boards and Management of charities and not-for-profit organizations are beginning to incorporate sexual harassment awareness in their training programs to increase awareness, and to develop a greater understanding of the key organizational elements of a robust sexual harassment risk management strategy. Such a risk management strategy is not a "nice to have" - it is a business imperative.

Cyber Security – Prevention and Response

Organizations are subject to increasing amounts of legislative and public pressures to show they are managing and protecting their information appropriately. Simultaneously, the threats from cyber criminals and hackers are growing in scale and sophistication. Organizations are also increasingly vulnerable as a result of technological advances and changing working practices including remote access, cloud computing, mobile technology and services on demand. The financial and reputational costs of not being prepared against a cyber-breach could be significant. Not-for-profit organizations are at particular risk due to the information they maintain, including research data, personal data, and health and financial information. The reputational risk of this information not being adequately protected can often outweigh the financial consequences of a breach.

Cyber Security is not solely about information technology; it is fundamentally an operational and governance issue. Not-for-profit organizations should document their assessment of operational threats, implement preventative safeguards against a cyber-attack, and create a comprehensive response plan to a cyber-breach. Every organization should have a Computer Security Incident Response Team (CSIRT) consisting of individuals from many areas of the organization, including those involved in finance, human resources, procurement, customer/member relations, upper management and Board members. Key elements to consider in developing your cyber plans include:

- Assessing the likelihood and intensity of a cyber-attack, based on the value of your information and your public profile
- Assessing your organization's vulnerabilities to a cyber-attack
- Preparing your people, processes, infrastructure and technology to prevent a cyber-attack from being successful
- Detecting, responding and reporting a cyber-breach within your organization
- Initiating your cyber response plan, including containing and investigating the cyber breach
- Recovering from a cyber-breach and resuming business operations
- Reporting on the cyber breach, including informing authorities and affected individuals, as required by legislation and industry common practices.
- Doing a "lessons learned" process to identify improvements

Not-for-profit organizations need to review their operations from the perspective of cyber risks, preventative measures against an attack and response plans for breaches. Of particular importance is the cyber response plan as most experts believe that it is now a matter of when, not if, a cyber-breach occurs. A proper cyber response plan should include at least the following elements:

- 1) Define sensitive data and information -- what is important to your organization and of value to hackers
- 2) Identify cyber breach scenarios – perform a Threat Risk Assessment of threats, vulnerabilities and likelihood of exploitation
- 3) Assess detection and response capabilities – what is your organization's capability to manage an incident (CSIRT structure and effectiveness, required performance metrics, business resumption, internal/external communication protocols)
- 4) Develop and refresh your organization's response plan – Identify a target state and address gaps, including time to discover, time to manage, severity of post-mortem reviews
- 5) Test and improve response plan – develop a testing strategy that includes key internal and external CSIRT responders (event simulations, live testing)

We encourage all not-for-profit organizations and charities to develop their cyber response plans and discuss them at the Board level.

Members of Audit Committees should be asking management a fundamental questions such as: How effective is our organization's cyber strategy at identifying and addressing cyber risks? Is the organization relying on the correct and accurate information to oversee and understand those risks? Is the organization addressing its data privacy and security obligations? Does the organization have a response plan in place to manage a cyber-crisis when an incident occurs?

Indirect Tax Considerations

The GST/HST is constantly evolving. The kinds and pace of the changes affecting your organization will depend on your status and activities, and may result from new legislative and regulatory rules, court cases, and changes in the CRA's administrative policies. In addition, major organization changes, such as reorganizations, cessation of activities, major capital projects, new relationships (e.g., shared service arrangements), and new revenue generating activities may have significant GST/HST implications.

The Canada Revenue Agency (CRA) continues to increase its focus on public service bodies (e.g., municipalities, universities, colleges, hospitals, schools, associations, charities, non-profits etc.) for purposes of conducting GST/HST audits. These audits may be undertaken by GST/HST audit teams dedicated to the public sector or by auditors attached to the CRA's GST/HST Refund Integrity Unit. Many organizations have undergone audits over the past couple of years. Based on our work with audited organizations, we offer the following general observations on the impact of the CRA's ongoing focus on the public sector:

- The CRA has been focusing on documentation, cost sharing and buying group arrangements, grants and sponsorships, as well as the allocation of inputs between taxable and exempt activities for input tax credit purposes (e.g. the filing of a Section 211 election and claiming of input tax credits on the use of real property).
- The CRA has not consistently been applying audit offsets (e.g., allowing unclaimed input tax credits or rebates) that would help minimize the impact of any assessments.
- Proposed assessments based on sampling and alternative valuation or allocation methodologies conducted by CRA auditors should be reviewed as fair and reasonable alternatives may be available that could significantly reduce an GST/HST assessment.
- The CRA is required to communicate the amount and basis for a proposed to the registrant, and should allow the registrant a reasonable amount of time to review and respond to the assessment (i.e., generally 30-days). It is entirely appropriate to carefully review and question a proposed assessment. Our experience is that proposed assessments can often be significantly reduced at the audit stage. If a Notice of Assessment is issued, you will have 90 days to file a Notice of Objection with the CRA.
- It is important that you have a plan in place for a GST/HST audit, including having a fixed point of contact for the auditor. Planning and managing the audit is as important as having the appropriate policies and procedures.
- Organizations that have undergone significant changes in operations are more likely to be selected for an audit. Many of these organizations are completing compliance reviews by indirect tax professionals in advance of a potential GST/HST audit to verify that the GST/HST is being appropriately handled. A proactive approach can reduce compliance costs and the time needed to deal with CRA auditors.

Our experience with GST/HST auditors has varied from audit to audit. However, in each case, the taxpayer has the burden of proof. The best approach is to be prepared in advance of receiving that audit notification from CRA.

Reporting Requirements in the United States

Over the past two years, the United States has implemented significant tax reforms impacting Canadian business and individuals with activities and investments in the United States. Given this current environment, it is prudent for Canadian charities and not-for-profit organizations to consider whether they have any reporting obligations in the United States, which is dependent on their U.S. sources of revenue and activities.

- For example, Canadian registered charities may be required to file the Form 990: Return of Organizations Exempt From Income Tax, depending on whether the Canadian charity is recognized as a U.S. public charity or a U.S. private foundation and depending on the total gross receipts that the Canadian charity receives from U.S. sources (including individual and corporate donations). The Internal Revenue Service (IRS) assumes that a Canadian registered charity is the equivalent of a U.S. private foundation unless it applies to the IRS to be recognized as a public charity. Normally, a Canadian registered charity receiving more than \$25,000 in gross receipts from sources within the United States will have a requirement to submit the Form 990 to the IRS.

The Form 990 reporting requirements are significantly more extensive than the Canadian reporting requirements. The Form 990 can easily be more than 50 pages long and includes an 8-page detailed questionnaire on the organization's governance, operations and activities, and very detailed information on the organization's donors, activities outside of the United States, grants provided to other entities inside/outside the United States, executive compensation, and related party transactions. The Form 990 is a Canadian registered charity's only public document in the United States and is available on the IRS information website.

We encourage all of our charity and not-for-profit clients to review their activities and sources of revenue on a regular basis to determine whether they have U.S. reporting requirements.

Fraud Risk in Charities and Not-for-Profit Organizations

You only have to read the local and national news to understand the significant, adverse impact that a fraudulent or illegal act can have on an entity's financial position, on-going operations and public reputation. For charities and not-for-profit organizations, a fraudulent or illegal act can be absolutely devastating not only because of their reliance on public

financial support but also their need to maintain public confidence and trust in their activities. With social media, and the 24-hour continuous news cycle, the financial, operational and reputational risk of a fraud on a charity or not-for-profit organization has never been higher.

Therefore, fraud risk management is now a very important element of an organization's overall governance and risk management. To protect against the risk of fraud, Boards and management need to maintain a robust fraud risk management program designed to address the core objectives of prevention, detection and response.

Prevention starts with having a heightened awareness of fraud including the key indicators that a fraud may have occurred, an understanding of the profile of a fraudster and what may drive otherwise good people to do bad things. In addition to a heightened awareness of fraud, conducting regular fraud risk assessments allows charities and not-for-profit organizations to identify the key fraud risks they are facing and what they need to do to mitigate these risks.

Detecting fraud can be difficult, so in addition to implementing and monitoring detection controls, it is critical for organizations to provide a mechanism for employees, volunteers and the public at large to report incidents of alleged fraud or wrongdoing to the Board.

An organization's response to a fraud is critical in mitigating potential damage, including reputational harm. As such, it is important to have a response plan in place before a fraud occurs, including investigation and communication protocols.

Boards and management of charities and not-for-profit organizations are beginning to incorporate fraud awareness in their training programs to increase fraud awareness, and to develop a greater understanding of the key organizational elements of a robust fraud risk management program.

The COSO Framework: Demonstrating Sound Management Practices and Internal Controls

Charities and not-for-profit organizations are facing increasing pressures and challenges from various internal and external stakeholders, who are demanding greater transparency and accountability. Chief among these is a heightened level of scrutiny and higher expectations on charities and NPOs to demonstrate sound stewardship, accountability, and achievement of results. This includes being able to demonstrate that resources are managed in a cost-effective manner and that funding received is used to maximize the achievement of the organization's mandate.

A charity's or not-for-profit organization's ability to clearly demonstrate sound management and use of funding and the achievement of objectives are of direct interest to donors, funders, partners, stakeholders and beneficiaries, and increasingly to the Canadian general public. This, combined with a general increase in competition for scarce resources, can compound the challenges experienced by charities and not-for-profit organizations.

In this environment, your organization will be asked to demonstrate that it is using and managing funds in an economical and efficient way and that it maintains a solid control environment supporting management decisions made by the organization. National charities and not-for-profit organizations are beginning to formally adopt the "COSO Framework" of management practices and internal controls to respond to their stakeholder demands. The COSO Framework is an internationally recognized framework for the assessment of management practices and internal controls in all types of entities.

The main reason that the COSO Framework is gaining acceptance in the charity and not-for-profit sector is that it considers internal controls from the perspective of achieving organizational objectives categorized into three areas:

- Effectiveness and efficiency of operations, at the entity-wide and divisional/program levels
- Reliability of financial and non-financial reporting to internal and external stakeholders
- Compliance with applicable laws and regulations

In the current environment of transparency and accountability, charities and not-for-profit organizations must not only achieve, but also explicitly demonstrate, their performance in these three areas. COSO provides a methodology to develop and maintain an effective system of internal control that reduces, to an acceptable level, the risk of not achieving these objectives.

The COSO Framework identifies five core components (Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring Activities) and seventeen key principles within these five components that are required for an effective system of internal control. The Framework is fully scalable to an organization's size, structure, funding sources, or mandate.

The Framework provides a recognized baseline against which existing management practices can be documented and assessed to confirm existing sound practices and identify areas for improvement to strengthen an organization's internal control structure and prioritize efforts and resources to the areas of most significance. As a recognized management control framework, an assessment of internal controls against COSO will also serve to provide both internal and external stakeholders with additional confidence in the stewardship, accountability and overall control environment of the organization.

Accounting Standards Board: Accounting Standards for Not-for-Profit Organizations

The Accounting Standards Board of Canada ("AcSB") is responsible for setting the accounting standards that your organization is required to apply in preparing the general purpose financial statements. **There are currently no new or revised accounting standards approved by the Board that we anticipate will have a significant impact on your financial statements in the next fiscal year.** Below, we provide a summary of the status of the Board's work on accounting standards for not-for-profit organizations (including charities).

The AcSB included not-for-profit organizations in its issued-for-comment draft strategic plan for 2016–2021. The proposed core strategy includes maintaining a separate set of accounting standards for areas unique to not-for-profit organizations while continuing to direct them to Part II of the CPA Canada Handbook - Accounting for non-unique areas (such as employee future benefits and financial instruments). The AcSB formed a not-for-profit advisory committee (the "Committee") to provide input into this process and approved a three phase project plan, of which the second phase is now complete. AcSB is now focusing on user outreach and stakeholder engagement as part of the contributions project, and to plan for additional projects with respect to the Part III standards.

In March 2018, the AcSB issued three new, revised accounting standards **with an effective date of fiscal years beginning on or after January 1, 2019**, with earlier application permitted:

Section 4433, to replace Section 4431, Tangible Capital Assets Held by Not-for-Profit Organizations;

Section 4434, to replace Section 4432, Intangible Assets Held by Not-for-Profit Organizations; and

Section 4441, to replace Section 4440, Collections Held by Not-for-Profit Organizations.

Key aspects of these new standards include:

Tangible Capital Assets:

Overall, there is a direction to not-for-profit organizations to apply accounting standards for private enterprises in accounting for tangible capital assets, except where guidance is included in Section 4433. In particular:

- Section 3061 Property, Plant and Equipment would be used as the guidance to report:
 - the capitalization, amortization and disposal of tangible assets – largely similar with the current practice
 - componentization for tangible capital assets – new concept for Not-For-Profit Organizations. Not-for-profit organizations will be able to apply componentization of significant tangible capital assets being accounted and amortized on a component basis. For example, a building could be split into structure, roof, HVAC, elevators etc. and each component could be amortized over different useful lives.
- Section 3110 Asset Retirement Obligations related to recognition, measurement and disclosure of liabilities for long lived assets and;
- Section 3063 Impairment of Long-Lived Assets for disclosure requirements related to impairment, including partial impairment, of long lived assets. Impairment adjustments will be to either fair value or replacement cost based on a list of indicators which will be provided as guidance for decision making.

Intangible Capital Assets:

The new accounting standard will provide guidance related to intangible assets such as goodwill, trademarks and software. Reference is made to Section 3064 Goodwill and Intangible Assets, for the capitalization, amortization and disposal of such assets and Section 3063 Impairment of Long-Lived Assets, for impairment disclosures.

Collections

The new accounting standard formalizes common practice to encourage consistency between entities. The new standard includes the following changes:

- That collections be recorded on the Statement of Financial Position at either cost or a nominal value. Careful selection of cost or nominal value will be important as consistency in methodology will be required for all collections.
- That when disposed of, the difference between the carrying value and proceeds will be accounted for as either a restricted contribution or unrestricted contribution depending on the facts and circumstances.

Enhanced note disclosure requirements.



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BRIEFING NOTE: For information

Update on 2019 Budget		3
Purpose:	To provide an update on closing balance of Engineers Canada 2018 unrestricted reserves	
Link to the strategic plan	Internal enablers: Finance and administration	
Prepared by:	Jorge Monterrosa, Controller	
Presented by:	Gerard McDonald, CEO	

Background

The 2019 budget was approved with the understanding, based on the estimate provided, that the 2019 opening balance of the unrestricted reserve would completely absorb the proposed 2019 deficit. This deficit will be created by spending on major projects and capital expenditures during the year (the operating portion of the 2019 budget is to be funded by 2019 revenues). In reality, the opening balance of the unrestricted reserves was overstated by including in it reserves that are internally restricted and reserves that are invested in capital assets.

In coming up with our estimate of the unrestricted reserves for 2019, we lumped together the 2017 ending balance of the all reserves outside of our larger reserves (4M rolling ops reserve, 1.3M legal contingency fund and the 250K capital reserve). This created an overstatement of unrestricted reserves at the end of 2017 which carried through to the estimated 2019 ending balance of unrestricted reserves. We presented with the 2019 budget \$ 1,031,701 as the estimated balance of our unrestricted reserves at the end of 2018. In reality, we lumped together a smaller internally restricted reserves (211,400) and our investment in capital assets (564,690) along with the unrestricted reserve. This means that instead of having unrestricted reserves of approx. 1M at the beginning of 2019, we have 68k.

Financial implications

The 2019 deficit will flow through to the unrestricted reserves putting the reserves about 1M in the negative once our 2019 budgeted operating, major projects and capital expenditures are incurred.

Should 2019 spending continue as approved, the unrestricted reserve will have a negative balance at the end of 2019. This will require the transfer of funds from restricted reserves to the unrestricted reserve.

Items to consider

The error overstated the unrestricted portion of the reserves and understated the restricted reserves by the same amount.

The transferring of funds from the restricted to unrestricted reserves will require the explicit approval of the Board.

In the audited financial statements, the statement of net assets properly presents each element of the reserves as verified by KPMG.

It is important to note that this error does not, in any way, affect the audited financial statements that we are submitting to the Board at the April 16th meeting, nor audited financial statements in prior years.

Next Steps

This matter, along with potential options for resolution, will be brought to the Finance Committee at their April 26th meeting. The Finance Committee will then present its recommendations to the Board in May.

Appendices

Appendix A shows the original unrestricted reserves estimate presented with the 2019 budget and the updated calculation.

Appendix A - Calculation of Unrestricted Reserves - REVISED

Left side shows the original estimate of unrestricted reserves changes. Right side is the updated version with proper segregation of unrestricted reserves balance.

As Presented in the 2019 budget		Note	Updated		Note
Total Reserves at December 31, 2017			Total Reserves at December 31, 2017		
Four-year rolling operational reserve	4,000,000		Four-year rolling operational reserve	4,000,000	8
General contingency reserve (Legal)	1,325,000		General contingency reserve (Legal)	1,325,000	8
Capital reserve for purchase of assets	250,000		Capital reserve for purchase of assets	250,000	8
All other reserves	2,328,861	1	Other internally restricted	211,400	5, 8
	↓		Invested in capital and intangible assets	764,462	5, 8
	<u>7,903,861</u>	2	Unrestricted	1,352,999	5, 8
	↓			<u>7,903,861</u>	8
Unrestricted reserves:			Unrestricted reserves:		Difference
2018 Opening balance	▼ 2,328,861		2018 Opening balance	▼ 1,352,999	-975,862
2018 projected deficit	-1,233,860		2018 projected deficit	-1,233,860	0
2018 capital expenditures	-63,300		2018 capital expenditures	-63,300	0
Projected 2018 closing balance	1,031,701	3	Projected 2018 closing balance	55,839	6 -975,862
2019 projected deficit	-990,682	4	2019 projected deficit	-990,682	0
2019 transfer to Capital reserve	-50,000	4	2019 transfer to Capital reserve	-50,000	0
2019 capital expenditures	-47,500	4	2019 capital expenditures	-47,500	0
Projected 2019 closing balance	-56,481		Projected 2019 closing balance	-1,032,343	7 -975,862

Notes

- 1 Amount groups together: other internally restricted, Invested in capital and intangible assets with the unrestricted reserves (see note 5) balance at Dec. 31, 2017. This amount that was presented as the 2018 opening balance of unrestricted reserves. In reality, the amount of the unrestricted reserves was 1,352,999 (see note 5)
- 2 Amount of total reserves at the end of 2017. This overall total is correct and agrees to the 2017 audited financial statements.
- 3 Overstated projected 2018 closing balance of unrestricted reserves. See note 6.
- 4 Amounts originally presented as part of the 2019 draft budget.

Details on 2019 projected deficit:	
Operating Suplus/(Deficit):	29,259
Major projects:	
Accreditation Improvement Project	386,400
Competency-Based Assessment Project	490,101
GSPC	97,240
Space program	46,200
Total Major Projects expenditures:	1,019,941
Surplus/(Deficit)	(990,682)

- 5 These 3 items together total 2,328,861 - the amount originally presented as unrestricted reserves.
- 6 Correct projected 2018 closing balance of unrestricted reserves.
- 7 Correct projected 2019 closing balance of unrestricted reserves. This shows the unrestricted reserves moving into the negative after the 2019 proposed spending.
- 8 Agreed to 2017 Audited financial statements

BRIEFING NOTE: For decision

Implementation of the Nominations Task Force recommendations		4
Purpose:	To implement the recommendations of the Nominations Task Force, which were approved by the Board on September 26, 2018.	
Link to the Strategic Plan:	Operational Imperative 1: Accreditation Operational Imperative 3: Provides services tools for regulation and practice Operational Imperative 7: International mobility Board Responsibility 1: Accountability Board Responsibility 2: Consultation Board Responsibility 4: Board policies	
Motion(s) to consider:	<p>a) <i>THAT the Board approve Policy 6.9 Canadian Engineering Accreditation Board</i></p> <p>b) <i>THAT the Board approve Policy 6.10 Canadian Engineering Qualifications Board</i></p> <p>c) <i>THAT the Board approve that the term limits in policies 6.9 and 6.10 apply only to members of the CEAB and CEQB appointed in 2019 or later, and that existing members be eligible to serve a total of 9 years, with an additional 3 years if elected or confirmed as vice-chair, chair, or past-chair, subject to confirmation by their home regulator.</i></p>	
Vote required to pass:	Simple majority	
Transparency:	Open session	
Prepared by:	Stephanie Price, Executive VP Regulatory Affairs and Corporate Secretary	
Presented by:	Russ Kinghorn, Chair of the Governance Committee	

Problem/issue definition

- The recommendations of the Nominations Task Force were unanimously approved on September 26, 2018. These two new policies incorporate all of those recommendations into two comprehensive policies—one for the CEAB and one for the CEQB.
- During the implementation stage, three challenges not addressed by the Nominations Task Force were considered by the Governance Committee:
 - Change management and grandfathering for existing CEAB and CEQB members who are affected by these changes
 - The term limits of the executive committees (consisting of the vice-chair, chair and past-chair)
 - Obtaining the support of regulators for members of the executive committees

Proposed action/recommendation

- The Governance Committee proposes that two comprehensive policies be adopted: one for the CEAB and one for the CEQB. These policies cover:
 - Terms of reference
 - Role of the chair
 - Process to appoint members
 - Process to appoint members to the executive committees
 - Engineers Canada appointments (director appointees)
- In consultation with the secretariats of the CEAB and CEQB, the terms of reference have been updated to reflect the current work and realities of the boards.
- There is a new “Role of the chair” section in each policy, which has been created to provide greater clarity regarding the Engineers Canada Board’s expectations, in line with Board Responsibility #2.
- The Governance Committee proposes that two modifications to the original Nominations Task Force recommendations be accepted by the Board:
 - That the term limits for members of the executive committees be extended (from 6 to 9 years) to allow them to make the decision about running for election as vice-chair after they have developed sufficient experience and expertise with their board. Without this change, members would be expected to decide whether to run after only two years on the Board.
 - That members who wish to be considered for election and appointment as vice-chair obtain the support of their home regulator and provide evidence of such support to the secretariat when they submit their expression of interest. This shortens the timelines, simplifies the process, and avoids the boards electing vice-chairs who are not supported by their regulator. The original recommendations were silent on this point.
- Lastly, the Governance Committee suggests that the new term limits apply only to members who join the CEAB or CEQB in 2019 or later.
 - Currently, members of the CEAB and CEQB typically serve between 6 and 12 years on their boards. Many joined the board with the expectation of providing such service. Unilaterally truncating their terms will have a negative impact on the morale of the members and has presented a risk that members will resign, leaving the boards with insufficient resources to accomplish their work.

Other options considered:

- Making all recommendations immediately applicable to all members was considered and rejected due to the risk of a lack of resources for the boards to do their work.
- Requiring the CEAB and CEQB to request an exemption for the extension of the six-year term limit for the executive committees each year was considered but rejected. An exemption that must be requested annually is, by definition, not an exemption – it is a regular occurrence and should be recognized as such.

Risks

- The recommendations of the Nominations Task Force are supported by the regulators, and these improvements were requested by them. If the new policies are not approved, there is a risk that they will feel that their input has been ignored.

- The members of the CEAB and CEQB do not all support these changes. There is some risk of impacts to morale. These impacts are being mitigated by ongoing dialogue between the chairs and the Engineers Canada president and past-president. There is a continued need for effective change management and consistent messaging regarding the rationale and impact of these changes.

Financial implications

- The new policies require more rigorous succession planning and volunteer support. There may be costs associated with training or tools to accomplish this. These more rigorous processes will also require more staff time and resources to develop and maintain.

Benefits

- Engineering regulators:
 - Will have clarity regarding the roles and functioning of the CEAB and CEQB.
 - Will see that the Board has listened and responded to their concerns.
- Members of the CEAB and CEQB:
 - Will have greater clarity and transparency regarding their own processes.
 - Will have the ability to select the leadership of their boards.

Consultation

- The Nominations Task Force Governance Committee consulted extensively on the recommendations:
 - The report was sent to all regulators, members of the CEAB and CEQB, and the National Council of Deans of Engineering and Applied Science.
 - Written feedback was received from 12 stakeholders.
 - The Task Force addressed all input and provided rationale for their responses.
 - The final recommendations were adjusted and improved based on the feedback received.
- The Governance Committee consulted directly with the volunteer and staff leadership of the CEAB and the CEQB on the implementation of the recommendations.

Next steps (if motion approved)

- CEAB and CEQB secretariat will put in place all necessary tools and processes for 2019 elections and appointments.

Appendices

- Two revised policies are attached. A clean version and “track changes” copy of both are attached. Within the track changes version, yellow highlighting indicates the areas where the Governance Committee has suggested modifications from the original Nominations Task Force recommendations

6 Engineers Canada Board committees and task forces

6.9 Canadian Engineering Accreditation Board (CEAB)

Date of adoption: April 9, 2018 (Motion #5693)
Date of latest amendment: (Motion #)

Review period: Annual
Date last reviewed:

6.9.1 Terms of reference

The CEAB enhances the Engineers Canada Board's effectiveness and efficiency on matters related to the accreditation of academic engineering programs.

6.9.1.1 Purpose/products

The CEAB produces information needed for the Board to make decisions on matters relating to engineering education both in Canada and in other countries. The CEAB performs assessments of academic engineering programs to determine if they meet accreditation criteria approved by the Engineers Canada Board. It grants accreditation to those programs that meet the criteria.

In support of these purposes/products, the CEAB will:

1. Review on a regular basis the criteria, policies, and procedures for evaluating engineering programs for accreditation or substantial equivalency purposes.
2. Undertake an evaluation of engineering programs for accreditation upon request of academic institutions and based upon the Engineers Canada Board-approved criteria.
3. Determine the equivalency of accreditation systems in other countries based upon the Engineers Canada Board-approved criteria.
4. Conclude negotiated international mutual recognition agreements at the education level based upon direction from the Engineers Canada Board.
5. Provide regular reports to the Engineers Canada Board regarding the status of international mutual recognition agreements pertaining to engineering education.
6. Maintain effective liaison with engineering accrediting bodies in other countries, with other professions' accrediting bodies, and with other relevant organizations.
7. Provide information and, when appropriate, options and implications, to the Engineers Canada Board on international matters relating to engineering accreditation and engineering education, including implementation and maintenance of international accreditation agreements.

8. Provide advice to Canadian higher education institutions regarding accreditation.
9. Accept feedback from relevant Canadian organizations regarding the Canadian engineering accreditation system.
10. Assure that administrators of assessed engineering programs are aware of the limitations of the assessment and their resulting responsibilities, including, but not limited to:
 - 10.1. The higher education institution offering the engineering program shall adhere to all accreditation criteria and regulations, shall fully disclose with relevant documentation all aspects of the program, and shall advise the CEAB immediately of any significant changes to its accredited program(s).
 - 10.2. There is no legal right to accreditation. The CEAB assumes no responsibility and shall not be liable to students, graduates, or any other party who may be affected by the denial, termination, or revocation of accreditation.
11. Assure that administrators of those programs that are assessed as being insufficient to be accredited are aware of the reasons and the process to initiate a reassessment or an appeal.

6.9.1.2 Authority

The CEAB's authority enables it to assist the Engineers Canada Board in its work. The CEAB:

12. Accredits programs in Canada or recognize equivalencies of engineering programs in other countries in accordance with the Engineers Canada Board's approved Accreditation Criteria and Procedures.
13. May call upon specialists and establish committees and task forces to assist in carrying out its work.
14. May deal directly with organizations and individuals.
15. May use staff resource time to provide administrative support for meeting and visits.
 - 15.1.1. The CEAB representative at Washington Accord meetings is authorized to vote on behalf of Engineers Canada.

6.9.1.3 Restrictions on authorities

The CEAB has no authority to:

16. Change Engineers Canada Board policies.
17. Approve changes to Accreditation Criteria and Procedures, except for those which are of an administrative (housekeeping) nature.
18. Enter into financial agreements.

19. Spend or commit organization funds, unless such funds are specifically allocated by the Engineers Canada Board.
20. Make representations that any graduate of an accredited program will be eligible for licensure.
21. Conduct a program accreditation prior to receipt of a request from a higher education institution.
22. Conduct substantial equivalency visits of engineering programs in other countries if the cost of such visits is not borne by the higher education institution without specific permission of the Board.
23. Make representation that it will identify every aspect of an assessed engineering program that does not meet its accreditation criteria and regulations.

6.9.1.4 Composition

24. The CEAB is composed of the chair, the vice-chair, the past-chair and one member from each of the following regions:
 - British Columbia or the Yukon
 - Alberta, the Northwest Territories, or Nunavut
 - Saskatchewan or Manitoba
 - Ontario
 - Quebec
 - Newfoundland, Prince Edward Island, Nova Scotia, or New Brunswick
25. The CEAB is also composed of a minimum of six members-at-large. The total number of members is subject to the current and anticipated future workload as articulated in the work plan.
26. All members of the CEAB must be licensed engineers in Canada.
27. Ten members constitute a quorum.
28. The chair, the vice-chair, and the past-chair constitute the Executive Committee of the CEAB.
29. The membership of the Accreditation Board shall ideally be composed of:
 - 2/3 of its members either currently or formerly employed as a faculty member at a higher education institution; and
 - 1/3 of its members either currently or formerly engaged in the practice of professional engineering as described below.
30. For the portion of the membership that is from outside of the field of academia, consideration should be given to candidates having one or more of the following attributes:
 - Experience as an employee of a government agency, crown corporation, or regulatory authority, in the review and/or approval of professional engineering work prepared by others
 - Experience in the technical review of professional engineering work prepared by others

- Experience in the supervision, mentorship, or development of engineers-in-training or recently licensed engineers
31. In the selection of members for the CEAB, every reasonable effort shall be made to achieve a membership that reflects the diversity objectives as established by Policy 8.2 of the Engineers Canada Board.

32. Two directors of the Engineers Canada Board shall be appointed to the CEAB by the Board.

33. A member of the CEQB may be appointed as a non-voting participant to the CEAB. In addition, the CEAB may invite observers to its meetings.
34. The CEAB secretary is appointed by the CEO. The secretary supports the CEAB and is a non-voting participant in meetings of the CEAB and its subcommittees.

6.9.1.5 Term limits

35. The term of appointment to the CEAB shall be for a period of three (3) years. Members may, subject to the approval of the Engineers Canada Board, be reappointed for an additional three-year term, for a total of up to six (6) years of total service.
36. The foregoing term limits shall not apply to a member who is elected or confirmed, as applicable, to hold office as vice-chair, chair or past-chair prior to the expiration of their second term, in which case they may continue until they have finished serving as past-chair.
37. The Engineers Canada Board may also, under exceptional circumstances, extend the term of appointment for other members of the CEAB beyond the six-year limit, up to a maximum of nine (9) years total service. For such an extension to be considered, the rationale must be provided to the Engineers Canada Board.
38. The term of office for the positions of chair, vice-chair, and past-chair of the CEAB shall be for one (1) year, unless otherwise approved by the Engineers Canada Board under exception to policy.

6.9.1.6 Planning

39. The CEAB is responsible for the preparation of a work plan and a volunteer plan. It will operate within those plans.
40. The plans must be submitted annually to the Engineers Canada Board for approval. The number of members on the CEAB shall be based on the anticipated workload as reflected in the work plan.

6.9.2 Role of the chair of the CEAB

The chair of the CEAB is crucial to the success of Engineers Canada. They are directly accountable to the Engineers Canada Board for the achievements of the CEAB.

6.9.2.1 Responsibilities

The chair works closely with the secretariat and other Engineers Canada staff, and provides leadership to the CEAB in the delivery of valuable services, products, and tools for the engineering regulators. They are responsible for:

41. Chairing meetings and setting their agenda.
42. Chairing their Executive Committee and participating on the Nominating Subcommittee.
43. Developing the volunteer and recruitment plans, with support from the secretariat.
44. Developing, monitoring, and delivering on the work plan, with support from the secretariat.
45. Developing the budget (with support from the secretariat) and working with the Engineers Canada CEO to deliver on their work plan within the Board-approved budget and resource constraints.
46. Working with the Engineers Canada CEO and the secretariat to develop interim performance assessment reports and the annual performance report for the Engineers Canada Board and the regulators.
47. Attending meetings of the Engineers Canada Board and providing reports at those meetings.
48. Contributing to the development, implementation, and achievement of Engineers Canada's strategic plan.
49. Being knowledgeable of and working to support the delivery of the work of the CEAB.
50. Ensuring that members behave consistently within their own rules and those imposed upon it from the Engineers Canada Board including:
 - 50.1. Directing deliberations so they are timely, fair, orderly, thorough, and efficient; and
 - 50.2. Endeavoring to establish consensus on issues and objectives.
51. Addressing issues arising with and between CEAB members.

6.9.2.2 Competencies

To deliver on these responsibilities, the chair should demonstrate the following skills, knowledge, and abilities:

52. Demonstrated in-depth knowledge of accreditation;
53. Ability to build consensus and foster a national perspective;
54. Understanding and working within the Engineers Canada governance model;

55. Understanding broader strategic context and application of processes;
56. Communications skills and relationship management within the CEAB and with key external stakeholders, including the Engineers Canada Board, the CEQB, the regulators, the CEO Group, the officials' groups, and Engineers Canada staff; and
57. Work ethic, commitment, and ability to meet deadlines.

6.9.3 Process to appoint members to the CEAB

6.9.3.1 General requirements

58. The CEAB shall produce and maintain a volunteer plan that is used as the basis for the preparation of a recruitment plan.
59. The CEAB shall produce and maintain a work plan that includes a list of the ongoing work and identifies the volunteer resources needed to accomplish the work.
60. The CEAB shall maintain a table of its members indicating appointment dates and positions. This information shall be used as the basis for development of a recruitment plan that identifies the desired profiles for new appointments.
61. The recruitment plan shall be made available as a public document.
62. The Nominating Subcommittee shall ensure that regulators have sufficient time to process potential candidate requests within their own jurisdictional policies and procedures.
63. The Nominating Subcommittee shall not consider, nor recommend to the Engineers Canada Board, any candidates who do not receive the support of their regulator(s).
64. The procedures outlined below shall be followed in the order they are written.
65. All appointments to the CEAB shall be subject to the approval of the Engineers Canada Board.

6.9.3.2 Nominating Subcommittee

66. The Nominating Subcommittee of the CEAB shall consist of the chair, past-chair, and the two director appointees. The senior director appointee shall serve as chair of the Nominating Subcommittee.
67. The director appointees shall have voting privileges on the Nominating Subcommittee. All candidates must receive majority support of Nominating Subcommittee. Any tied vote of the Nominating Subcommittee is a failed motion.
68. All information considered by the Nominating Subcommittee shall be kept confidential.

6.9.3.3 New appointments

Members from the regions

69. Each regulator in the region shall be provided with the desired profile of the candidate(s) being sought.
70. Each regulator within the region shall be asked to provide the names of up to three (3) candidates who they would support for the position. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.
71. The Nominating Subcommittee shall select from amongst the candidates that the regulators provide, the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
72. The Nominating Subcommittee shall contact the candidate to confirm their willingness to serve if they are appointed by the Engineers Canada Board.
73. The Nominating Subcommittee shall recommend the willing selected candidate to the Engineers Canada Board for appointment.

Members at large

74. All of the regulators shall be provided with the desired profile of the candidate(s) being sought.
75. Each regulator shall be invited to submit the names of candidates it would support for the position. The regulators may submit as many names as they like. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.
76. The Nominating Subcommittee shall also prepare and publish a call for expressions of interest which shall be posted on Engineers Canada's website and in its newsletter, and distributed to other relevant stakeholders, as identified by the Nominating Subcommittee. The call for expressions of interest shall include the desired profile of the candidates being sought.
77. The names of all candidates submitted to the Nominating Subcommittee by groups or individuals other than the regulators shall be forwarded to all regulators where the candidate is licensed and those regulators shall be asked to identify which of those candidates they would support for the position.
78. The Nominating Subcommittee shall select from amongst the candidates supported by the regulators, the candidate(s) who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
79. The Nominating Subcommittee shall contact the candidate(s) to confirm their willingness to serve if they are appointed by the Engineers Canada Board.
80. The Nominating Subcommittee shall recommend the willing selected candidate(s) to the Engineers Canada Board for appointment.
81. The Nominating Subcommittee shall contact all unsuccessful candidates to thank them for their expression of interest, explain the selection process, and indicate that their expression of interest shall be retained for consideration in case of any future vacancies.

6.9.3.4 *Reappointments*

82. When considering whether to recommend the reappointment of a current member for an additional term, the Nominating Subcommittee shall base its decision on the needs identified in the volunteer plan, including the desired profile and the past performance of the member.
83. The secretariat shall contact all members who are eligible for re-appointment to ask if they are willing to serve for another term, if selected. This message shall explain the process for re-appointment and clearly state that members may or may not be renewed based on many considerations as outlined in the process.
84. The secretariat shall forward to the Nominating Subcommittee the names of all members who are interested in standing for re-appointment.
85. The Nominating Subcommittee shall consider the performance of each member interested in re-appointment against the profile established in the volunteer plan and decide if the re-appointment is justified.
86. The Nominating Subcommittee shall distribute to all regulators, annually, a list of the members licensed in their jurisdiction, and their current term. For those members whose terms are expiring and who are eligible for re-appointment, the Nominating Subcommittee shall also indicate if they are willing to serve and if the Nominating Subcommittee recommends re-appointment based on past performance.
87. The regulator shall be asked to indicate whether it would support the re-appointment of the member to the position. The regulator does not need to provide any reasons for its decision.
88. If regulator support is not forthcoming, the member shall be informed that their term shall end without renewal and they shall be thanked for their service. This message shall include a list of all potential reasons for non-renewal.
89. If the regulator supports the re-appointment, the Nominating Subcommittee shall then recommend the candidate to the Engineers Canada Board.

6.9.3.5 *Vacancies*

90. In the event of a vacancy occurring on the CEAB prior to the completion of a term of office, the Nominating Subcommittee shall select from amongst the list of candidates provided by the regulators and from those candidates who have received confirmation of support from their regulators, which were compiled during the previous most recent nomination cycles for the position in question.
91. Where no list of previous candidates who have received the support of their regulator exists for the vacated position, the Nominating Subcommittee shall follow the procedure for new appointments.
92. The Nominating Subcommittee shall select the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
93. The Nominating Subcommittee shall recommend the selected candidate to the Engineers Canada Board.

94. The term of appointment shall be for the balance of the vacated term. In the event that a member is temporarily unable to serve, the term of appointment of the replacement will be for the period of absence of the original member.

6.9.4 Process to appoint members to the CEAB Executive Committee

95. The members of the CEAB Executive Committee are the chair, vice-chair, and past-chair.

96. The Engineers Canada Board shall approve all appointments to the CEAB Executive Committees.

97. The vice-chair automatically ascends to the position of chair, subject to the approval of the Engineers Canada Board. The chair automatically becomes past-chair following completion of their term, subject to the approval of the Engineers Canada Board.

6.9.4.1 Nominating

98. The Nominating Subcommittee shall be responsible for conducting the nominations and elections process for the position of vice-chair, and any other vacancies that arise on the Executive Committee.

99. The Nominating Subcommittee shall, wherever possible, seek more than one candidate for the position of vice-chair and any other vacancies that arise on the Executive Committee.

100. The chair of the Nominating Subcommittee shall issue an invitation to all members of the CEAB to declare their willingness to be considered for election to position of vice-chair, not less than two months prior to the date of elections.

101. Members willing to stand for election shall first confirm support from their home regulator. They must confirm their willingness and their regulator's support in writing to the Nominating Subcommittee, not less than one month prior to the date of election.

102. Where no declarations of willingness are received, the Nominating Subcommittee shall determine how to fill the position(s).

103. The names of all candidates for the position of vice-chair shall be distributed to the members of the CEAB at least two (2) weeks prior to the date of election.

6.9.4.2 Elections

104. Elections to the position of vice-chair shall be determined by secret ballot voting by the voting members of the CEAB.

105. Each member at the meeting may cast one vote. Proxy votes are not allowed.

106. For all ballots, the chair of the Nominating Subcommittee (who is the senior director appointee) will cast one vote and place it in a sealed envelope. The director appointee's vote shall be counted only in the case of a tied vote.

107. The secretary of the CEAB shall act as the scrutineer and shall collect and count votes and destroy them after the election.

108. If only one candidate is nominated for the position of vice-chair, members shall vote and confirm their support for the candidate by secret ballot, indicating “yea” or “nay”.
109. If the majority of the votes cast indicate “yea,” that candidate shall be declared elected.
110. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.
111. If the majority of votes indicate “nay,” the Nominating Subcommittee shall seek new candidates and a new vote shall be conducted. The unsuccessful candidate shall not be eligible to stand for election for this re-vote.
112. If no other candidate is willing to let their name stand, the matter shall be referred to the Engineers Canada Board who shall have the authority to appoint someone, or to take whatever other action that they see fit to resolve the matter.
113. If more than one candidate is nominated for the position of vice-chair, the members shall vote and indicate their (one) preferred candidate by secret ballot.
114. The candidate who receives the greatest number of votes cast shall be declared elected.
115. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.

6.9.5 Engineers Canada appointments to the CEAB

The Engineers Canada Board appoints two directors to the CEAB to act as “director appointees”. Director appointees serve for a two-year term and are appointed in alternate years to ensure continuity.

6.9.5.1 Responsibilities of the director appointees

The director appointees are the Engineers Canada Board’s representatives on the CEAB. They serve a key role in helping the Engineers Canada Board to meet its responsibilities to:

- “hold itself, its directors and its direct reports accountable” (Board responsibility #1)
 - “provide ongoing and appropriate strategic direction” (Board responsibility #3).
116. Director appointees shall attend all meetings of the CEAB.
 117. Director appointees provide advice and guidance to the CEAB regarding the strategic plan, Engineers Canada Board policy, and direction.
 118. Director appointees provide advice and guidance to the Engineers Canada Board on the work of the CEAB, and the performance of the chair.
 119. The senior director appointee (the director with the longer term of service on the CEAB) serves as the chair of the Nominating Subcommittee.
 120. The senior director appointee shall also attend the meetings of the Policies & Procedures Committee.

6.9.5.2 Authority of the director appointees

121. The director appointees shall have voting rights on the CEAB.

122. Engineers Canada director appointees may attend meetings of the subcommittees of CEAB as observers.

6.9.5.3 Restrictions on the director appointees

123. The chair of the CEAB reports to the Board as a whole. Director appointees have no authority to direct the CEAB.

6 Engineers Canada Board committees and task forces

6.9 Canadian Engineering Accreditation Board (CEAB)

Date of adoption: April 9, 2018 (Motion #5693)

Review period: Annual

Date of latest amendment: (Motion #)

Date last reviewed:

6.9.1 Terms of reference

The CEAB enhances the Engineers Canada Board's effectiveness and efficiency on matters related to the accreditation of academic engineering programs.

6.9.1.1 Purpose/products

The CEAB ~~will produce~~s information needed for the Board to make decisions on matters relating to engineering education ~~and accreditation~~ both in Canada and in other countries. ~~The CEAB performs and~~ assessments of academic engineering programs to determine if they meet accreditation criteria approved by the Engineers Canada Board. ~~It grants accreditation to those programs that meet the~~ criteria.

In support of these purposes/products, the CEAB will:

1. Review on a regular basis, ~~options and implications for the~~ ~~updating of~~ criteria, policies, and procedures for evaluating engineering programs for accreditation or substantial equivalency purposes.
2. Undertake an evaluation of engineering programs for accreditation upon request of academic institutions and based upon the Engineers Canada Board approved criteria.
3. Determine the equivalency of accreditation systems in other countries based upon the Engineers Canada Board approved criteria.
4. Conclude negotiated international mutual recognition agreements at the education level based upon direction from the Engineers Canada Board.
5. Provide regular reports to the Engineers Canada Board regarding the status of international mutual recognition agreements pertaining to engineering education.

6. Maintain effective liaison with engineering accrediting bodies in other countries, with other professions' accrediting bodies, and with other relevant organizations.

7. Provide information and, when appropriate, options and implications, to the Engineers Canada Board on international matters relating to engineering accreditation and engineering education including implementation and maintenance of international accreditation agreements.

~~8. Provide advice to regulators to enable more effective implementation of international agreements by the regulators.~~

~~9.8. Provide advice regarding accreditation criteria to Canadian higher education institutions regarding accreditation during the development of new engineering programs.~~

~~10. Assure that developers of engineering accreditation systems in other countries have information regarding the Canadian engineering accreditation system.~~

~~11. Assure that relevant Canadian organizations understand the Canadian engineering accreditation system.~~

~~12.9.~~ Accept feedback from relevant Canadian organizations regarding the Canadian engineering accreditation system.

~~13. Assure that information relevant to other engineering accreditation and engineering education initiatives (e.g., international work) is provided to the Board, the respective Board Committee, or the CEO.~~

~~14.10.~~ Assure that administrators of assessed engineering programs are aware of the limitations of the assessment and their resulting responsibilities, including, but not limited to:

~~14.1-10.1.~~ The higher education institution offering the engineering program shall adhere to all accreditation criteria and regulations, shall fully disclose with relevant documentation all aspects of the program and shall advise the CEAB immediately of any significant changes to its accredited program(s).

~~14.2-10.2.~~ There is no legal right to accreditation. The CEAB assumes no responsibility and shall not be liable to students, graduates or any other party who may be affected by the denial, termination or revocation of accreditation.

~~15.~~ Assure that administrators of those programs that are assessed as being insufficient to be accredited are aware of the reasons and the process to initiate a reassessment or an appeal.

~~16.11.~~

6.9.1.2 Authority

The CEAB's authority enables it to assist the Engineers Canada Board in its work. The CEAB ~~may~~:

~~17.12.~~ Accredits programs in Canada or recognize equivalencies of engineering programs in other countries in accordance with the Engineers Canada Board's approved Accreditation Criteria ~~for Accreditation~~ and Procedures.

~~18.13.~~ May call upon specialists and establish committees and task forces to assist in carrying out its work.

~~19.14.~~ May deal directly with organizations and individuals.

~~20.15.~~ May use staff resource time to provide administrative support for meeting and visits.

~~20.1.~~ The CEAB representative at Washington Accord meetings is authorized to vote on behalf of Engineers Canada.

~~20.1.1.15.1.1.~~

6.9.1.3 Restrictions on authorities

The CEAB has no authority to:

~~21.16.~~ Change Engineers Canada Board policies.

~~22.17.~~ Approve changes to ~~Criteria for Accreditation~~ Criteria and Procedures, except for those which are of an administrative (housekeeping) nature.

~~23.18.~~ Enter into financial agreements.

~~24.~~ Spend or commit organization funds, unless such funds are specifically allocated by the Engineers Canada Board.

~~25.19.~~ Exercise jurisdiction over the regulators or their registration committees or boards of examiners.

~~26.20.~~ Make representations that any graduate of an accredited program will be eligible for licensure.

~~27.~~ Conduct a program accreditation prior to receipt of a request from a higher education institution.

21.

~~28.~~ Conduct substantial equivalency visits of engineering programs in other countries if the cost of such visits is not borne by the higher education institution without specific permission of the Board.

~~22.~~

~~29.~~ Make representation that it will identify every aspect of an assessed engineering program that does not meet its accreditation criteria and regulations.

~~30. Permit individuals who are not members of CEAB to vote at CEAB meetings.~~

~~31-23.~~

6.9.1.4 Composition

~~32-24.~~ The CEAB is composed of the Chair, the Vice-Chair, the Past-Chair and one ~~member~~ each from each of the following regions:

- British Columbia or the Yukon
- Alberta, the Northwest Territories or Nunavut
- Saskatchewan or Manitoba
- Ontario • Quebec
- Newfoundland, Prince Edward Island, Nova Scotia or New Brunswick

~~33-25.~~ The CEAB is also composed of a minimum of six members-at-large. The total number of members is subject to the current and anticipated future workload as articulated ~~in~~ in the work plan ~~(see policy 6.2 section 1.2).~~

~~34-26.~~ All members of the CEAB must be ~~registered~~ licensed engineers in Canada.

~~35-27.~~ Ten members constitute a quorum.

~~36-28.~~ The chair, the vice-chair, and the past-chair constitute the Executive Committee of the CEAB.

~~37-29.~~ The membership of the Accreditation Board shall ideally be composed of:

- 2/3 ~~persons of its members~~ either currently or formerly employed as a faculty member at a higher education institution; and
- 1/3 ~~persons of its members~~ either currently or formerly engaged in the practice of professional engineering as described below.

~~38-30.~~ For the portion of the membership that is from outside of the field of academia, consideration should be given to ~~seek~~ candidates having one or more of the following attributes:

- Experience as an employee of a government agency, crown corporation, or regulatory authority, in the review and/or approval of professional engineering work prepared by others~~–~~
- Experience in the technical review of professional engineering work prepared by others~~–~~
- Experience in the supervision, mentorship, or development of engineers-in-training or recently licensed engineers

~~39-31.~~ In the selection of members for the CEAB, every reasonable effort shall be made to achieve a membership that reflects the diversity objectives as established by Policy 8.2 of the Engineers Canada Board.

~~40-32.~~ Two directors of the Engineers Canada Board shall be appointed to the CEAB by the Board. Two
director appointees, appointed by the Engineers Canada Board, shall be appointed as members of
the CEAB.

~~41-33.~~ A member of the CEQB may be appointed as a non-voting participants to the CEAB. In addition, the CEAB may invite observers to its meetings, ~~but such observers have no vote.~~

~~42.~~ The CEAB secretary is appointed by the CEO. The secretary supports the CEAB and is a non-voting participant in meetings of the CEAB and its subcommittees.

34.

6.9.1.5 Term Limits

35. The term of appointment to the CEAB shall be for a period of three (3) years. Members may, subject to the approval of the Engineers Canada Board, be reappointed for an additional three-year term, for a total of up to six (6) years of total service.

36. The foregoing term limits shall not apply to a member who is elected or confirmed, as applicable, to hold office as vice-chair, chair or past-chair prior to the expiration of their second term, in which case they may continue until they have finished serving as past-chair.

37. The Engineers Canada Board may also, under exceptional circumstances, extend the term of appointment for other members of the CEAB beyond the six-year limit, up to a maximum of nine (9) years total service. For such an extension to be considered, the rationale must be provided to the Engineers Canada Board.

38. The term of office for the positions of Chair, Vice-Chair, and past-Chair of the CEAB shall be for one (1) year, unless otherwise approved by the Engineers Canada Board under exception to policy.

6.9.1.6 Planning

39. The CEAB is responsible for the preparation of a work plan and a volunteer plan. It will operate within those plans.

43. The plans must be submitted annually to the Engineers Canada Board for approval. The number of members on the CEAB shall be based on the anticipated workload as reflected in the work plan.

40.

6.9.2 Role of the Chair of the CEAB

The chair of the CEAB is crucial to the success of Engineers Canada. They are directly accountable to the Engineers Canada Board for the achievements of the CEAB.

6.9.2.1 Responsibilities

The Chair works closely with the Secretariat and other Engineers Canada staff, and provides leadership to the CEAB in the delivery of valuable services, products and tools for the engineering regulators. They are responsible for:

41. Chairing meetings and setting their agenda.

42. Chairing their Executive Committee and participating on the Nominating Subcommittee.

43. Developing the volunteer and recruitment plans, with support from the Secretariat.

44. Developing, monitoring and delivering on the work plan, with support from the Secretariat.

41-45. Developing the budget (with support from the Secretariat) and working with the Engineers Canada CEO to deliver on their work plan within the Board-approved budget and resource constraints.

42-46. Working with the Engineers Canada CEO and the secretariat to develop interim performance assessment reports and the annual performance report for the Engineers Canada Board and the regulators.

43-47. Attending meetings of the Engineers Canada Board and providing reports at those meetings.

44.48. Contributing to the development, implementation and achievement of Engineers Canada's Strategic Plan.

45.49. Being knowledgeable of and working to support the delivery of the work of the CEAB.

46.50. Ensuring that members behave consistently within their own rules and those imposed upon it from the Engineers Canada Board including:

46.1.50.1. Directing deliberations so they are timely, fair, orderly, thorough and efficient; and

46.2.50.2. Endeavoring to establish consensus on issues and objectives.

6.9.1.56.9.2.2 Competencies

To deliver on these responsibilities, the chair should demonstrate the following skills, knowledge and 47.51. Addressing issues arising with and between CEAB members.

abilities:

52. Demonstrated in-depth knowledge of accreditation;

53. Ability to build consensus and foster a national perspective;

54. Understanding and working within the Engineers Canada governance model;

55. Understanding broader strategic context and application of processes;

56. Communications skills and relationship management within the CEAB and with key external stakeholders including the Engineers Canada Board, the CEQB, the regulators, the CEO Group, the officials' groups and Engineers Canada staff; and

57. Work ethic, commitment and ability to meet deadlines.

6.9.26.9.3 Process to appoint members to the CEAB

6.9.3.1 General Requirements

58. The CEAB shall produce and maintain a volunteer plan that is used as the basis for the preparation of a recruitment plan.

59. The CEAB shall produce and maintain a work plan that includes a list of the ongoing work and identifies the volunteer resources needed to accomplish the work.

60. The CEAB shall maintain a table of their members indicating appointment dates and positions. This information shall be used as the basis for development of a recruitment plan that identifies the desired profiles for new appointments.

61. The recruitment plan shall be made available as a public document.

62. The Nominating Subcommittee shall ensure that regulators have sufficient time to process potential candidate requests within their own jurisdictional policies and procedures.

63. The Nominating Subcommittee shall not consider, nor recommend to the Engineers Canada Board, any candidates who do not receive the support of their regulator(s).

64. The procedures outlined below shall be followed in the order they are written.

65. All appointments to the CEAB shall be subject to the approval of the Engineers Canada Board.

6.9.3.2 Nominating Subcommittee

66. The Nominating Subcommittee of the CEAB shall consist of the ~~C~~chair, ~~P~~past-~~C~~chair, and the two ~~D~~director ~~A~~appointees. The ~~S~~senior ~~D~~director ~~A~~appointee shall serve as Chair of the Nominating Subcommittee.

67. The Director Appointees shall have voting privileges on the Nominating Subcommittee. All candidates must receive majority support of Nominating Subcommittee. Any tied vote of the Nominating Subcommittee is a failed motion.

68. All information considered by the Nominating Subcommittee shall be kept confidential.

6.9.3.3 New Appointments

Members from the regions

69. Each regulator in the region shall be provided with the desired profile of the candidate(s) being sought.

70. Each regulator within the region shall be asked to provide the names of up to three (3) candidates whom they would support for the position. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.

71. The Nominating Subcommittee shall select from amongst the candidates that the regulators provide, the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.

72. The Nominating Subcommittee shall contact the candidate to confirm their willingness to serve if they are appointed by the Engineers Canada Board.

73. The Nominating Subcommittee shall recommend the willing selected candidate to the Engineers Canada Board for appointment.

Members at large

74. All of the regulators shall be provided with the desired profile of the candidate(s) being sought.

75. Each regulator shall be invited to submit the names of candidates **they**it would support for the position. The regulators may submit as many names as they like. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.

76. The Nominating Subcommittee shall also prepare and publish a call for expressions of interest which shall be posted on Engineers Canada's website and in its newsletter, and distributed to other, relevant stakeholders, as identified by the Nominating Subcommittee. The call for expressions of interest shall include the desired profile of the candidates being sought.

77. The names of all candidates submitted to the Nominating Subcommittee by groups or individuals other than the regulators shall be forwarded to all regulators where the candidate is licensed and those regulators shall be asked to identify which of those candidates they would support for the position.

78. The Nominating Subcommittee shall select from amongst the candidates supported by the regulators, the candidate(s) who, in the Nominating Subcommittee's opinion, would best fit the desired profile.

79. The Nominating Subcommittee shall contact the candidate(s) to confirm their willingness to serve if they are appointed by the Engineers Canada Board.

80. The Nominating Subcommittee shall recommend the willing selected candidate(s) to the Engineers Canada Board for appointment.

81. The Nominating Subcommittee shall contact all unsuccessful candidates to thank them for their expression of interest, explain the selection process, and indicate that their expression of interest shall be retained for consideration in case of any future vacancies.

6.9.3.4 Re-appointments

82. When considering whether to recommend the re-appointment of a current member for an additional term, the Nominating Subcommittee shall base **their**its decision on the needs identified in the volunteer plan, including the desired profile, and the past performance of the member.

83. The Secretariat shall contact all members who are eligible for re-appointment to ask if they are willing to serve for another term, if selected. This message shall explain the process for reappointment and clearly state that members may or may not be renewed based on many considerations as outlined in the process.
84. The Secretariat shall forward to the Nominating Subcommittee the names of all members who are interested in standing for re-appointment.
85. The Nominating Subcommittee shall consider the performance of each member interested in reappointment against the profile established in the volunteer plan and decide if the reappointment is justified.
86. The Nominating Subcommittee shall distribute to all regulators, annually, a list of the members licensed in their jurisdiction, and their current term. For those members whose terms are expiring and who are eligible for re-appointment, the Nominating Subcommittee shall also indicate if they are willing to serve and if the Nominating Subcommittee recommends re-appointment based on past performance.
87. The regulator shall be asked to indicate whether theyit would support the re-appointment of the member to the position. The regulator does not need to provide any reasons for theirits decision.
88. If regulator support is not forthcoming, the member shall be informed that their term shall end without renewal and they shall be thanked for their service. This message shall include a list of all potential reasons for non-renewal.
89. If the regulator supports the re-appointment, the Nominating Subcommittee shall then recommend the candidate to the Engineers Canada Board.

6.9.3.5 Vacancies

90. In the event of a vacancy occurring on the CEAB prior to the completion of a term of office, the Nominating Subcommittee shall select from amongst the list of candidates provided by the regulators and from those candidates who have received confirmation of support from their regulators, that-which were compiled during the previous most recent nomination cycles for the position in question.
91. Where no list of previous candidates who have received the support of their regulator exists for the vacated position, the Nominating Subcommittee shall follow the procedure for new appointments.
92. The Nominating Subcommittee shall select the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
93. The Nominating Subcommittee shall recommend the selected candidate to the Engineers Canada Board.

94. The term of appointment shall be for the balance of the vacated term. In the event that a member is temporarily unable to serve, the term of appointment of the replacement will be for the period of absence of the original member.

6.9.4 Process to appoint members to the CEAB Executive Committee

95. The members of the CEAB Executive Committee are the Chair, Vice-Chair, and Past-Chair.

96. The Engineers Canada Board shall approve all appointments to the CEAB Executive Committees.

97. The Vice-Chair automatically ascends to the position of Chair, subject to the approval of the Engineers Canada Board. The Chair automatically becomes Past-Chair following completion of their term, subject to the approval of the Engineers Canada Board.

6.9.4.1 Nominating

98. The Nominating Subcommittee shall be responsible for conducting the nominations and elections process for the position of Vice-Chair, and any other vacancies that arise on the Executive Committee.

99. The Nominating Subcommittee shall, wherever possible, seek more than one candidate for the position of Vice-Chair, and any other vacancies that arise on the Executive Committee.

100. The Chair of the Nominating Subcommittee shall issue an invitation to all members of the CEAB to declare their willingness to be considered for election to position of Vice-Chair, not less than two months prior to the date of elections.

101. Members willing to stand for election shall first confirm support from their home regulator. They must confirm their willingness and their regulator's support in writing to the Nominating Subcommittee, not less than one month prior to the date of election.

102. Where no declarations of willingness are received, the Nominating Subcommittee shall determine how to fill the position(s).

103. The names of all candidates for the position of Vice-Chair shall be distributed to the members of the CEAB at least two (2) weeks prior to the date of election.

6.9.4.2 Elections

104. Elections to the position of Vice-Chair shall be determined by secret ballot voting by the voting members of the CEAB.

105. Each member at the meeting may cast one vote. Proxy votes are not allowed.

106. For all ballots, the Chair of the Nominating Subcommittee (who is the senior Director Appointee) will cast one vote and place it in a sealed envelope. The Director Appointee's vote shall be counted only in the case of a tied vote.
107. The Secretary of the CEAB shall act as the scrutineer and shall collect and count votes and destroy them after the election.
108. If only one candidate is nominated for the position of Vice-Chair, members shall vote and confirm their support for the candidate by secret ballot, indicating "yea" or "nay".
109. If the majority of the votes cast indicate "yea," that candidate shall be declared elected.
110. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.
111. If the majority of votes indicate "nay," the Nominating Subcommittee shall seek new candidates and a new vote shall be conducted. The unsuccessful candidate shall not be eligible to stand for election for this re-vote.
112. If no other candidate is willing to let their name stand, the matter shall be referred to the Engineers Canada Board who shall have the authority to appoint someone, or to take whatever other action that they see fit to resolve the matter.
113. If more than one candidate is nominated for the position of Vice-Chair, the members shall vote and indicate their (one) preferred candidate by secret ballot.
114. The candidate who receives the greatest number of votes cast shall be declared elected.
115. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.

The Engineers Canada Board appoints two directors to the CEAB to act as "Director Appointees". Director Appointees serve for a two-year term and are appointed in alternate years to ensure continuity.

6.9.5.1 Responsibilities of the Director Appointees

6.9.5 Engineers Canada appointments to the CEAB

The director appointees are the Engineers Canada Board's representatives on the CEAB. The Director Appointees are the Engineers Canada Board's representatives on the CEAB, and are full members of the CEAB. They serve a key role in helping the Engineers Canada Board to meet their its responsibilities to: "hold itself, its directors and its direct reports accountable" (Board responsibility #1)

"provide ongoing and appropriate strategic direction" (Board responsibility #3).

116. Director Appointees shall attend all meetings of the CEAB.

117. Director Appointees provide advice and guidance to the CEAB regarding the strategic plan, Engineers Canada Board policy and direction.

118. Director Appointees provide advice and guidance to the Engineers Canada Board on the work of the CEAB, and the performance of the Chair.

119. The Senior Director Appointee (the director with the longer term of service on the CEAB) serves as the Chair of the Nominating Subcommittee.

120. The Senior Director Appointee shall also attend the meetings of the Policies & Procedures Committee.

6.9.5.2 Authority of the Director Appointees

121. The director appointees are members of the CEAB. The Director Appointees are members of the CEAB, with all rights, privileges and responsibilities of membership.

122. Engineers Canada Director Appointees may attend meetings of the subcommittees of CEAB as observers.

6.9.5.3 Restrictions on the Director Appointees

123. The Chair of the CEAB reports to the Board as a whole. Director Appointees have no authority to direct the CEAB.

6 Engineers Canada Board committees and task forces

6.10 Canadian Engineering Qualifications Board (CEQB)

Date of adoption: April 9, 2018 (Motion #5693)

Date of latest amendment: (Motion #)

Review period: Annual

Date last reviewed:

6.10.1 Terms of reference

The CEQB enhances the Engineers Canada Board's effectiveness and efficiency on matters related to qualifications for, and the practice of, engineering.

6.10.1.1 Purpose/products

1. The CEQB provides services and tools that enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada.
2. The CEQB provides research, guidelines, white papers, and other guidance related to:
 - 2.1. Admissions
 - 2.2. Foreign credential recognition
 - 2.3. The professional practice examination
 - 2.4. Engineers-in-training
 - 2.5. Continuing competence and professional development
 - 2.6. Practice of engineering
 - 2.7. Sustainability and the environment
 - 2.8. The code of ethics
 - 2.9. Other issues of national importance as identified by the regulatorsAll work is developed in cooperation with the regulators.
3. The CEQB maintains the Syllabus of Examinations for candidates from other than Accreditation Board-accredited or -recognized programs. CEAB-recognized programs are those programs located outside of Canada that the CEAB has evaluated and found to be substantially equivalent.

6.10.1.2 Authority

4. The CEQB's authority enables it to assist the Engineers Canada Board in its work. The CEQB may:
 - 4.1. Call upon specialists and establish committees and task forces to assist in carrying out its work.
 - 4.2. Deal directly with organizations and individuals.
 - 4.3. Use staff resource time to provide administrative support for meetings.
 - 4.4. Approve examination syllabi.
 - 4.5. Maintain internal procedures for work such as document development and maintenance, communications, consultations, etc.

6.10.1.3 Restrictions on authorities

5. The CEQB has no authority to:
 - 5.1. Change Engineers Canada Board policies.
 - 5.2. Enter into financial agreements.
 - 5.3. Spend or commit organization funds, unless such funds are specifically allocated by the Engineers Canada Board.

6.10.1.4 Composition

6. The CEQB is composed of the chair, the vice-chair, the past-chair and one member from each of the following regions:
 - British Columbia or the Yukon
 - Alberta, the Northwest Territories, or Nunavut
 - Saskatchewan or Manitoba
 - Ontario
 - Quebec
 - Newfoundland, Prince Edward Island, Nova Scotia, or New Brunswick
7. The CEQB is also composed of a minimum of six members-at-large. The total number of members is subject to the current and anticipated future workload as articulated the work plan.
8. All members of the CEQB must be licensed engineers in Canada.
9. Ten members constitute a quorum.
10. The chair, the vice-chair, and the past-chair constitute the Executive Committee of the CEQB.

11. The membership of the Qualifications Board shall ideally be composed of:
 - 1/3 of its members either currently or formerly employed as a faculty member at a higher education institution; and
 - 2/3 of its members either currently or formerly engaged in the practice of professional engineering as described below
12. For the portion of the membership that is from outside of the field of academia, consideration should be given to candidates having one or more of the following attributes:
 - Experience in the technical review of professional engineering work prepared by others
 - Experience in the hiring, supervision, mentorship, or development of engineers-in-training or recently licensed engineers
 - Experience as an employee of a government agency, crown corporation, or regulatory authority, in the review and/or approval of professional engineering work prepared by others
13. In the selection of members for the CEQB, consideration is given to appointing individuals who are serving or have served on a board of examiners (or its equivalent) and to maintaining representation from various engineering disciplines.
14. In the selection of members for the CEQB, every reasonable effort shall be made to achieve a membership that reflects the diversity objectives as established by Policy 8.2 of the Engineers Canada Board.
15. Two directors of the Engineers Canada Board shall be appointed to the CEQB by the Board.
16. A member of the CEAB may be appointed as a non-voting participant to the CEQB. In addition, the CEQB may invite observers to its meetings.
17. The CEQB secretary is appointed by the CEO. The secretary supports the CEQB and is a non-voting participant in meetings of the CEQB and its subcommittees.

6.10.1.5 Term limits

18. The term of appointment to the CEQB shall be for a period of three (3) years. Members may, subject to the approval of the Engineers Canada Board, be reappointed for an additional three-year term, for a total of up to six (6) years of total service.
19. The foregoing term limits shall not apply to a member who is elected or confirmed, as applicable, to hold office as vice-chair, chair, or past-chair prior to the expiration of their second term, in which case they may continue until they have finished serving as past-chair.
20. The Engineers Canada Board may, under exceptional circumstances, extend the term of appointment for a member of the CEQB beyond the six-year limit, up to a maximum of nine (9) years

total service on the committee. For such an extension to be considered, the rationale must be provided to the Engineers Canada Board.

21. The term of office for the positions of vice-chair, chair, and past-chair of the CEQB shall be for one (1) year.

6.10.1.6 Planning

22. The CEQB is responsible for the preparation of a work plan and a volunteer plan and will operate within those plans.
23. The plans must be submitted annually to the Engineers Canada Board for approval.
24. The number of members on the CEQB shall be based on the anticipated workload as reflected in the work plan.

6.10.2 Role of the chair of the CEQB

The chair of the CEQB is crucial to the success of Engineers Canada. They are directly accountable to the Engineers Canada Board for the achievements of the CEQB.

6.10.2.1 Responsibilities

The chair works closely with the secretariat and other Engineers Canada staff, and provides leadership to the CEQB in the delivery of valuable services, products, and tools for the engineering regulators. They are responsible for:

25. Chairing meetings and setting their agenda.
26. Chairing their Executive Committee and participating on the Nominating Subcommittee.
27. Developing the volunteer and recruitment plans, with support from the secretariat.
28. Developing, monitoring, and delivering on the work plan, with support from the secretariat.
29. Developing the budget (with support from the secretariat) and working with the Engineers Canada CEO to deliver on their work plan within the Board-approved budget and resource constraints.
30. Working with the Engineers Canada CEO and the secretariat to develop interim performance assessment reports and the annual performance report for the Engineers Canada Board and the regulators.
31. Attending meetings of the Engineers Canada Board and providing reports at those meetings.
32. Contributing to the development, implementation, and achievement of Engineers Canada's strategic plan.
33. Being knowledgeable of and working to support the delivery of the work of the CEQB.

34. Ensuring that members behave consistently within their own rules and those imposed upon it from the Engineers Canada Board including:
 - 34.1. Directing deliberations so they are timely, fair, orderly, thorough, and efficient; and
 - 34.2. Endeavoring to establish consensus on issues and objectives.
35. Addressing issues arising with and between CEQB members.

6.10.2.2 Competencies

To deliver on these responsibilities, the chair should demonstrate the following skills, knowledge, and abilities:

36. Demonstrated knowledge of engineering regulation and practice;
37. Ability to build consensus and foster a national perspective;
38. Understanding and working within the Engineers Canada governance model;
39. Understanding broader strategic context and application of processes;
40. Communications skills and relationship management within the CEQB and with key external stakeholders including the Engineers Canada Board, the CEAB, the regulators, the CEO Group, the officials groups, and Engineers Canada staff; and
41. Work ethic, commitment, and ability to meet deadlines.

6.10.3 Process to appoint members to the CEQB

6.10.3.1 General requirements

42. The CEQB shall produce and maintain a volunteer plan that is used as the basis for the preparation of a recruitment plan.
43. The CEQB shall produce and maintain a work plan that includes a list of the ongoing work and identifies the volunteer resources needed to accomplish the work.
44. The CEQB shall maintain a table of their members indicating appointment dates and positions. This information shall be used as the basis for the preparation of a recruitment plan that identifies the desired profiles for new appointments.
45. The recruitment plan shall be made available as a public document.
46. The Nominating Subcommittee shall ensure that regulators have sufficient time to process potential candidate requests within their own jurisdictional policies and procedures.
47. The Nominating Subcommittee shall not consider, nor recommend to the Engineers Canada Board, any candidates who do not receive the support of their regulator(s).

48. The procedures outlined below shall be followed in the order they are written.
49. All appointments to the CEQB shall be subject to the approval of the Engineers Canada Board.

6.10.3.2 Nominating Subcommittee

50. The Nominating Subcommittee of the CEQB shall consist of the chair, past-chair, and the two director appointees. The senior director appointee shall serve as chair of the Nominating Subcommittee.
51. The director appointees shall have voting privileges on the Nominating Subcommittee. All candidates must receive majority support of Nominating Subcommittee. Any tied vote of the Nominating Subcommittee is a failed motion.
52. All information considered by the Nominating Subcommittee shall be kept confidential.

6.10.3.3 New Appointments

Members from the regions

53. Each regulator in the region shall be provided with the desired profile of the candidate(s) being sought.
54. Each regulator within the region shall be asked to provide the names of up to three (3) candidates whom they would support for the position. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.
55. The Nominating Subcommittee shall select from amongst the candidates that the regulators provide, the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
56. The Nominating Subcommittee shall contact the candidate to confirm their willingness to serve if they are appointed by the Engineers Canada Board.
57. The Nominating Subcommittee shall recommend the willing selected candidate to the Engineers Canada Board.

Members-at-large

58. All of the regulators shall be provided with the desired profile of the candidate(s) being sought.
59. Each regulator shall be invited to submit the names of candidates they would support for the position. The regulators may submit as many names as they like. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.
60. The Nominating Subcommittee shall also prepare and publish a call for expressions of interest which shall be posted on Engineers Canada's website and in its newsletter, and distributed to other, relevant stakeholders, as identified by the Nominating Subcommittee. The call for expressions of interest shall include the desired profile of the candidates being sought.

61. The names of all candidates submitted to the Nominating Subcommittee by groups or individuals other than the regulators shall be forwarded to all regulators where the candidate is licensed, and those regulators shall be asked to identify which of those candidates they would support for the position.
62. The Nominating Subcommittee shall select from amongst the candidates supported by the regulators, the candidate(s) who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
63. The Nominating Subcommittee shall contact the candidate(s) to confirm their willingness to serve if they are appointed by the Engineers Canada Board.
64. The Nominating Subcommittee shall recommend the willing selected candidate(s) to the Engineers Canada Board.
65. The Nominating Subcommittee shall contact all unsuccessful candidates to thank them for their expression of interest, explain the selection process, and indicate that their expression of interest shall be retained for consideration in case of any future vacancies.

6.10.3.4 Re-appointments

66. When considering whether to recommend the re-appointment of a current member for an additional term, the Nominating Subcommittee shall base its decision on the needs identified in the volunteer plan, including the desired profile and the past performance of the member.
67. The secretariat shall contact all members who are eligible for re-appointment to ask if they are willing to serve for another term, if selected. This message shall explain the process for re-appointment and clearly state that members may or may not be renewed based on many considerations as outlined in the process.
68. The secretariat shall forward to the Nominating Subcommittee the names of all members who are interested in standing for re-appointment.
69. The Nominating Subcommittee shall consider the performance of each member interested in re-appointment against the profile established in the volunteer plan and decide if the re-appointment is justified.
70. The Nominating Subcommittee shall distribute to all regulators, annually, a list of the members licensed in their jurisdiction, and their current term. For those members whose terms are expiring and who are eligible for re-appointment, the Nominating Subcommittee shall also indicate if they are willing to serve and if the Nominating Subcommittee recommends re-appointment based on past performance.
71. The regulator shall be asked to indicate whether it would support the re-appointment of the member to the position. The regulator does not need to provide any reasons for its decision.
72. If regulator support is not forthcoming, the member shall be informed that their term shall end without renewal and they shall be thanked for their service. This message shall include a list of all potential reasons for non-renewal.

73. If the regulator supports the re-appointment, the Nominating Subcommittee shall then recommend the candidate to the Engineers Canada Board.

6.10.3.5 Vacancies

74. In the event of a vacancy occurring on the CEQB prior to the completion of a term of office, the Nominating Subcommittee shall select from amongst the list of candidates provided by the regulators and from those candidates who have received confirmation of support from their regulators, that were compiled during the previous most recent nomination cycles for the position in question.
75. Where no list of previous candidates who have received the support of their regulator exists for the vacated position, the Nominating Subcommittee shall follow the procedure for new appointments.
76. The Nominating Subcommittee shall select the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
77. The Nominating Subcommittee shall recommend the selected candidate to the Engineers Canada Board.
78. The term of appointment shall be for the balance of the vacated term. In the event that a member is temporarily unable to serve, the term of appointment of the replacement will be for the period of absence of the original member.

6.10.4 Process to appoint members to the CEQB Executive Committee

79. The members of the CEQB Executive Committee are the chair, vice-chair, and past-chair.
80. The Engineers Canada Board shall approve all appointments to the CEQB Executive Committee.
81. The vice-chair automatically ascends to the position of chair, subject to the approval of the Engineers Canada Board. The chair automatically becomes past-chair following completion of their term, subject to the approval of the Engineers Canada Board.

6.10.4.1 Nominating

82. The Nominating Subcommittee shall be responsible for conducting the nominations and elections process for the position of vice-chair and any other vacancies that arise on the Executive Committee.
83. The Nominating Subcommittee shall, wherever possible, seek more than one candidate for the position of vice-chair, and any other vacancies that arise on the Executive Committee.
84. The chair of the Nominating Subcommittee shall issue an invitation to all members of the CEQB to declare their willingness to be considered for election to position of vice-chair, not less than two months prior to the date of elections.
85. Members willing to stand for election shall first confirm support from their home regulator. They must confirm their willingness and their regulator's support in writing to the Nominating Subcommittee, not less than one month prior to the date of election.

86. Where no declarations of willingness are received, the Nominating Subcommittee shall determine how to fill the position(s).
87. The names of all candidates for the position of vice-chair shall be distributed to the members of the CEQB at least two (2) weeks prior to the date of election.

6.10.4.2 Elections

88. Elections to the position of vice-chair shall be determined by secret ballot voting by the voting members of the CEQB.
89. Each member at the meeting may cast one vote. Proxy votes are not allowed.
90. For all ballots, the chair of the Nominating Subcommittee (who is the senior director appointee) will cast one vote and place it in a sealed envelope. The director appointee's vote shall be counted only in the case of a tied vote.
91. The secretary of the CEQB shall act as the scrutineer and shall collect and count votes and destroy them after the election.
92. If only one candidate is nominated for the position of vice-chair, members shall vote and confirm their support for the candidate by secret ballot, indicating "yea" or "nay".
93. If the majority of the votes cast indicate "yea," that candidate shall be declared elected.
94. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.
95. If the majority of votes indicate "nay," the Nominating Subcommittee shall seek new candidates and a new vote shall be conducted. The unsuccessful candidate shall not be eligible to stand for election for this re-vote.
96. If no other candidate is willing to let their name stand, the matter shall be referred to the Engineers Canada Board who shall have the authority to appoint someone, or to take whatever other action that they see fit to resolve the matter.
97. If more than one candidate is nominated for the position of vice-chair, the members shall vote and indicate their (one) preferred candidate by secret ballot.
98. The candidate who receives the greatest number of votes cast shall be declared elected.
99. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.

6.10.5 Engineers Canada appointments to the CEQB

The Board appoints two directors to the CEQB to act as "director appointees". Director appointees serve for a two-year term and are appointed in alternate years to ensure continuity.

6.10.5.1 Responsibilities of the director appointees

The director appointees are the Engineers Canada Board's representatives on the CEQB. They serve a key role in helping the Engineers Canada Board to meet their responsibilities to:

“hold itself, its directors and its direct reports accountable” (Board responsibility #1)

“provide ongoing and appropriate strategic direction” (Board responsibility #3).

100. Director appointees shall attend all meetings of the CEQB.
101. Director appointees provide advice and guidance to the CEQB regarding the strategic plan, Engineers Canada Board policy and direction.
102. Director appointees provide advice and guidance to the Engineers Canada Board on the work of the CEQB, and the performance of the chair.
103. The senior Director Appointee serves as the chair of the Nominating Subcommittee.

6.10.5.2 Authority of the director appointees

104. The director appointees shall have voting rights on the CEQB.

105. Engineers Canada director appointees may attend meetings of the subcommittees of CEQB as observers.

6.10.5.3 Restrictions on the director appointees

106. The chair of the CEQB reports to the Board as a whole. Director appointees have no authority to direct the CEQB.

6 Engineers Canada Board committees and task forces

6.10 Canadian Engineering Qualifications Board (CEQB)

Date of adoption: April 9, 2018 (Motion #5693)

Review period: Annual

Date of latest amendment: (Motion #)

Date last reviewed:

6.10.1 Terms of reference

The CEQB enhances the Engineers Canada Board's effectiveness and efficiency on matters related to qualifications for, and the practice of, engineering.

6.10.1.1 Purpose/products

1. The CEQB ~~promotes the establishment of consistent practices and shared programs~~ provides services and tools that: enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada for the regulation of the practice of engineering.
2. The CEQB provides rResearch, ~~national~~ guidelines, white papers and other guidance related to:
 - 2.1. Admissions
 - 2.2. Foreign credential recognition
 - 2.3. The professional practice examination
 - 2.4. Engineers-in-training
 - 2.5. Continuing competence and professional development
 - 2.6. Practice of engineering
 - 2.7. Sustainability and the environment
 - 2.8. The code of ethics
 - 2.9. Other issues of national importance as identified by the regulators

All work is developed in cooperation with the regulators.

3. The CEQB maintains the Uniform Syllabus of Examinations for candidates from other than Accreditation Board-accredited or -recognized programs. CEAB-recognized programs are those programs located outside of Canada that the CEAB has evaluated and found to be substantially equivalent.
 - ~~3.1. Information for the Board and committees, and regulators on matters pertaining to registration and the practice of engineering in Canada.~~
 - ~~3.2. Communication, mutual understanding and collaboration with targeted industry sectors and other employers of engineers on issues related to qualifications, licensing requirements and continuing professional development of engineers.~~
 - ~~3.3. Information for the Board and committees, and regulators on emerging areas of engineering practice.~~
 - ~~3.4. Information to the Board and committees, and the Engineers Canada regulators on trends, emergent issues and future directions related to the practice of engineering.~~

6.10.1.2 Authority

4. The CEQB's authority enables it to assist the Engineers Canada Board in its work. The CEQB may:
 - 4.1. Call upon specialists and establish committees and task forces to assist in carrying out its work.
 - 4.2. Deal directly with organizations and individuals.
 - 4.3. Use staff resource time to provide administrative support for meetings.
 - 4.4. Approve examination syllabi.

4.4.4.5. Maintain internal procedures for work such as document development and maintenance, communications, consultations, etc. *6.10.1.3 Restrictions on authorities*

5. The CEQB has no authority to:
 - 5.1. Change Engineers Canada Board policies.
 - 5.2. Enter into financial agreements.
 - ~~5.2. Spend or commit organization funds, unless such funds are specifically allocated by the Engineers Canada Board.~~
 - ~~Exercise jurisdiction over the regulators or their registration committees or boards of examiners.~~

~~5.3. Permit individuals who are not members of QB to vote at QB meetings.~~

6.10.1.4 Composition

6. The CEQB is composed of the chair, the vice-chair, the past-chair and one member from each of the following regions~~from~~:
 - British Columbia or the Yukon
 - Alberta, the Northwest Territories or Nunavut
 - Saskatchewan or Manitoba
 - Ontario • Quebec
 - Newfoundland, Prince Edward Island, Nova Scotia or New Brunswick
7. The CEQB is also composed of a minimum of six members-at-large. The total number of members is subject to the current and anticipated future workload as articulated ~~on the~~the work plan ~~(see policy 6.2 section 1.2).~~
8. All members of the CEQB must be registered-licensed engineers in Canada.
9. ~~Seven~~Ten members constitute a quorum.
10. The chair, the vice-chair, and the past-chair constitute the Executive Committee of the CEQB.
11. The membership of the Qualifications Board shall ideally be composed of:
 - 1/3 persons of its members either currently or formerly employed as a faculty member at a higher education institution; and
 - 2/3 persons of its members either currently or formerly engaged in the practice of professional engineering as described below
12. For the portion of the membership that is from outside of the field of academia, consideration should be given to ~~seek~~ candidates having one or more of the following attributes:
 - ~~Experience as an employee of a government agency, crown corporation, or regulatory authority, in the review and/or approval of professional engineering work prepared by others.~~
 - Experience in the technical review of professional engineering work prepared by others.
 - Experience in the hiring, supervision, mentorship, or development of engineers-in-training or recently licensed engineers
 - Experience as an employee of a government agency, crown corporation, or regulatory authority, in the review and/or approval of professional engineering work prepared by others

13. In the selection of members for the CEQB, consideration is given to appointing individuals who are serving or have served on a Board of examiners (or its equivalent) and to maintaining representation from various engineering disciplines.

~~13-14.~~ In the selection of members for the CEQB, every reasonable effort shall be made to achieve a membership that reflects the diversity objectives as established by Policy 8.2 of the Engineers Canada Board.

~~14-15. Two directors of the Engineers Canada Board shall be appointed to the CEAB by the Board. Two director appointees, appointed by the Engineers Canada Board, shall be appointed as members of the CEQB.~~

~~15-16.~~ A member of the CEAB may be appointed as a non-voting participant~~s~~ to the CEQB. In addition, the CEQB may invite observers to its meetings, ~~but such observers have no vote.~~

~~16.~~ The CEQB secretary is appointed by the CEO. The secretary supports the CEQB and is a non-voting participant in meetings of the CEQB and its subcommittees.

~~17. In the selection of members for the CEQB, consideration is given to appointing individuals who are serving or have served on a Board of examiners (or its equivalent) and to maintaining representation from various engineering disciplines. Every effort will be made to reflect the diversity of the membership of the engineering profession.~~

~~18-17.~~

6.10.1.5 Term limits

~~19-18.~~ The term of appointment to the CEQB shall be for a period of three (3) years. Members may, subject to the approval of the Engineers Canada Board, be reappointed for an additional three-year term, for a total of up to six (6) years of total service.

~~19. The foregoing term limits shall not apply to a member who is elected or confirmed, as applicable, to hold office as ~~V~~vice-~~C~~chair, ~~C~~chair or ~~p~~Past-~~c~~Chair prior to the expiration of their second term, in which case they may continue until they have finished serving as Past-Chair.~~

~~20.~~ The Engineers Canada Board may, under exceptional circumstances, extend the term of appointment for a member of the CEQB beyond the six-year limit, up to a maximum of nine (9) years total service on the committee. For such an extension to be considered, the rationale must be provided to the Engineers Canada Board.

~~21.~~ The term of office for the positions of ~~V~~vice-~~C~~chair, Chair and ~~p~~Past~~V~~ice-~~C~~Chair-~~c~~chair of the CEQB shall be for one (1) year.

~~22-21.~~

6.10.1.6 Planning

23-22. The CEQB is responsible for the preparation of a work plan and a volunteer management plan and will operate within those plans.

24-23. The plans must be submitted annually to the Engineers Canada Board for approval.

25-24. The number of members on the CEQB shall be based on the anticipated workload as reflected in the work plan.

6.10.2 Role of the Chair of the CEQB

The chair of the CEQB is crucial to the success of Engineers Canada. They are directly accountable to the Engineers Canada Board for the achievements of the CEQB.

6.10.2.1 Responsibilities

The Chair works closely with the Secretariat and other Engineers Canada staff, and provides leadership to the CEQB in the delivery of valuable services, products and tools for the engineering regulators. They are responsible for:

25. Chairing meetings and setting their agenda.

26. Chairing their Executive Committee and participating on the Nominating Subcommittee.

27. Developing the volunteer and recruitment plans, with support from the Secretariat.

28. Developing, monitoring and delivering on the work plan, with support from the Secretariat.

29. Developing the budget (with support from the Secretariat) and working with the Engineers Canada CEO to deliver on their work plan within the Board-approved budget and resource constraints.

30. Working with the Engineers Canada CEO and the Secretariat to develop interim performance assessment reports and the annual performance report for the Engineers Canada Board and the regulators.

31. Attending meetings of the Engineers Canada Board and providing reports at those meetings.

32. Contributing to the development, implementation and achievement of Engineers Canada's Strategic Plan.

33. Being knowledgeable of and working to support the delivery of the work of the CEQB.

34. Ensuring that members behave consistently within their own rules and those imposed upon it from the Engineers Canada Board including:

34.1. Directing deliberations so they are timely, fair, orderly, thorough and efficient; and

34.2. Endeavoring to establish consensus on issues and objectives.

35. Addressing issues arising with and between CEQB members.

6.10.2.2 Competencies

To deliver on these responsibilities, the Chair should demonstrate the following skills, knowledge and abilities:

36. Demonstrated knowledge of engineering regulation and practice;

37. Ability to build consensus and foster a national perspective;

38. Understanding and working within the Engineers Canada governance model;

39. Understanding broader strategic context and application of processes;

40. Communications skills and relationship management within the CEQB and with key external stakeholders including the Engineers Canada Board, the CEAB, the regulators, the CEO Group, the officials' groups and Engineers Canada staff; and

41. Work ethic, commitment and ability to meet deadlines.

6.10.3 Process to Appoint Members to the CEQB

6.10.3.1 General Requirements

42. The CEQB shall produce and maintain a volunteer plan that is used as the basis for the preparation of a recruitment plan.

43. The CEQB shall produce and maintain a work plan that includes a list of the ongoing work and identifies the volunteer resources needed to accomplish the work.

44. The CEQB shall maintain a table of their members indicating appointment dates and positions. This information shall be used as the basis for the preparation of a recruitment plan that identifies the desired profiles for new appointments.

45. The recruitment plan shall be made available as a public document.

46. The Nominating Subcommittee shall ensure that regulators have sufficient time to process potential candidate requests within their own jurisdictional policies and procedures.

47. The Nominating Subcommittee shall not consider, nor recommend to the Engineers Canada Board, any candidates who do not receive the support of their regulator(s).

48. The procedures outlined below shall be followed in the order they are written.

49. All appointments to the CEQB shall be subject to the approval of the Engineers Canada Board.

6.10.3.2 Nominating Subcommittee

50. The Nominating Subcommittee of the CEQB shall consist of the cChair, Ppast-Cchair, and the two Ddirector Aappointees. The Ssenior Ddirector Aappointee shall serve as Cchair of the Nominating Subcommittee.

51. The Ddirector Aappointees shall have voting privileges on the Nominating Subcommittee. All candidates must receive majority support of Nominating Subcommittee. Any tied vote of the Nominating Subcommittee is a failed motion.

52. All information considered by the Nominating Subcommittee shall be kept confidential.

6.10.3.3 New Appointments

Members from the regions

53. Each regulator in the region shall be provided with the desired profile of the candidate(s) being sought.

54. Each regulator within the region shall be asked to provide the names of up to three (3) candidates whom they would support for the position. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.

55. The Nominating Subcommittee shall select from amongst the candidates that the regulators provide, the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.

56. The Nominating Subcommittee shall contact the candidate to confirm their willingness to serve if they are appointed by the Engineers Canada Board.

57. The Nominating Subcommittee shall recommend the willing selected candidate to the Engineers Canada Board. **Members at large**

58. All of the regulators shall be provided with the desired profile of the candidate(s) being sought.

59. Each regulator shall be invited to submit the names of candidates they would support for the position. The regulators may submit as many names as they like. The regulators shall be asked to indicate their preference, or the rank of all candidates, if desired. All information will be considered in confidence by the Nominating Subcommittee.

60. The Nominating Subcommittee shall also prepare and publish a call for expressions of interest which shall be posted on Engineers Canada's website and in its newsletter, and distributed to other,

relevant stakeholders, as identified by the Nominating Subcommittee. The call for expressions of interest shall include the desired profile of the candidates being sought.

61. The names of all candidates submitted to the Nominating Subcommittee by groups or individuals other than the regulators shall be forwarded to all regulators where the candidate is licensed and those regulators shall be asked to identify which of those candidates they would support for the position.
62. The Nominating Subcommittee shall select from amongst the candidates supported by the regulators, the candidate(s) who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
63. The Nominating Subcommittee shall contact the candidate(s) to confirm their willingness to serve if they are appointed by the Engineers Canada Board.
64. The Nominating Subcommittee shall recommend the willing selected candidate(s) to the Engineers Canada Board.
65. The Nominating Subcommittee shall contact all unsuccessful candidates to thank them for their expression of interest, explain the selection process, and indicate that their expression of interest shall be retained for consideration in case of any future vacancies.

6.10.3.4 Re-appointments

66. When considering whether to recommend the re-appointment of a current member for an additional term, the Nominating Subcommittee shall base their decision on the needs identified in the volunteer plan, including the desired profile, and the past performance of the member.
67. The Ssecretariat shall contact all members who are eligible for re-appointment to ask if they are willing to serve for another term, if selected. This message shall explain the process for reappointment and clearly state that members may or may not be renewed based on many considerations as outlined in the process.
68. The Ssecretariat shall forward to the Nominating Subcommittee the names of all members who are interested in standing for re-appointment.
69. The Nominating Subcommittee shall consider the performance of each member interested in reappointment against the profile established in the volunteer plan and decide if the re-appointment is justified.
70. The Nominating Subcommittee shall distribute to all regulators, annually, a list of the members licensed in their jurisdiction, and their current term. For those members whose terms are expiring and who are eligible for re-appointment, the Nominating Subcommittee shall also indicate if they are willing to serve and if the Nominating Subcommittee recommends re-appointment based on past performance.

71. The regulator shall be asked to indicate whether ~~they~~it would support the re-appointment of the member to the position. The regulator does not need to provide any reasons for ~~their~~its decision.
72. If regulator support is not forthcoming, the member shall be informed that their term shall end without renewal and they shall be thanked for their service. This message shall include a list of all potential reasons for non-renewal.
73. If the regulator supports the re-appointment, the Nominating Subcommittee shall then recommend the candidate to the Engineers Canada Board.

6.10.3.5 Vacancies

74. In the event of a vacancy occurring on the CEQB prior to the completion of a term of office, the Nominating Subcommittee shall select from amongst the list of candidates provided by the regulators and from those candidates who have received confirmation of support from their regulators, that were compiled during the previous most recent nomination cycles for the position in question.
75. Where no list of previous candidates who have received the support of their regulator exists for the vacated position, the Nominating Subcommittee shall follow the procedure for new appointments.
76. The Nominating Subcommittee shall select the candidate who, in the Nominating Subcommittee's opinion, would best fit the desired profile.
77. The Nominating Subcommittee shall recommend the selected candidate to the Engineers Canada Board.
78. The term of appointment shall be for the balance of the vacated term. In the event that a member is temporarily unable to serve, the term of appointment of the replacement will be for the period of absence of the original member.

6.10.4 Process to appoint members to the CEQB Executive Committee

79. The members of the CEQB Executive Committee are the Chair, Vice-Chair, and Past-Chair.
80. The Engineers Canada Board shall approve all appointments to the CEQB Executive Committee.
81. The ~~V~~vice-~~C~~chair automatically ascends to the position of ~~C~~chair, subject to the approval of the Engineers Canada Board. The ~~C~~chair automatically becomes ~~P~~past-~~C~~chair following completion of their term, subject to the approval of the Engineers Canada Board.

6.10.4.1 Nominating

82. The Nominating Subcommittee shall be responsible for conducting the nominations and elections process for the position of ~~V~~vice-~~C~~chair, and any other vacancies that arise on the Executive Committee.

83. The Nominating Subcommittee shall, wherever possible, seek more than one candidate for the position of Vice-Chair, and any other vacancies that arise on the Executive Committee.
84. The Chair of the Nominating Subcommittee shall issue an invitation to all members of the CEQB to declare their willingness to be considered for election to position of Vice-Chair, not less than two months prior to the date of elections.
85. Members willing to stand for election shall first confirm support from their home regulator. They must confirm their willingness and their regulator's support in writing to the Nominating Subcommittee, not less than one month prior to the date of election.
86. Where no declarations of willingness are received, the Nominating Subcommittee shall determine how to fill the position(s).
87. The names of all candidates for the position of Vice-Chair shall be distributed to the members of the CEQB at least two (2) weeks prior to the date of election.

6.10.4.2 Elections

88. Elections to the position of Vice-Chair shall be determined by secret ballot voting by the voting members of the CEQB.
89. Each member at the meeting may cast one vote. Proxy votes are not allowed.
90. For all ballots, the Chair of the Nominating Subcommittee (who is the senior Director Appointee) will cast one vote and place it in a sealed envelope. The Director Appointee's vote shall be counted only in the case of a tied vote.
91. The Secretary of the CEQB shall act as the scrutineer and shall collect and count votes and destroy them after the election.
92. If only one candidate is nominated for the position of Vice-Chair, members shall vote and confirm their support for the candidate by secret ballot, indicating "yea" or "nay".
93. If the majority of the votes cast indicate "yea," that candidate shall be declared elected.
94. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.
95. If the majority of votes indicate "nay," the Nominating Subcommittee shall seek new candidates and a new vote shall be conducted. The unsuccessful candidate shall not be eligible to stand for election for this re-vote.
96. If no other candidate is willing to let their name stand, the matter shall be referred to the Engineers Canada Board who shall have the authority to appoint someone, or to take whatever other action that they see fit to resolve the matter.
97. If more than one candidate is nominated for the position of Vice-Chair, the members shall vote and indicate their (one) preferred candidate by secret ballot.

98. The candidate who receives the greatest number of votes cast shall be declared elected.

99. In the event of a tie, the scrutineer shall open the sealed ballot and use the vote therein.

6.10.5 Engineers Canada appointments to the CEQB

The Board appoints two directors to the CEQB to act as “Director Appointees”. Director Appointees serve for a two-year term and are appointed in alternate years to ensure continuity.

6.10.5.1 Responsibilities of the Director Appointees

The Director Appointees are the Engineers Canada Board’s representatives on the CEQB, and are full members of the CEQB. They serve a key role in helping the Engineers Canada Board to meet their responsibilities to:

“hold itself, its directors and its direct reports accountable” (Board responsibility #1)

“provide ongoing and appropriate strategic direction” (Board responsibility #3).

100. Director Appointees shall attend all meetings of the CEQB.

101. Director Appointees provide advice and guidance to the CEQB regarding the strategic plan, Engineers Canada Board policy and direction.

102. Director Appointees provide advice and guidance to the Engineers Canada Board on the work of the CEQB, and the performance of the Chair.

103. The Senior Director Appointee serves as the Chair of the Nominating Subcommittee.

6.10.5.2 Authority of the Director Appointees

104. The director appointees shall have voting rights on the CEQB. The Director Appointees are members of the CEQB, with all rights, privileges and responsibilities of membership.

105. Engineers Canada Director Appointees may attend meetings of the subcommittees of CEQB as observers.

6.10.5.3 Restrictions on the Director Appointees

106. The Chair of the CEQB reports to the Board as a whole. Director Appointees have no authority to direct the CEQB.

BRIEFING NOTE: For decision

Appointment of the 2019-2020 Human Resources Committee		5
Purpose:	To provide a mechanism to appoint the first Human Resources Committee in May 2019.	
Link to the Strategic Plan:	Board Responsibility 1: Accountability Board Responsibility 4: Board policies <i>Implementation of the Governance 2.0 improvements</i>	
Motion(s) to consider:	<i>THAT the outgoing 2018-2019 president, past-president and president-elect be authorized to establish the membership of the first 2019-2020 Human Resources Committee.</i>	
Vote required to pass:	Simple majority	
Transparency:	Open session	
Prepared by:	Stephanie Price, Executive VP Regulatory Affairs and Corporate Secretary	
Presented by:	Russ Kinghorn, Past-president	

Problem/issue definition

- The Governance 2.0 recommendations have received support from the regulators.
- One of those recommendations is to establish a new Human Resources (HR) Committee, which would combine the roles of the existing Executive and Compensation committees.
- The membership of the HR Committee is proposed to include the president-elect, the president, the past-president and two other directors.
- The HR Committee will be responsible for the nomination of directors for all Board committees and appointments, including to future HR Committees. The full Board has authority for the actual appointments to all committees (the Board approves all HR Committee nominations).
 - The outgoing HR Committee will, annually, nominate three directors for the incoming HR Committee, designating two as “member” and one as “alternate member.” The alternate member will only serve if one of the two proposed members is selected as president-elect.
 - In the first year of its existence, there is currently no means to nominate the directors for the HR Committee.

Proposed action/recommendation

- For the 2019-2020 HR Committee it is proposed that the current 2018-2019 president, president-elect and past-president fulfill the normal role of the full HR Committee and nominate three directors. These directors would be approved at the May 24, 2019 Board meeting.

- At the May 24, 2019 meeting the Board would approve a new policy to bring the HR Committee into existence, select a new president-elect, and appoint the members of the HR Committee based on nominations from the 2018-2019 president, president-elect and past-president.
- Following the May 25, 2019 Members meeting (after the bylaws are amended to remove the requirement for an executive committee), the new HR Committee would meet to establish the membership of all other Board committees.

Other options considered:

- Having the Executive Committee nominate the new HR Committee was considered; however, the option presented herein was deemed to provide the greatest continuity and similarity to the ongoing process that will be established.

Risks

- Failing to establish a method to set the membership of the first Human Resources Committee will leave us without a method to set Board committees for the 2019-2020 period.

Financial implications

- None

Benefits

- Approving this one-time exception will provide clarity for the upcoming May 24, 2019 Board meeting.

Consultation

- Staff and the president, president-elect and past-president were consulted and contributed to this proposed motion.

Next steps (if motion approved)

- All directors to be surveyed about their interests for 2019-2020 committee participation.
- President, president-elect and past-president to meet and nominate two directors and one alternate for the 2019-2020 Human Resources Committee.

Appendices

- None

BRIEFING NOTE: For decision

Changes to the Engineers Canada Bylaws		6
Purpose:	To recommend to the Members that the bylaws be modified to implement the Governance 2.0 improvements and provide greater flexibility for staff hiring.	
Link to the Strategic Plan:	Board Responsibility 1: Accountability Board Responsibility 4: Board policies <i>Implementation of the Governance 2.0 improvements</i>	
Motion(s) to consider:	THAT the Board recommend modifications to the Engineers Canada Bylaws to the Members.	
Vote required to pass:	Two-thirds majority As per article 5.8 d) of the bylaws : 5.8 Board Recommendations <i>The Board shall submit recommendations to the Members on the following matters, by a vote passed by a majority of not less than two-thirds of the votes cast, provided that no decision in respect thereof shall have any force or effect until approved by the Members in accordance with section 3.4 of this By-law:</i> <i>d) Amendment or repeal of the Articles of Continuance (which includes changes to Engineers Canada’s name and purposes) or By-law.</i>	
Transparency:	Open session	
Prepared by:	Stephanie Price, Executive VP Regulatory Affairs and Corporate Secretary	
Presented by:	Russ Kinghorn, Chair of the Governance Committee	

Problem/issue definition

Part 1 – Governance 2.0 recommendations:

- The Governance 2.0 recommendations have received regulator support and are partially implemented in Board policy.
- Full implementation of the recommendations will require the dissolution of the Executive Committee.
- The Executive Committee is documented in Section 6 the [bylaws](#), so before the Board can rescind this policy (Executive Committee Terms of Reference), the members must agree to remove this section of the [bylaws](#) and another reference to the Executive Committee in Section 5 of the [bylaws](#).

Part 2 – Officers of Engineers Canada

- Article 7.1 of the [bylaws](#) names the officers of Engineers Canada who are: the president, the president-elect, the past president, the chief executive officer, and the secretary.
- Article 7.2 requires that all officers be “a Registrant, in good standing, with one of the Members.”

- Article 4.1 (1) of the [bylaws](#) requires that all member-nominated directors of the Board be “engineers in good standing”.
- Requiring that the CEO and secretary be engineers in good standing unnecessarily restricts the pool of applicants for these positions.

Part 3 - Auditor

- Article 9.1 of the [bylaws](#) states that the members must appoint a chartered professional accountant as auditor of Engineers Canada.
- A typo in the article 9.1 requires the members to do so “at each Meeting of Members”
- In fact, an auditor need only be appointed annually.

Part 4 – Minister of Industry

- Article 4.1 (2), 4.2 (b) and Section 10 of the [bylaws](#) provide for rights for the Minister of Industry which include the nomination of a director to the Engineers Canada Board and the power to review Engineers Canada’s activities and request that Engineers Canada undertake “reasonable activities”.
- These sections were added in 2015. At the time, the following rationale was provided:

This is a new provision providing that the Minister of Industry may appoint a director. This will strengthen our position should our status as a public authority be challenged. Our right to official marks are based on our status as a public authority. The law has changed and we no longer qualify as a public authority as the government has no control over our operations. The addition of this clause is not a guarantee, but will put us in a stronger position to assert that we are still a public authority.
- We have consulted with our trademark and patent agents, and they agree that this provision does not put us in a stronger position for the protection of our official marks.
- Because, the Minister of Industry has been invited to nominate a director but has never done so; and because government appointment processes are lengthy and do not fit well with our other appointments; and because there is no desire for the federal government to review or request work of Engineers Canada, it is proposed that these rights be terminated.
- Note that Section 4.2 of the bylaws was changed by electronic resolution of the Members (email vote) in July 2018 to set the number of directors from the engineering regulators at 23.

Proposed action/recommendation

- Recommend to the Members that they approve revised [bylaws](#) as per the attached.

Other options considered:

- None

Risks

- None

Financial implications

- None

Benefits

- Fully implements all governance improvements, corrects errors, and provides greater flexibility and larger applicant pool for Engineers Canada staff positions.

Consultation

- The Governance Committee relied on the input of Engineers Canada staff in the development of these recommendations.
- Legal counsel at Macera and Jarzyna were consulted on the provisions regarding the Minister of Industry.

Next steps (if motion approved)

- Revised bylaws to be placed before the Members at the May 25, 2019 meeting for their approval.

Appendices

- Revised bylaws: track changes and clean copy versions
- Email from Macera Jarzyna

A By-law relating generally to the business and affairs of ENGINEERS CANADA

BE IT ENACTED as a By-law of Engineers Canada as follows:

1 INTERPRETATION

1.1 Definitions

All terms contained herein and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or Regulations.

"**Act**" means the *Canada Not-For-Profit Corporations Act*, S.C. 2009, c.23, including Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time.

"**Advisor**" means a person appointed by Board policy to make recommendations and/or provide key information to the Board.

"**Board**" means the Board of Engineers Canada comprised of Directors and Advisors.

"**Board members**" means the Directors and Advisors elected or appointed in accordance with this By-law.

"**Chief Executive Officers Group**" means the group comprised of the chief staff officer of each of the Members.

"**Major Capital Project**" means a capital project with a value of more than 10% of the annual operating budget.

"**Member**" means a Member as further defined in Article 2.

"**Per Capita Assessment**" means the annual amount to be paid by each Member as determined by its number of Registrants, as further defined in Article 8.

"**Registrant**" means an individual registered with a Member at December 31, with the exception of applicants and students.

"**Secretary**" is an office held by the Chief Executive Officer of Engineers Canada or such other person appointed by the Board.

"**Special National Initiative**" means any project or program which would require a special assessment of Members or an increase in Per Capita Assessment and any major capital project.

"**Standards**" means accreditation criteria.

"**Strategic Plan**" means the plan to achieve Engineers Canada's envisioned future.

"**2/3-60% Majority**" means a resolution passed by a minimum of two-thirds of the Members voting, who represent a minimum of sixty percent of represented Registrants.

1.2 Interpretation

In the interpretation of this By-law, words in the singular include the plural and *vice-versa*, words in one gender include both genders.

1.3 Language

Equal recognition shall be given to Canada's two official languages in the operation of Engineers Canada. In the event of any inconsistency between the English language text of a By-law or other document and the French language text of such By-law or other document, the English language text shall govern.

2 MEMBERSHIP

2.1 Membership

Each of the following shall be a Member until such time as its status as a Member is withdrawn or terminated as provided herein, namely:

- (a) Association of Professional Engineers and Geoscientists of Alberta (APEGA);
- (b) Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB);
- (c) Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS);
- (d) Association of Professional Engineers and Geoscientists of the Province of Manitoba (APEGM);
- (e) Association of Professional Engineers of Nova Scotia (APENS);
- (f) Association of Professional Engineers of Ontario (PEO);
- (g) Association of Professional Engineers of Yukon (APEY);
- (h) Northwest Territories Association of Professional Engineers and Geoscientists (NAPEG);
- (i) Ordre des ingénieurs du Québec (OIQ);
- (j) The Association of Professional Engineers and Geoscientists of British Columbia (APEGBC);
- (k) The Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL);
- (l) The Association of Professional Engineers of the Province of Prince Edward Island (APEPEI); and
- (m) Other provincial or territorial entities established for the purpose of regulating the practice of engineering in any province or territory of Canada as may be approved by a 2/3-60% majority resolution of the Members.

2.2 Resignation of Membership

A Member may resign from membership by notice in writing to the Secretary not less than twelve months prior to the next following Annual Meeting of Members.

2.3 Termination of Membership

- (1) Membership may be terminated if, at a special meeting of the Members called for such purpose, a resolution is passed terminating such membership, provided that the Member shall be granted the opportunity to be heard at such meeting.
- (2) Notwithstanding a resignation or termination of membership, a Member shall remain liable for payment of outstanding and due Per Capita Assessment up to and including the effective date of the resignation or termination.

3 MEETINGS OF THE MEMBERS

3.1 Notice of Meeting of Members

- (1) Notice of the time and place of a Meeting of Members shall be given to each Member entitled to vote at the meeting and to each Director and the public accountant, if applicable, by telephonic, electronic, or other communication facility during a period of 21 to 35 days before the day on which the meeting is to be held. If a Member requests that the notice be given by non-electronic means, the notice will be sent by mail, courier, or personal delivery.
- (2) A special resolution of the Members is required to make any amendment to this By-law to change the manner of giving notice to Members entitled to vote at a Meeting of Members.

3.2 General and Special Meetings

Other meetings of the Members, whether special or general, may be convened at any time and place by order of the president or the president-elect or by the Board or on request by any Member.

3.3 Error or Omission in Notice

The non-receipt of any notice by any Member or Members shall not invalidate any resolution passed or any proceedings taken at any meeting of Members.

3.4 Votes to Govern at Members' Meetings

Each Member present at a meeting shall have the right to exercise one vote. This vote shall be exercised by the current chair/president of a Member.

- (1) A Member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy.
- (2) All questions arising at a meeting of the Members shall require a resolution passed by at least a 2/3-60% Majority.
- (3) The chair of any meeting of Members shall not have the right to vote thereat and, in case of an equality of votes the chair of the meeting shall have no casting vote and such motion before the Members shall be deemed to be defeated.

3.5 Quorum

- (1) A quorum at any meeting of the Members shall be at least two-thirds of the total number of Members, representing at least sixty percent of the total number of Registrants.
- (2) If a quorum is present at the opening of any meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

3.6 Electronic Voting

Meetings of Members may be held entirely by means of a telephonic, electronic or other communication facility.

3.7 Chair

Meetings of the Members shall be chaired by the president of Engineers Canada or a person chosen by the Members.

4 DIRECTORS AND ADVISORS

4.1 Nomination of Directors

- (1) Each Member shall deliver a list of nominees, who are engineers in good standing, to the Secretary for consideration at the Annual Meeting of Members.
- (2) Only individuals nominated in accordance with this nominations policy are eligible to be a director.

4.2 Composition and Election of Directors

- (a) The number of directors shall not exceed twenty three (23).
- (b) Directors shall be elected on the basis of nominations received as follows:
 - One (1) from the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador;
 - One (1) from the Association of Professional Engineers of Nova Scotia;
 - One (1) from the Association of Professional Engineers of the Province of Prince Edward Island;
 - One (1) from the Association of Professional Engineers and Geoscientists of New Brunswick;
 - Four (4) from l'Ordre des ingénieurs du Québec;
 - Five (5) from the Association of Professional Engineers of Ontario;
 - One (1) from the Association of Professional Engineers and Geoscientists of the Province of Manitoba;
 - One (1) from the Association of Professional Engineers and Geoscientists of Saskatchewan;
 - Four (4) from the Association of Professional Engineers and Geoscientists of Alberta;
 - Two (2) from the Association of Professional Engineers and Geoscientists of British Columbia;
 - One (1) from the Association of Professional Engineers of Yukon;
 - One (1) from the Northwest Territories Association of Professional Engineers and Geoscientists; and

4.3 Advisors

- (1) The Board may establish policy to appoint persons as Advisors.
- (2) Advisors shall, upon invitation by the Board, be entitled to attend and participate in discussions at meetings of the Board, in whole or in part (as determined by the Board), but shall not have the right to vote thereat.
- (3) Advisors may perform such other duties as shall from time to time be requested by the Board.

4.4 Remuneration and Expenses

- (1) Board members shall serve without remuneration.
- (2) Board members shall not receive any financial gain by virtue of serving as a Board member.
- (3) Board members may be reimbursed for reasonable expenses incurred in the performance of duties.

4.5 Filling Vacancies

A vacancy occurring in the Board shall be filled by the Members from a list of nominees from the Member that nominated the director who has left the Board and the director appointed to fill the vacancy shall hold office for the remainder of the term of the director who left the Board.

4.6 Term Limits

- (1) Directors shall be elected to the Board for a term of three (3) years.
- (2) No director may be elected to the Board for more than two (2) terms, or a lifetime maximum of six (6) years.
- (3) The foregoing term limits shall not apply to a director who is elected or confirmed, as applicable, to hold office as president-elect, president, or past-president prior to the expiration of their second term, in which case they may continue on the Board until they have finished serving as past-president.
- (4) The Members shall have the authority to extend a director's term beyond those described above, in extenuating circumstances, in order to ensure effective governance.

5 MEETINGS OF THE BOARD

5.1 Number of meetings

The Board shall hold at least one meeting per fiscal year and as many additional meetings as are deemed necessary, for the purpose of transacting the business of Engineers Canada.

5.2 Notice

The president, the president-elect, or any five directors may at any time convene a meeting of the Board.

5.3 Open meetings

- (1) Except as provided for in this section, all meetings shall be open to the Members, Advisors, and invited observers.
- (2) A meeting or part of a meeting may be closed to the Members, Advisors, or invited observers by the chair of the meeting at his or her discretion if the subject matter being considered concerns:
 - (a) the security of Engineers Canada;
 - (b) personal matters about an identifiable individual;
 - (c) the proposed or pending acquisition of assets by Engineers Canada;
 - (d) litigation or potential litigation;
 - (e) the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and
 - (f) any other matter which the Board determines.

5.4 Quorum

- (1) At any meeting of the Board, a majority of the total number of directors shall constitute a quorum. Provided a quorum is present at the beginning of a meeting, the meeting may continue or adjourn even though directors leaving reduce the number to less than a quorum.
- (2) Directors who have declared a conflict of interest on a particular question shall be counted in determining a quorum. Notwithstanding any vacancy among the directors, a quorum of the Board may exercise all the powers of the Board.

5.5 Voting

- (1) Each director shall have one vote at meetings of the Board.

(2) Any question arising at a meeting of the Board shall be decided in accordance with *Robert's Rules of Order*, unless otherwise provided in this By-law.

5.6 Absentee Directors

If a director is absent from a meeting of the Board, the Member that nominated that director may send an observer. Such observer may participate in discussions.

5.7 Approvals Requiring Two-thirds Majority

A Board resolution passed by a majority of not less than two-thirds of the votes cast on that resolution is required to make a decision in respect of the following matters:

- (a) Board Recommendations required in section 5.8;
- (b) Approval of the Budget or any amendments thereto;
- (c) Adoption, amendment, or repeal of any Board policies or procedures;
- (d) Adoption, amendment, or repeal of Standards;
- (e) Board decisions in respect of any litigious or potentially litigious matters that may endanger the organization's public image, credibility, or its ability to fulfill the purposes .

5.8 Board Recommendations

The Board shall submit recommendations to the Members on the following matters, by a vote passed by a majority of not less than two-thirds of the votes cast, provided that no decision in respect thereof shall have any force or effect until approved by the Members in accordance with section 3.4 of this By-law:

- (a) Approval of the Strategic Plan;
- (b) Amendments to Per Capita Assessment;
- (c) Approval of Special National Initiatives; and
- (d) Amendment or repeal of the Articles of Continuance (which includes changes to Engineers Canada's name and purposes) or By-law.

5.9 Minutes of Meetings

The minutes of all meetings of the Board shall be sent to all Board members and to all Members.

6 OFFICERS

6.1 The officers shall be the president, the president-elect, the past-president, the Chief Executive Officer, the Secretary and such other officers as the Board may from time to time by resolution determine.

6.2 Any officer may be removed at any time by a two-thirds majority resolution of the Board.

7 PER CAPITA ASSESSMENT

7.1 Prior to January 31st of each year, each Member shall report the number of Registrants in its association.

7.2 Each Member shall pay to Engineers Canada a Per Capita Assessment of \$10.21 per Registrant within two months of receipt of invoice for same or pursuant to a payment schedule reflective of the Members registrant payment schedule.

8 AUDITOR

8.1 The Members shall appoint a chartered professional accountant (CPA) licensed to practise

public accounting in Ontario as auditor of Engineers Canada annually.

- 8.2 The auditor shall audit the accounts of Engineers Canada after the close of the fiscal year and make a report thereon, and on the financial statements of Engineers Canada, to the Members at the Annual Meeting of Members.

9 FISCAL YEAR

- 9.1 The financial year of Engineers Canada shall be the calendar year.

10 RULES OF ORDER

- 10.1 In all cases for which no specific provision is prescribed by law or made in the By-law, the rules and practice of the latest edition of *Robert's Rules of Order* shall govern as far as applicable, provided that no action shall be invalid by reason only of a failure to adhere to such rules.

11 AMENDMENT OF BY-LAW

- 11.1 A proposal for the amendment or repeal of the By-law may be put forward by a Member.

A By-law relating generally to the business and affairs of ENGINEERS CANADA

BE IT ENACTED as a By-law of Engineers Canada as follows:

1 INTERPRETATION

1.1 Definitions

All terms contained herein and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or Regulations.

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"**Board**" means the Board of Engineers Canada comprised of Directors and Advisors.

"**Board members**" means the Directors and Advisors elected or appointed in accordance with this By-law.

"**Chief Executive Officers Group**" means the group comprised of the chief staff officer of each of the Members.

"**Major Capital Project**" means a capital project with a value of more than 10% of the annual operating budget.

"**Member**" means a Member as further defined in Article 2.

"**Per Capita Assessment**" means the annual amount to be paid by each Member as determined by its number of Registrants, as further defined in Article 8.

"**Registrant**" means an individual registered with a Member at December 31, with the exception of applicants and students.

"**Secretary**" is an office held by the Chief Executive Officer of Engineers Canada or such other person appointed by the Board.

"**Special National Initiative**" means any project or program which would require a special assessment of Members or an increase in Per Capita Assessment and any major capital project.

"**Standards**" means accreditation criteria.

"**Strategic Plan**" means the plan to achieve Engineers Canada's envisioned future.

"**2/3-60% Majority**" means a resolution passed by a minimum of two-thirds of the Members voting, who represent a minimum of sixty percent of represented Registrants.

1.2 Interpretation

In the interpretation of this By-law, words in the singular include the plural and *vice-versa*, words in one gender include both genders.

1.3 Language

Equal recognition shall be given to Canada's two official languages in the operation of Engineers Canada. In the event of any inconsistency between the English language text of a By-law or other document and the French language text of such By-law or other document, the English language text shall govern.

2 MEMBERSHIP

2.1 Membership

Each of the following shall be a Member until such time as its status as a Member is withdrawn or terminated as provided herein, namely:

- (a) Association of Professional Engineers and Geoscientists of Alberta (APEGA);
- (b) Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB);
- (c) Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS);
- (d) Association of Professional Engineers and Geoscientists of the Province of Manitoba (APEGM);
- (e) Association of Professional Engineers of Nova Scotia (APENS);
- (f) Association of Professional Engineers of Ontario (PEO);
- (g) Association of Professional Engineers of Yukon (APEY);
- (h) Northwest Territories Association of Professional Engineers and Geoscientists (NAPEG);
- (i) Ordre des ingénieurs du Québec (OIQ);
- (j) The Association of Professional Engineers and Geoscientists of British Columbia (APEGBC);
- (k) The Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL);
- (l) The Association of Professional Engineers of the Province of Prince Edward Island (APEPEI); and
- (m) Other provincial or territorial entities established for the purpose of regulating the practice of engineering in any province or territory of Canada as may be approved by a 2/3-60% majority resolution of the Members.

2.2 Resignation of Membership

A Member may resign from membership by notice in writing to the Secretary not less than twelve months prior to the next following Annual Meeting of Members.

2.3 Termination of Membership

- (1) Membership may be terminated if, at a special meeting of the Members called for such purpose, a resolution is passed terminating such membership, provided that the Member shall be granted the opportunity to be heard at such meeting.
- (2) Notwithstanding a resignation or termination of membership, a Member shall remain liable for payment of outstanding and due Per Capita Assessment up to and including the effective date of the resignation or termination.

3 MEETINGS OF THE MEMBERS

3.1 Notice of Meeting of Members

- (1) Notice of the time and place of a Meeting of Members shall be given to each Member entitled to vote at the meeting and to each Director and the public accountant, if applicable, by telephonic, electronic, or other communication facility during a period of 21 to 35 days before the day on which the meeting is to be held. If a Member requests that the notice be given by non-electronic means, the notice will be sent by mail, courier, or personal delivery.
- (2) A special resolution of the Members is required to make any amendment to this By-law to change the manner of giving notice to Members entitled to vote at a Meeting of Members.

3.2 General and Special Meetings

Other meetings of the Members, whether special or general, may be convened at any time and place by order of the president or the president-elect or by the Board or on request by any Member.

3.3 Error or Omission in Notice

The non-receipt of any notice by any Member or Members shall not invalidate any resolution passed or any proceedings taken at any meeting of Members.

3.4 Votes to Govern at Members' Meetings

Each Member present at a meeting shall have the right to exercise one vote. This vote shall be exercised by the current chair/president of a Member.

- (1) A Member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy.
- (2) All questions arising at a meeting of the Members shall require a resolution passed by at least a 2/3-60% Majority.
- (3) The chair of any meeting of Members shall not have the right to vote thereat and, in case of an equality of votes the chair of the meeting shall have no casting vote and such motion before the Members shall be deemed to be defeated.

3.5 Quorum

- (1) A quorum at any meeting of the Members shall be at least two-thirds of the total number of Members, representing at least sixty percent of the total number of Registrants.
- (2) If a quorum is present at the opening of any meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

3.6 Electronic Voting

Meetings of Members may be held entirely by means of a telephonic, electronic or other communication facility.

3.7 Chair

Meetings of the Members shall be chaired by the president of Engineers Canada or a person chosen by the Members.

4 DIRECTORS AND ADVISORS

4.1 Nomination of Directors

(1) Each Member shall deliver a list of nominees, who are engineers in good standing, to the Secretary for consideration at the Annual Meeting of Members.

~~(2) The Minister of Industry may deliver a list of nominees as per section 10.1(b) of this By-law.~~

~~(3)~~(2) Only individuals nominated in accordance with this nominations policy are eligible to be a director.

4.2 Composition and Election of Directors

(a) The number of directors shall not exceed twenty ~~four~~three (23~~4~~).

(b) Directors shall be elected on the basis of nominations received as follows:

One (1) from the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador;

One (1) from the Association of Professional Engineers of Nova Scotia;

One (1) from the Association of Professional Engineers of the Province of Prince Edward Island;

One (1) from the Association of Professional Engineers and Geoscientists of New Brunswick;

Four (4) from l'Ordre des ingénieurs du Québec;

Five (5) from the Association of Professional Engineers of Ontario;

One (1) from the Association of Professional Engineers and Geoscientists of the Province of Manitoba;

One (1) from the Association of Professional Engineers and Geoscientists of Saskatchewan;

Four (4) from the Association of Professional Engineers and Geoscientists of Alberta;

Two (2) from the Association of Professional Engineers and Geoscientists of British Columbia;

One (1) from the Association of Professional Engineers of Yukon;

One (1) from the Northwest Territories Association of Professional Engineers and Geoscientists; and

~~One (1) from the list of nominees put forward by the Minister of Industry.~~

4.3 Advisors

(1) The Board may establish policy to appoint persons as Advisors.

(2) Advisors shall, upon invitation by the Board, be entitled to attend and participate in discussions at meetings of the Board, in whole or in part (as determined by the Board), but shall not have the right to vote thereat.

(3) Advisors may perform such other duties as shall from time to time be requested by the Board.

4.4 Remuneration and Expenses

(1) Board members shall serve without remuneration.

(2) Board members shall not receive any financial gain by virtue of serving as a Board member.

(3) Board members may be reimbursed for reasonable expenses incurred in the performance of duties.

4.5 Filling Vacancies

A vacancy occurring in the Board shall be filled by the Members from a list of nominees from the Member that nominated the director who has left the Board and the director appointed to fill the vacancy shall hold office for the remainder of the term of the director who left the Board.

4.6 Term Limits

- (1) Directors shall be elected to the Board for a term of three (3) years.
- (2) No director may be elected to the Board for more than two (2) terms, or a lifetime maximum of six (6) years.
- (3) The foregoing term limits shall not apply to a director who is elected or confirmed, as applicable, to hold office as president-elect, president, or past-president prior to the expiration of their second term, in which case they may continue on the Board until they have finished serving as past-president.
- (4) The Members shall have the authority to extend a director's term beyond those described above, in extenuating circumstances, in order to ensure effective governance.

5 MEETINGS OF THE BOARD

5.1 Number of meetings

The Board shall hold at least one meeting per fiscal year and as many additional meetings as are deemed necessary, for the purpose of transacting the business of Engineers Canada.

5.2 Notice

The president, the president-elect, ~~the Executive Committee~~ or any five directors may at any time convene a meeting of the Board.

5.3 Open meetings

- (1) Except as provided for in this section, all meetings shall be open to the Members, Advisors, and invited observers.
- (2) A meeting or part of a meeting may be closed to the Members, Advisors, or invited observers by the chair of the meeting at his or her discretion if the subject matter being considered concerns:
 - (a) the security of Engineers Canada;
 - (b) personal matters about an identifiable individual;
 - (c) the proposed or pending acquisition of assets by Engineers Canada;
 - (d) litigation or potential litigation;
 - (e) the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and
 - (f) any other matter which the Board determines.

5.4 Quorum

- (1) At any meeting of the Board, a majority of the total number of directors shall constitute a quorum. Provided a quorum is present at the beginning of a meeting, the meeting may continue or adjourn even though directors leaving reduce the number to less than a quorum.
- (2) Directors who have declared a conflict of interest on a particular question shall be counted in determining a quorum. Notwithstanding any vacancy among the directors, a quorum of the Board may exercise all the powers of the Board.

5.5 Voting

- (1) Each director shall have one vote at meetings of the Board.
- (2) Any question arising at a meeting of the Board shall be decided in accordance with *Robert's Rules of Order*, unless otherwise provided in this By-law.

5.6 Absentee Directors

If a director is absent from a meeting of the Board, the Member that nominated that director may send an observer. Such observer may participate in discussions.

5.7 Approvals Requiring Two-thirds Majority

A Board resolution passed by a majority of not less than two-thirds of the votes cast on that resolution is required to make a decision in respect of the following matters:

- (a) Board Recommendations required in section 5.8;
- (b) Approval of the Budget or any amendments thereto;
- (c) Adoption, amendment, or repeal of any Board policies or procedures;
- (d) Adoption, amendment, or repeal of Standards;
- (e) Board decisions in respect of any litigious or potentially litigious matters that may endanger the organization's public image, credibility, or its ability to fulfill the purposes accomplish Ends.

5.8 Board Recommendations

The Board shall submit recommendations to the Members on the following matters, by a vote passed by a majority of not less than two-thirds of the votes cast, provided that no decision in respect thereof shall have any force or effect until approved by the Members in accordance with section 3.4 of this By-law:

- (a) Approval of the Strategic Plan;
- (b) Amendments to Per Capita Assessment;
- (c) Approval of Special National Initiatives; and
- (d) Amendment or repeal of the Articles of Continuance (which includes changes to Engineers Canada's name and purposes) or By-law.

5.9 Minutes of Meetings

The minutes of all meetings of the Board shall be sent to all Board members and to all Members.

6 ~~EXECUTIVE COMMITTEE~~

6.1 ~~Composition~~

~~The Executive Committee shall be comprised of:~~

- ~~(a) The President, the President-elect and the Past President;~~
- ~~(b) One Director put forward by each Member that has a minimum of 60,000 Registrants;~~
- ~~(c) One Director from PEGNL, APENS, APEPEI or APEGNB;~~
- ~~(d) One Director from APEGM or APEGS;~~
- ~~(e) One Director from APEGBC, APEY or NAPEG; and~~
- ~~(f)(a) _____ One Director from any Member.~~

6.2 ~~Advisors~~

~~The Chief Executive Officer and a representative of the Chief Executive Officers Group may be invited to attend and participate in discussions at meetings of the Executive Committee, in whole or in part, but shall not have the right to vote.~~

76 OFFICERS

- 76.1 The officers shall be the president, the president-elect, the past-president, the Chief Executive Officer, the Secretary and such other officers as the Board may from time to time by resolution determine.
- 76.2 ~~All persons appointed as officers must be a Registrant, in good standing, with one of the Members.~~
- 76.3 Any officer may be removed at any time by a two-thirds majority resolution of the Board.

8-7 PER CAPITA ASSESSMENT

- 87.1 Prior to January 31st of each year, each Member shall report the number of Registrants in its association.
- 87.2 Each Member shall pay to Engineers Canada a Per Capita Assessment of \$10.21 per Registrant within two months of receipt of invoice for same or pursuant to a payment schedule reflective of the Members registrant payment schedule.

9-8 AUDITOR

- 98.1 The Members ~~at each Meeting of Members~~ shall appoint a chartered professional accountant (CPA) licensed to practise public accounting in Ontario as auditor of Engineers Canada ~~annually~~.
- 98.2 The auditor shall audit the accounts of Engineers Canada after the close of the fiscal year and make a report thereon, and on the financial statements of Engineers Canada, to the Members at the Annual Meeting of Members ~~next following their appointment~~.

~~10 RIGHTS OF MINISTER OF INDUSTRY~~

- 10.1 ~~The Minister of Industry may, in his or her sole discretion:~~
- ~~(a) review the activities of Engineers Canada and request that Engineers Canada undertake reasonable activities that, in the Minister's opinion, are necessary and desirable to fulfil the purposes of Engineers Canada; and~~
 - ~~(b) in accordance with section 4.1(2) of this By-law, deliver a list of nominees to the Secretary for consideration at a Meeting of Members, such list to include a suggested term of 3 years.~~

11-9 FISCAL YEAR

- 119.1 The financial year of Engineers Canada shall be the calendar year.

12-10 RULES OF ORDER

- 1210.1 In all cases for which no specific provision is prescribed by law or made in the By-law, the rules and practice of the latest edition of *Robert's Rules of Order* shall govern as far as applicable, provided that no action shall be invalid by reason only of a failure to adhere to such rules.

13-11 AMENDMENT OF BY-LAW

| ~~4311~~.1 A proposal for the amendment or repeal of the By-law may be put forward by a Member.

From: Susan Beaubien <Susan.Beaubien@moffatco.com>
Sent: February-06-18 3:19 PM
To: Evelyn Spence <Evelyn.Spence@engineerscanada.ca>
Cc: Jennifer Allen <Jennifer.Allen@moffatco.com>
Subject: Re: Advice - Official Marks

Hi Evelyn

Thank you for your email.

I don't see a problem with removing a position on the EC Board that is appointed by/with input from the Director of Industry.

With hindsight, I can understand why the suggestion was originally made. The Trade Marks Act does not define "public authority", so the definition was eventually judge-made as case law under section 9 evolved.

Initially, a "public authority" was characterized as an entity (1) owing a duty to the public ; (2) that is subject to a significant degree of public control (3) with any profit directed to the public as opposed to private interests. Activities that would qualify as a "significant degree of public control" remained ambiguous. As such, holders of section 9 marks began to assess whether there were aspects of their governance model and/or activities that could be construed as amounting to a "significant degree of public control". Being a creature of statute and/or the presence of some government input or involvement in governance was said to reflect the existence of a "significant degree of public control".

The suggestion that EC create a director position appointed by the Director of Industry would have been based on that reasoning, with the question of whether this would amount to a "significant degree" of public control being left for later debate.

Eventually, the test for public authority status was refined to a 2 part test in the 2002 Ontario Architects case. Now, a "public authority" is an entity characterized by:

- (1) a significant degree of control being exercised by an area of government over the activities of the entity and
- (2) the activities of the entity must benefit the public.

EC clearly satisfies the second branch of this test. But a single position on the Board would not enable the Minister of Industry to exercise control (much less a "significant degree" of control) over EC's activities. That director would be in a minority position and unable to veto decisions taken by directors appointed by the regulators, who are EC's members and stakeholders. This falls short of the criteria now used by the Trade Marks Office in evaluating the presence of government control for the purposes of section 9, including the existence of legislation that would enable the relevant Minister to: review the entity's activities; direct it to undertake activities that are necessary and/or desirable to

implement a statutory purpose; provide advice or input into the implementation of a statutory scheme; approve regulation-making and appoint members to committees.

Of these factors, only the last is arguably present. Moreover, the factor is discretionary, not mandatory. EC can ask the Minister for names of prospective directors , but is not required to appoint a director from that list. Even if it did, that director could not control the EC Board or its day to day operations. If EC's bylaws *required* all directors to be appointed by (and/or accountable to) government, that would be a different scenario requiring further analysis.

As matters now stand, I don't think that the existence of a single director position that may be optionally filled from a list of names provided by the Minister is sufficient to underpin any argument that EC is a public authority for the purposes of section 9. I would agree that it does no harm and could be used, in a pinch, to address the first branch of the section 9 test for "public authority". But it now comes down to a cost/benefit analysis. The benefits of a simplified governance structure may well outweigh the benefit of being able to argue that the presence of a government nominee on the EC Board is suggestive of government control over EC's activities, for the purposes of section 9.

It seems to me that the utility of section 9 portfolios could be resurrected by way of an amendment to section 9 to the effect that entities involved with regulation of licenced professions in the public interest are deemed to be "public authorities". That would be a government relations exercise. I do not know whether it has been attempted.

Hope this helps.

Best regards

Susan

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