

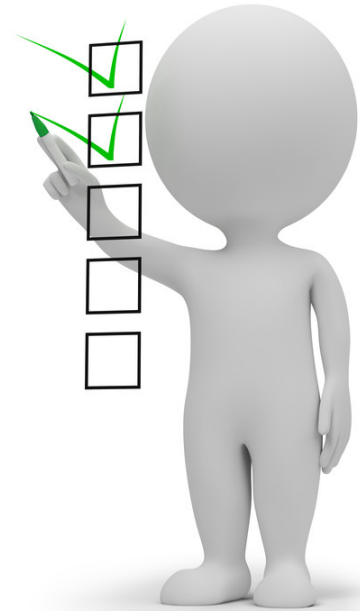
Governance Committee Report

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Chair, Governance Committee
May 26, 2017



Outline of Presentation

- Report on Governance Improvements
- Task Force to review AB and QB nominating procedures
- Items removed from previous agendas



Review of Governance Model

On March 1, 2017, the Board passed the following motion:

That the governance committee consider alternatives to our current governance model and present recommendations for consideration to the Board in May 2017.

Workshop

The Governance Committee convened a teleconference on March 14, 2017 and a workshop to consider the governance model on May 6-7, 2017.

The workshop was facilitated by Christina Comeau and was attended by:

- the members of the Governance Committee
- Engineers Canada staff (Stephanie, Kathy, Daphne)

Input & Considerations

Recommendation from the Linkages Committee

- *Recommend to the Governance Committee that the new model should more closely link to the Purposes and provide greater accountability to the owners, including the ability to approve priorities and substantive initiatives with visibility of resource requirements, and include the CEO group in the approval process.*

Input & Considerations

Input from the regulators

- Survey sent to Board members, Presidents, CEOs, EC Staff
 - What aspects of our current governance model do you feel should be maintained?
 - What concerns do you have with the current governance model?

Input & Considerations

- Survey Responses
 - 6 Board members + GC Members
 - 9 Regulators
 - 3 EC staff

Results of the Workshop

- There is value in continuing to use policy governance
- Areas for improvement were identified
- Ten recommendations to improve the effectiveness of the Board and restore the confidence of the Regulators

Three Phase Improvement Plan

Phase 1

Consult with Regulators on *Guiding Principles* and *Performance Assessment*, and complete all administrative updates.

Phase 2

Develop and Implement a *Joint Planning and Direction Setting* process that sets direction for the CEO's 2019 Operational Plan.

Phase 3

Implement updates that deal with the *Structure and Efficiency of the Board*.

Recommendation #1: Guiding Principles

- Agreement on a Common Purpose
- Agreement of roles within the governance framework
- How to maintain consistency of direction given the cycle of appointments
- Ensuring transparency and accountability at all levels of governance

#2: Performance Assessments

- Relationship with Regulators
- The effectiveness of the Board itself
- The effectiveness of Board committees
- CEO Performance

#3: Joint Planning and Direction Setting

- Considers trends and challenges while providing a multi-year outlook of the chosen direction for Engineers Canada
- Integrates consultation with the Regulators
- Maintains consistency of direction while still adapting – when necessary - to notable change in the regulatory environment.
- Annually provides clear and timely direction to the CEO so that operational and financial planning may occur in a timely fashion

#4: Structure and Effectiveness of the Board

- Address size of the Board
- Meeting format and frequency
- Online meetings, including the use of online collaboration tools and processes
- Optimal format and agenda of the Board Retreat
- Joint planning “meetings” with Regulators using appropriate processes and/or tools
- In-camera meetings to allow for in-depth discussions.
- Format of committee meetings

#5: Briefing Notes for Motions

- Concise but sufficient detail (word limit)
- Mandatory information requirements to enable decision making

#6: Oversight of the Governance Update

- To ensure continuity during this governance update initiative, the current Governance Committee should be reappointed for an additional year.
- In addition, it is recommended that one additional member be appointed to the committee again to facilitate continuity and share in the work.

#7: Complete Edit of the Board Manual

- Remove all references to Carver and replace unique Carver terms with more generally accepted vocabulary
- Express all policy in positive terms, not negative terms

#8: Assessment of CEO

Redesign of the process used to assess the Engineers Canada CEO to include:

- Demonstrated effectiveness at reporting
- Ability to sustain positive relationships with stakeholders
- Activity in support of the wellbeing of staff and volunteers
- Demonstration of leadership and management of the organization
- Formal annual assessment that includes a 360-degree review

#9: Reporting by CEO

- Monthly updates to the Board
- CEO update to the Board at Board meetings

#10: Board Interaction with Staff

- Directors should be able to ask questions and generally request information from the staff with the concurrence of the CEO.

Summary

The Governance Committee is seeking approval from the Board to implement the three phase plan laid out in the Report from the May 6-7, 2017 Governance Committee Workshop.

Proposed Motions

THAT the Board approve the improvement plan laid out in the Report from the May 6-7, 2017 Governance Workshop and direct that the Governance Committee maintain oversight of the implementation of the plan.

THAT the Board approve the use of reserve funds for all costs associated with the implementation of the governance improvement plan and the Governance Committee is directed to provide updates during each Board meeting until the improvement plan is complete.

Board Committee Nominations Task Force

- Most of the Board committees are populated by Directors.
- AB and QB are the exception. The members of AB and QB are volunteers that are recruited by AB/QB and approved by the Board. The nominating procedures for AB are laid out in great detail in GP-9.5. The nominating procedures for QB are not at all detailed and are laid out in GP-9.6.
- During this recruitment cycle, regulators voiced concerns about the nominating procedures, composition, term limits and succession planning for AB and QB.

Board Committee Nominations Task Force

We therefore propose that a task force be struck to review the current procedures, consult with AB, QB and the regulators, and report back to the Board with recommendations.

Proposed Motion

THAT a Task Force be struck to undertake a review of Board committee nominating procedures, composition, term limits and succession planning. The Task Force will be chaired by C. Roney.

Items Removed from Previous Agendas

There are a number of governance-related items that were on previous agendas but were not addressed.

I wish to assure the Board that we have not forgotten these items and they will come back to the Board for review and decisions after the governance review is complete.

Questions and Comments



Questions?

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