

Review of 2010 Synergy Task Force Recommendations

May 2015

Introduction

The Synergy Task Force recommendations, accepted by the Board of Engineers Canada and by the Assembly of Members at the May, 2010 Annual General Meeting included the following direction to the 2014-2015 Past-President:

Review Clause

Recommendations of the Synergy Task Force

Engineers Canada's Board of Directors will conduct a full review of the effectiveness of the 2010 changes and the subsequent ongoing improvements and make recommendations for consideration by the Constituent Associations at the May 2015 Engineers Canada annual general meeting.

This report provides the 2014-2015 Past-President's views on the effectiveness of the 2010 Synergy changes, and makes recommendations for consideration. For clarity, the recommendations of the Synergy Task force are presented in italics, with my observations and conclusions following.

Composition of the Board of Directors

Recommendations of the Synergy Task Force

- In order to ensure full and fair representation as well as to maintain a direct connection it is recommended that each Constituent Association appoints one director and an additional director for every 20,000 assessed engineers.*

<i>1 to 20,000</i>	<i>1 director</i>
<i>20,001 to 40,000</i>	<i>2 directors</i>
<i>40,001 to 60,000</i>	<i>3 directors</i>
<i>60,001 to 80,000</i>	<i>4 directors</i>
<i>80,001 to 100,000</i>	<i>5 directors</i>

The number of Directors is determined according to the previous years' assessment number and sets the Board composition for the coming Board year. For example the 2009/2010 Board composition according to the December 31st 2008 assessment number.

- This proposal would add 1 Director from Ontario and 1 Director from Alberta.*

Observation: Originally, the proposal of the Task Force was to add an additional director for every 25,000 assessed engineers. However, this would have required APEGBC to reduce their representation from 2 directors down to 1. The proposal was modified to an additional director for every 20,000 assessed engineers to eliminate this problem, however it added two new directors, and in the longer term will increase the size of the Board of Directors fairly quickly.

The result of this recommendation is a current Board of Directors with 22 voting members for the 2014-2015 term. It is this author's view that this size of Board (along with the observing members to be discussed later) is much too large for the business needs of Engineers Canada. During my terms as President-Elect, President, and Past-President, I have noticed that Directors easily and quickly become disengaged from discussions when so many directors offer their points of view. It also appears that most directors would prefer to participate in serving the interests of the Constituent Associations and other stakeholders, rather than the ongoing monitoring of the Chief Executive Officer under the governance approach used by Engineers Canada.

For serving the interests of the Constituent Associations and other stakeholders of Engineers Canada, a large and inclusive Board would appear to be a very good solution. For the ongoing monitoring of the effectiveness of the Chief Executive Officer in implementing the Ends of Engineers Canada, a smaller board (of perhaps 7-8 directors) would appear to be optimum. Without some significant changes to the structure of the Board, these two very different objectives will be difficult to achieve.

One suggestion would be to restructure Engineers Canada to have a Board which is similar to the current Executive Committee. This Board would focus mainly on governance issues. A larger assembly, with perhaps 12-15 members (which would include the Executive Committee members) and several observers would focus on serving the interests of the Constituent Associations and other stakeholders.

Recommendations of the Synergy Task Force

- *Whereas a director should hear the full arguments before voting, there will be no provision for absentee voting by mail or proxy. Constituent Associations may appoint a representative at any time should its appointed director be unable to attend a meeting but the representative will have no voting rights.*

Observation: A key element of an Engineers Canada Director's fiduciary responsibility is to listen to all arguments for and against an initiative before forming an opinion on the initiative. The prohibition on absentee voting is effective in ensuring that all arguments are heard before a Director makes up his mind.

This concept is strengthened by provision of the Canada Not-for-Profit Act, which states that no person shall act for an absent director.

Recommendations of the Synergy Task Force

- *Constituent Associations can choose not to appoint additional directors.*

Observation: This recommendation has not been acted upon since being adopted, although APEGA has chosen not to nominate candidates for two of its available director positions for 2015-2016. It certainly continues to make sense.

Recommendations of the Synergy Task Force

- *Constituent Association Presidents and Chief Executive Officers attend Board meetings as observers (there are 3 meetings per year).*

Observation: This recommendation was not new, as Presidents and Chief Executive Officers had been attending Engineers Canada Board meetings in the past. However, they did not attend the February Board meeting or special Board meetings. The recommendation formalized the expectation that the Presidents and Chief Executive Officers were to be invited, and were expected to attend all Board meetings.

When the President or the Chief Executive Officer from a given Constituent Association was not able to attend a Board meeting, some Constituent Associations would send an alternate. This practice has been welcomed and helps to build linkages. This practice should be encouraged. The wording of the above recommendation should be amended to say “Constituent Association President and Chief Executive Officers or designated alternate”.

In the absence of a linkages plan for Engineers Canada, this is probably the key linkage element between the Board and the Constituent Associations. Unless the Linkages Task Force recommends otherwise, this recommendation should remain, and the importance of this linkage should be refreshed with the Constituent Associations.

Recommendations of the Synergy Task Force

- *Advisors to the Board include:*
 - *Chief Executive Officer of Engineers Canada;*
 - *Chief Executive Officers Group represented by the Chair of the Chief Executive Officers Group;*
 - *Chair of the National Council of Deans of Engineering and Applied Science;*
 - *Chair of the Canadian Engineering Accreditation Board;*
 - *Chair of the Canadian Engineering Qualifications Board.*

Observation: On the surface, it appears like a very good idea to have these groups available as resources and advisor to the Board. In actual fact however, the participation of the advisors at Board meetings is usually limited to providing a status report. At the Board's annual strategic retreat, the advisors add valuable input to the discussions.

It is important to note that the Chairs of the Canadian Engineering Accreditation Board and Canadian Engineering Qualifications Board are identified as advisors in this recommendation. The Synergy Task Force was silent on any other relationship between the Engineers Canada Board and these two very important Boards, an omission which will be discussed later in this report.

Recommendations of the Synergy Task Force

- *In addition, the members of the Canadian Engineering Leadership Forum are invited as observers:*
 - *Canadian Federation of Engineering Students;*
 - *Engineering Institute of Canada;*
 - *Canadian Academy of Engineering;*
 - *Association of Consulting Engineers – Canada.*
- *Any other organizations invited as observers as identified by the President and/or the Chief Executive Officer.*

Observation: The Canadian Engineering Leadership Forum has been inactive for several years. Only the Canadian Federation of Engineering Students regularly attends Engineers Canada Board meetings (perhaps because Engineers Canada only pays the expenses of the representative of the students.) Although their role is described as observer, their participation in the Board meetings is the only linkage between the Board and Engineering students, and should be preserved in some fashion. As a suggestion, Engineers Canada should survey the other associations identified in this recommendation to identify if they perceive any value in being identified as observers, and if so, why they do not attend the Board meetings. It is the opinion of the author that these observers would gain or provide little value to the policy monitoring activities of the Board.

Assembly of Constituent Associations

Recommendations of the Synergy Task Force

An Assembly of the Constituent Associations is held annually in order to approve statutory matters (such as the appointment of auditors and consideration of the financial statements and the report of the auditors), approval of the strategic plan, changes in assessment fees, special project funding, changes to governance and a summary of the annual business plan. Additional Special meetings of the Constituent Associations can be called as prescribed in Bylaw 1.

Voting and Approval Protocol for Assembly of Constituent Associations

Recommendations by the Board to the Assembly of Constituent Associations:

- *Strategic Plan*
- *Changes to Assessment Fees*
- *Requests for special project funding*
- *Changes to governance (i.e. Bylaws)*

Votes shall be based on assessment number of previous year with a 60 percent threshold on all decisions required.

Observation: Since the Synergy recommendations, the Assembly has not had to deal with changes to assessment fees, or requests for special project funding, or changes to the Bylaws. There have been a couple of initiatives brought forward for Engineers Canada consideration. No votes of the Assembly have failed as a result of the 60% threshold.

The author believes that the intent of the Synergy Task Force was that the specifically identified items be the only items requiring a 60% threshold at the Assembly meetings. It is not very useful to apply such a threshold to approval of the agenda, or approval of the previous minutes.

It also appears to the author that the Assembly meetings are a poor venue for motions for consideration by Engineers Canada, or for the Constituent Associations to require specific action on the part of Engineers Canada. I believe that the intent of the Synergy Task Force was to ensure that Constituent Associations work through their Engineers Canada director(s) to initiate actions by Engineers Canada. This is not to suggest that Engineers Canada should simply sit back and wait for suggestions to surface through individual Directors. A key objective of the Linkages Plan should be to surface such suggestions in a positive atmosphere where they can be considered as part of serving the interests of the Constituent Associations and other stakeholders, rather than one-off directives.

Board Voting and Approval Protocol

Recommendations of the Synergy Task Force

In recognition that not all decisions are equal and based on all 5 principles and the constraints imposed by the Canada Corporations Act., the following recommendations are made.

- *For all decisions, each Director has one vote;*
- *For the majority of Board decisions, a simple majority of Directors is required;*
- *A higher standard of approval of 2/3 of the votes is required for the following matters:*
 - *Budget*
 - *Board Policies*
 - *Standards*
 - *National Initiatives*
 - *Court actions*

This is felt to be necessary in order to ensure commitment and support for such matters. It also means that a 2/3 vote would require 14 directors support (assuming all are present and participate in the vote). On average this would represent 70 % to a maximum of 94 % of the assessment numbers.

Observation: With the exception of approving the budget, this recommendation has not caused any controversy or difficulties since implementation.

The budget is a different matter however. Under the governance model adopted by Engineers Canada, the Board does not explicitly approve a budget. EL-5 requires the Chief Executive Officer to have a budget in place. The only evidence I can think of that would show compliance is to provide the actual budget. So, the Board gets to see the budget.

Policy E states that the activities of Engineers Canada must occur at a cost that justifies the results. When we receive the monitoring report for this Ends statement, we are in effect approving the budget as costs that justify the results.

Notice that we don't explicitly approve the budget. Instead, we determine if the costs being incurred are reasonable.

None of the above current processes are structured to require a 2/3 vote of the directors. This is an area that requires some attention from a governance perspective.

Recommendations of the Synergy Task Force

In accordance with Bourinot's Rules of Order, while Board members are expected to vote in every case, there is nothing that obliges them to do so. The secretary counts the votes on both sides and reports the results to the President, who then declares the motion either carried or lost. It should be noted that in the case of a tie vote the President has the casting vote. The President's vote is not an expression of opinion on the merits of the question. According to tradition, the President maintains impartiality by voting in only a way that provides a further opportunity to consider the question, and his or her reasons are recorded. Bylaw 1 of CCPE stipulates that all directors have 1 vote and there is no note to the effect that the president cannot vote. The Bylaws also mention that if there is a tie the motion is considered to be defeated. It is assumed that the tie occurs after the President has cast his/her vote. The Bylaws state an exception to that rule for the election of the executive committee members for which special voting is required from the President and Past-President. The intent of the Constituent Associations should be clarified/confirmed when the Bylaws are reviewed.

Observation: This situation has not arisen since the recommendations. The author believes that most directors are much more familiar with Roberts' Rules of Order than Bourinot's Rules of Order, and that the Bylaws should be amended to adopt Roberts' Rules. Under Robert's Rules, the president votes on all matters. Robert's Rules of Order are used by six Constituent Associations. No other set of rules of order are used by more than 2 associations. The Governance Committee has recommended adopting Robert's Rules of Order when the Bylaws change

President of the Board

Recommendations of the Synergy Task Force

- *At its annual meeting, the Board elects a President-elect to serve that office for one year and serve as the President the following year;*
- *Directors will provide an expression of interest to seek the position of President-elect. This must be accompanied by a written consent from their Constituent Association to the additional length of term required to fulfill this commitment if elected;*
- *The President will not have a replacement director for his home association.*

Observation: Under Roberts' Rules of Order, the President will vote on all matters, which eliminates the concern that the constituents of the President lose their voice on the Executive Committee and Board.

Executive Committee

Recommendations of the Synergy Task Force

- *Executive Committee: establishes operational priorities and operational guidance, provides guidance and direction to the Chief Executive Officer in carrying out operations; recommends slate of committee members for approval of the Board. The Executive Committee reports to the Board.*
- *Executive Committee (five members and two advisors)*
 - *Comprised of 5 representatives from the following regions:
Atlantic Canada (1)
Quebec (1)
Ontario (1)
West and Territories (2)*
 - *2 advisors:
Chief Executive Officer, Engineers Canada
Chair of the Chief Executive Officers Group*
- *The President, President-elect and Past-president are automatically members of the Executive Committee and hold a regional representative position on the Executive Committee. Regional quota must be respected within that group of 3.*
- *The Past-President's role should be defined to include the monitoring of the governance changes as to their effectiveness and he/she will be asked to report and recommend for ongoing governance improvements.*

Observation: Under the governance model adopted by Engineers Canada, the Executive Committee no longer “establishes operational priorities and operational guidance, provides guidance and direction to the Chief Executive Officer in carrying out operations.” This was a conscious decision by the Board.

The recommendation was amended to include one additional member, being a member-at-large.

The following table shows the changes in registrants which have occurred since this recommendation:

Association	2009 Registrants	2014 Registrants	5-Year Growth
APEGBC	20,973	26,695	27%
APEGA	42,813	61,369	43%
APEGM	5,326	7,051	32%
PEG-NL	2,464	4,415	79%
APEGNB	4,944	5,270	7%
APEGS	6,467	10,964	70%
Engineers Nova Scotia	4,921	6,001	22%
Engineers PEI	528	674	28%
APEY	508	835	64%
NAPEG	1,040	1,553	49%
OIQ	57,118	61,102	7%
PEO	76,542	91,927	20%
Total	223,644	277,856	24%

Based on the 2014 registrants, the three largest associations are Ontario, Alberta, and Quebec. It seems logical, and consistent with the principle of full and fair representation to amend this recommendation to provide each of Ontario, Alberta, and Quebec one member of executive committee. As a suggestion, British Columbia, the Yukon, and Northwest Territories/Nunavut could be provided with one executive committee member, and Saskatchewan and Manitoba could be provided with one executive committee member. The Atlantic Provinces would continue with one member, and there would continue to be provision for a member at large. This would increase the size of the Executive Committee to 7 individuals having the right to vote and two (2) non-voting advisors. The following table summarizes this proposal.

Region	2009 Registrants	2014 Registrants
Atlantic	12,857	16,360
SK & MB	11,793	18,015
BC & Territories	22,521	29,083
Quebec	57,118	61,102
Alberta	42,813	61,369
Ontario	76,542	91,927
Total	223,644	277,856

Another suggestion would be to provide each Constituent Association which has more than 20% of the national assessment members a seat on the executive, with two additional members elected at large.

I believe the intent of the Synergy recommendation was to balance regional interests with the need to ensure the largest Constituent Associations have a guaranteed seat of the Executive Committee. It is not clear to me that this continues to be an appropriate objective for the makeup of this committee.

It is quite common for the Chief Executive Officer of an organization to be included in the Executive Committee. What is not clear is the role of the Chair of the Chief Executive Officers Group as an advisor to the Executive Committee. I believe that this recommendation was an attempt to improve linkages between the Constituent Associations and Engineers Canada. As such, it should be reviewed in light of the recommendations of the Linkages Task Force to determine if it continues to be an effective or necessary linkage.

The Past President's role has been modified to include chairing the Governance Committee.

Presidents Group

Recommendations of the Synergy Task Force

Presidents are representatives of the Constituent Association at the Assembly of Constituent Associations and are observers at the Board of Directors meetings. The following are recommendations as to the role of the Presidents' Group.

- *Informal meetings of the Presidents are opportunities facilitated by Engineers Canada for networking and discussions with peers for exchange of ideas and to learn about key issues of the associations.*
- *Identification of emerging issues and actions should be communicated to the Board of Directors through the Constituent Association directors.*
- *The Presidents Group is not required to present reports to the Board.*

Observation: There appears to be nothing wrong with this recommendation. However, it is important to observe that the Presidents' Group does not have authority over Engineers Canada or the Board of Engineers Canada. With the constant turnover that occurs with this group, it is difficult to see how it can do any more than is identified in this recommendation.

Other Matters

Constituent Association Right to Appoint and Remove Their Appointed Director

Section 6.4 d) of the Bylaws clearly expresses the intent of allowing a Constituent Association the right to remove a director appointed by that Constituent Association. Unfortunately, this provision is in conflict with the provisions of the *Canada Not-for-Profit* act. Indeed, this act requires the Members to elect directors. A creative work-around may be necessary to implement the intentions of the Bylaws.

Relationships

Between the Board of Engineers Canada and the Canadian Engineering Accreditation Board and Canadian Engineering Qualifications Board

As mentioned earlier, the Synergy Task Force recommendations were silent on the ongoing relationship between the CEAB/CEQB and the Board of Engineers Canada.

Normally, under the governance model adopted by Engineers Canada, these two groups would be renamed as committees, and the responsibility for managing them would be assigned to the Chief Executive Officer. This would be recognition of the essentially operational role of these two Boards.

Engineers Canada has chosen to continue these two Boards as committees of the Engineers Canada Board. This decision recognizes the importance of the activities of these two Boards to Engineers Canada and the Constituent Associations. However, there are currently no formalized procedures (and in some cases no informal procedures) for how the Engineers Canada Board will manage CEAB/CEQB as committees of the Board.

At a minimum, management of CEAB/CEQB requires terms of reference, frequent monitoring reports, and approval of the work plans by the Engineers Canada Board. Simply having the CEAB/CEQB Chairs as advisors to the Engineers Canada Board does not provide the necessary oversight of such important activities. This shortcoming must be addressed very quickly, as it is obvious that all parties (the Engineers Canada Board, the CEAB and CEQB, and the Constituent Associations) are becoming very frustrated and confused. I am not convinced that the Board of Engineers Canada is prepared to take on the role of supervising these two very important Boards.

Conclusions

Generally speaking, the recommendations of the Synergy Task Force have been implemented and are effective. However, there are certain areas which, after 5 years of experience should be reviewed. Those include:

1. Size of the Board. At 22 Directors, with 5 Advisors, the Board is very large. While this number of Directors and Advisors is very effective at serving the interests of the Constituent Associations and other stakeholders, it clearly struggles with holding the Chief Executive Officer accountable to the Ends. As a result a disproportionate amount of Board time is spent on governance matters, and not enough on serving the interests of the owners. Consideration should be given to reducing the size of the Board to focus primarily on governance issues and management, and to developing an inclusive body which would focus on serving the interests of the owners.
2. Makeup of the Executive Committee. With the changes in assessed members that have occurred since 2010, the makeup of the Executive Committee (2 from the West, 1 from Ontario, 1 from Quebec, 1 from the Atlantic Provinces, and 1 member-at-large) no longer matches the intentions of the Synergy Task Force. Additional clarity is required to determine if the makeup of the Executive Committee is expected to ensure regional representation, or to ensure guaranteed seats for the largest Constituent Associations. In addition, the role of the Chair of the Chief Executive Officers Group as advisor to the Executive Committee should be reviewed.
3. Board Voting and Approval Protocol. The Bylaws require the Board to approve the annual budget of Engineers Canada. This is somewhat inconsistent with current Board policies, and should be addressed.
4. Rules of Order. The Bylaws should be amended to adopt Robert's Rules of Order, and new Directors should be trained in the use of these rules.
5. Observers to the Board. The Synergy Task Force expected Constituent Association Presidents and Chief Executive Officers to attend all Board meetings. In addition, members of the Canadian Engineering Leadership Forum were appointed as observers, and expected to attend Board meetings. Unless the Linkages Task Force identifies a better Board-Constituent Association linkage mechanism, Constituent Association Presidents and Chief Executive Officers should continue to attend Board meetings, which they agreed to do when they approved the recommendations of the Synergy Task Force. The role of the Canadian Engineering Leadership Forum members as Board observers has not been working effectively (with the possible exception of the Canadian Federation of Engineering Students), and should be amended if it is not clearly warranted.

6. The role of the Assembly of Constituent Associations has been unevenly applied since the Synergy Task Force Recommendations were accepted. Constituent Associations must provide input on the activities and actions of Engineers Canada. The expectation of the Synergy Task Force was that this would be done primarily through the Directors. I recommend that the Linkages Task Force review the relationship between the Assembly of Constituent Associations and the Engineers Canada Board. In addition, the Bylaws should be revised to reserve the super majority voting protocol (60% threshold) for significant matters, rather than mundane items such as approval of the agenda or previous minutes.
7. Constituent Association Right to Appoint and Remove Directors. As mentioned above, there is a current conflict with the Engineers Canada Bylaws and the *Canada Not-for-Profit Act* which needs to be resolved.
8. Canadian Engineering Accreditation Board and Canadian Engineering Qualifications Board. The work these two Boards do is a significant component of value provided by Engineers Canada to the Constituent Associations. Work is required to eliminate the current sense of frustration that exists. It is not apparent to the author that the Engineers Canada Board is prepared to perform the “hands-on” role of supervising these two very important Boards.