AGENDA

237th ENGINEERS CANADA BOARD MEETING

February 27, 2026 | 9:00am – 4:00pm ET

Hybrid delivery: Toronto Marriott City Centre, Toronto, ON | Zoom

Reference materials: Board Policy Manual | Bylaw | Corporate Risk Profile | Strategic Plan

1.	**Opening (9:00-9:05am)**	**5 mins**
	1.1 Call to order and approval of agenda – J. Van der Put (pages 1-5) *THAT the agenda be approved and the President be authorized to modify the order of discussion.*	
	1.2 Declaration of conflict of interest (pages 6-8)	
	1.3 Review of previous Board meeting – J. Van der Put (pages 9-10) a) Action item list b) Board attendance list	
2.	**Consent agenda (9:05-9:10am)**	**5 mins**
	Board members may request that an item be removed from the consent agenda for discussion. *THAT consent agenda items 2.1 to 2.4 be approved.*	
	2.1 Approval of minutes (pages 11-16) *a) THAT the minutes of the December 8, 2025 Board meeting be approved.*	
	2.2 Committee reports (pages 17-34) a) Finance, Audit, and Risk Committee b) Governance Committee c) Human Resources Committee d) Canadian Engineering Accreditation Board e) Canadian Engineering Qualifications Board	
	2.3 Annual Strategic Performance Report (pages 35-48) *THAT the Board approve the 2025 Annual Strategic Performance Report, for circulation to the Members for information at the 2026 Annual Meeting of Members.*	
	2.4 National Position Statement (pages 49-55) *THAT the new National Position Statement, Artificial Intelligence, Machine Learning, and Data Sciences, be approved*	
3.	**Executive reports (9:10-10:40)**	
	3.1 President's report – J. Van der Put (slides)	15 mins
	3.2 CEO update – P. Rizcallah a) Report on activities since last Board meeting (slides) b) Advancing collaboration and harmonization (verbal)	30 mins
	3.3 Realizing Futures of Engineering Accreditation (pages 56-63)	15 mins
	3.4 CEO Group report – P. Mann (slides)	15 mins
	3.5 Presidents Group report – T. Steeves (slides)	15 mins
	Health break (10:40-11:00)	**20 mins**
4.	**Board business/required decisions (11:00-12:25)**	

	4.1 Items pulled from consent agenda, if required	15 mins
	4.2 2026 CEO objectives – M. Rose (64-72) *THAT the Board, on recommendation of the HR Committee, approve the 2026 CEO objectives.*	15 mins
	4.3 Realizing an Inclusive Profession – T. Joseph / A. Mullick (pages 73-81)	30 mins
	4.4 Board policy updates – D. Pothier (pages 82-100) *THAT the Board, on recommendation of the Governance Committee, approve revised Board policy 7.12, Net assets.*	10 mins
	4.5 Governance Review Task Force update – C. Bellini (verbal)	15 mins
5	**Next meetings (12:25-12:30)**	**5 mins**
	Board meetings:	
	• April 8, 2026 (virtual) • May 22, 2026 (Calgary, AB) • June 15, 2026 (Port Rexton, NL)	
	2025-2026 committee and task force meetings:	
	• CEAB – Policies and Procedures Committee: March 2, 2026 (Toronto) • Governance Review Task Force: March 4, 2026 (virtual) • CEQB – Nomination Committee: March 4, 2026 (virtual) • FAR Committee: March 6, 2026 (virtual) • Governance Committee: March 12, 2026 (virtual) • CEAB – Policies and Procedures Committee: March 18, 2026 (virtual) • Governance Review Task Force: March 23, 2026 (virtual) • CEAB – Accountability in Accreditation Committee: March 25, 2026 (virtual) • HR Committee: April 1, 2026 (virtual) • CEAB – Accountability in Accreditation Committee: April 8, 2026 (virtual) • CEAB meeting – April 11, 2026 (virtual) • CEQB meeting: April 11-12, 2026 (Ottawa, ON) • CEAB – Policies and Procedures Committee: April 26, 2026 (Manitoba) • CEAB – Accountability in Accreditation Committee: April 29, 2026 (virtual) • FAR Committee: May 8, 2026 (virtual) • CEAB meeting: May 29-31, 2026 (virtual) • All 2026-2027 committees and task forces: June 15, 2026 (Port Rexton, NL)	
	Lunch (12:30-1:15)	**45 mins**
6	**In-camera sessions (1:15-2:00)**	
	6.1 Board Directors and Direct Reports *THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors, Engineers Canada CEO, the chairs of the CEAB and CEQB, the Secretary, and the CEO Group Advisor.*	15 mins
	6.2 Board Directors and CEO *THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors and the Engineers Canada CEO.*	15 mins

	6.3 Board Directors only *THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors and HR Committee members.* • Board approval: HR Committee recommendations for CEO assessment (short-term incentive) • Meeting evaluation	15 mins
7	**Closing** (motion not required if all business has been completed)	

Board support document

Meeting norms

Virtual participation:

- Board members and Direct Reports are asked to "show up" to the meeting a few minutes early to test their audio and video connections and are encouraged to reach out to Boardsupport@engineerscanada.ca in advance if they anticipate any connection or technological issues.
- To increase meeting engagement and participation, Board members and Direct Reports are requested to turn on their cameras during the meeting, when possible. All participants will have control over their ability to mute their line upon joining the meeting. Participants are asked to self-mute when they are not speaking to minimize background noise. If a participant is muted by an organizer, this is because there was feedback on the line.
- Participants are asked to use the self-mute function and turn off their cameras, instead of leaving the meeting during all breaks. This will help minimize any technical issues and disruption upon re-connection.
- The "Raise hand" function is only to be used if a participant wishes to ask questions and/or make comments after presentations or during debate. Depending on the Zoom version, participants may find the 'Raise hand' button under "Reactions" or "Participants". Participants should reach out in "Chat" if they are not able to locate it.
- If a participant wishes to speak and have not been called upon or are unable to use the "Raise hand" function, they should say their name with an un-muted microphone and obtain permission from the Chair before speaking.
- The "Chat" function will only be monitored by the offsite AV personnel in respect of technical difficulties. Non-technical questions asked through the "Chat" function will not be answered during the meeting.

To conduct the meeting with reasonable time and fairness:

1. For all motions, the meeting chair will call for abstentions and negative votes from the Directors. Directors who do not state a negative vote or an abstention will be considered in favour of the motion. If, for whatever reason, Directors are unable to speak during the motion and feel their opinion was not heard, they should raise their hand, or reach out in "Chat" for technical support.
2. Wordsmithing of motion texts should be avoided as much as possible so that the meeting can stay on track. If the proposed motion and related decision is understood, the Board should move to a debate and discussion on the proposal and should not focus attention on perfecting the text.
3. Participants are asked to speak for a maximum of two (2) minutes at a time (a timer will be projected on the screen) and will be limited to two (2) chances to speak on any one issue or motion. An opportunity to speak a second time will be granted only after everyone has had a chance to speak. The meeting chair reserves the right to allow additional chances to speak, as necessary.
4. Restating or reiterating the same point is strongly discouraged.

5. In the virtual environment where meeting participants are not able to demonstrate their agreement by nodding, they are encouraged to use the "Reaction" buttons to identify their informal support of others' statements. A safe and respectful environment is encouraged at all times.
6. At the opening of the meeting, the meeting chair will announce which individual will be monitoring the show of hands. The chair will try to ensure that anyone with a raised hand has their point addressed.

Board support document

Conflicts of interest

Board members and members of Board committees have an ongoing obligation to identify and disclose actual, reasonably perceived, and potential conflicts of interest. These obligations are set out in case law and are also codified in statute, under the *Canada Not-for-profit Corporations Act* ("CNCA").

While not expressly defined in the CNCA, a conflict of interest is understood to comprise any situation where:

a) an individual's personal interests, or
b) those of a close friend, family member, business associate, corporation, or partnership in which the individual holds a significant interest, or a person to whom the individual owes an obligation, could influence their decisions and impair their ability to:
    i. act in the best interests of the corporation, or
    ii. represent the corporation fairly, impartially, and without bias.

Conflicts of interest exist if a Director's decision could be, or could appear to be, influenced. *It is not necessary that influence actually takes place.* In cases where Directors are in an actual, perceived, or potential conflict of interest, they are required to disclose the conflicting interest to the Board[1] or, in the case where membership approval is sought, to the members,[2] as well as abstain from voting.

Handling conflicts of interest

Directors may use the following checklist when faced with a situation in which they think they might have an actual, perceived, or potential conflict of interest.

Step 1 - Identify the matter or issue being considered and the potential conflicting situation in which you are involved.

E.g. There is an item before the Board requiring discussion and a decision that involves potential litigation between Engineers Canada and the Engineering Regulator with whom you are licensed. Whether or not you are in a conflict of interest is not automatic—it will depend upon the personal circumstances of each Director.

Step 2 – Assess whether a conflict of interest exists or may exist.

In assessing whether you have an actual, reasonably perceived or potential conflict of interest, it may be helpful to ask yourself the following questions:

[1] Section 141(1) and (2) of the CNCA
[2] Section 141(9)(a) of the CNCA

- Would I, or anyone associated with me benefit from, or be detrimentally affected by my proposed decision or action?
- Could there be benefits for me in the future that could cast doubt on my objectivity?
- Do I have a current or previous personal, professional, or financial relationship or association of any significance with an interested party?
- Would my reputation or that of a relative, friend, or associate stand to be enhanced or damaged because of the proposed decision or action?
- Do I or a relative, friend, or associate stand to gain or lose financially in some way?
- Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?
- Have I made any promises or commitments in relation to the matter?
- Have I received a benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?
- Am I a member of an association, club, or professional organization, or do I have particular ties and affiliations with organizations or individuals who stand to gain or lose by my proposed decision or action?
- Could this situation have an influence on any future employment opportunities outside my current duties?
- Could there be any other benefits or factors that could cast doubts on my objectivity?
- Am I confident of my ability to act impartially in the best interests of Engineers Canada?

What perceptions could others have?

- What assessment would a fair-minded member of the public make of the circumstances?
- Could my involvement on this matter cast doubt on my integrity or on Engineers Canada's integrity?
- If I saw someone else doing this, would I suspect that they have a conflict of interest?
- If I did participate in this action or decision, would I be happy if my colleagues and the public became aware of my involvement?
- How would I feel if my actions were highlighted in the media?

Step 3 – Is the duty to disclose triggered?

If, in assessing the situation, you determine that you are in an actual, potential, or reasonably perceived conflict of interest, your duty to disclose is triggered. Directors disclosing a conflict must make the disclosure at the meeting at which the proposed contract or transaction is first considered and should request to have the disclosure entered into the minutes of the meeting.[3]

Disclosure must be made of the nature and extent of the interest that you have in the contract or transaction (or proposed contract or transaction).[4] The limited case law dealing with the nature and scope of the disclosure required by a conflicted Director suggests that disclosure must make the

3 Section 141(1) of the CNCA
4 Section 141(1) and 141(9)(b) of the CNCA

other Directors fully informed of the real state of affairs (e.g. what your interest is and the extent of the interest).[5] It will rarely suffice to simply declare that you have a conflict of interest.

Step 4 – What next?

Subject to limited exceptions, the general rule is that a conflicted Director cannot vote on the approval of a proposed contract or transaction, even where their interest is adequately disclosed.[6] Further, as a best practice, they should leave the room and not participate in the salient part of the Board meeting.

5 *Gray v. New Augarita Porcupine Mines Ltd.,* 1952 CarswellOnt 412 (Jud. Com. of Privy Coun.)
6 Section 141(5) of the CNCA

Engineers Canada Board of Directors action log

	Meeting date	Action	Responsible	Due date	Update
1.	December 8, 2025	Include in the CEO update trends from the national membership report.	CEO	Undefined	Included in the CEO Update for the February 27, 2026, Board meeting.
2.	December 8, 2025	Provide the Board with a memo explaining whether amendments to Engineers Canada's Bylaw, Section 7, Per Capita Assessment would be required to index the PCA to inflation.	Corporate Secretary	February 27, 2026	Sent to the Board via email on January 8, 2026.

Last updated: February 13, 2026	Andrew Lockwood	Arjan Arenja	Anjum Mullick	Jean-Luc Martel	Jitendra Paliwal	Lisa Doig	Sophie Larivière-Mantha	Nick Colucci	Tim Kirkby	Menelika Mekomba	Christopher Dixon	Christopher Chahine	Ann English	Denise Pothier	Sudhir Jha	Tim Joseph	Elliott Coles	Mario Rose	Darlene Spracklin-Reid	Marisa Sterling	Nicolas Turgeon	John Van der Put	Mike Wrinch
Board Meetings																							
June 16, Hybrid (Waterton, AB)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
October 9, (Ottawa, ON)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
December 8, Virtual	✓	✓	✓	×	×	✓	✓	×	×	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CEAB																							
September 19-20, Saskatoon, SK		✓					✓						×									✓	
February 7-8, Virtual		✓											✓										
CEAB -- Policies and Procedures Committee																							
July 17, virtual		✓											✓										
October 30, virtual		✓											✓										
November 19, Toronto, ON		✓											✓										
CEAB -- Accountability in Accreditation Committee																							
June 9, virtual		✓																					
July 23, virtual		✓																					
July 25, virtual		✓																					
July 30, virtual		✓																					
October 29, virtual		✓																					
CEAB -- Nominations Sub-Committee																							
August 25, 2025, electronically		✓				✓							✓										
CEQB																							
July 25, Virtual														✓		✓						✓	
September 21-22, Saskatoon, SK														×		✓						✓	
January 21, virtual														✓		✓	✓					✓	
FAR Committee																							
June 16, Hybrid (Waterton, AB)			✓		✓					✓		✓					✓		✓	✓			
August 14, Virtual			✓		✓					✓		✓							✓	×	✓		
October 23, Virtual			✓		✓					✓		✓							✓	×	✓		
December 12, Virtual			✓		✓	✓				✓		✓							✓	✓	✓		
Governance Committee																							
June 16, Hybrid (Waterton, AB)	✓			✓				✓	✓		✓			✓			✓					✓	✓
September 17, Virtual	✓			✓				×	✓		✓			✓								✓	✓
November 12, Virtual	✓			✓				×	×		✓			✓				✓				✓	✓
HR Committee																							
May 25, Hybrid (Vancouver, BC)						✓											✓	✓				✓	✓
September 4, Virtual						✓											✓	✓				✓	✓
November 20, Virtual						✓											✓	✓				✓	✓
December 11, Virtual						✓											✓	×				✓	✓
Governance Review Task Force																							
January 15, Virtual							✓											✓			✓	✓	
March 14, Virtual							✓											✓			✓	✓	
April 23, Virtual							✓											✓			✓	✓	
June 9, Virtual							×											✓			✓	✓	
September 9, Virtual							✓											✓			✓	✓	
October 20, Virtual							✓											×			✓	✓	
November 4, Virtual							✓											✓			✓	✓	
February 11, Virtual							×											×			✓	✓	

Attendance Required	✓
Attendance Not Required / Completed	✓
Attendance for Partial Meeting / In progress	✓
Attendance required, regrets	×
Not applicable	-

MINUTES OF THE 236th ENGINEERS CANADA BOARD MEETING

December 8, 2025, 10:00am-4:00pm (ET)

Virtual meeting | Zoom

The following Directors were in attendance:	
J. Van der Put, Chair	T. Joseph
D. Spracklin-Reid, President-Elect	S. Larivière-Mantha
M. Wrinch, Past President	A. Lockwood
A. Arenja	M. Mekomba
E. Coles	A. Mullick
C. Dixon	D. Pothier
L. Doig	M. Rose
A. English	M. Sterling
S. Jha	N. Turgeon
The following Directors sent regrets:	
C. Chahine	T. Kirkby
N. Colucci	J. Paliwal
J. Martel	
The following CEO Group Advisor was in attendance:	
P. Mann, Chair, CEO Group	
The following Direct Reports to the Board were in attendance:	
S. Inchasi, Chair, CEQB	P. Rizcallah, CEO
R. Gosine, Chair, CEAB	L. Go, General Counsel and Corporate Secretary
The following observers were in attendance:	
Shawn Amberman, President, EGNB	Nicolas Kaminski, President-Elect, APEGS
Christian Bellini, Chair, Governance Review Task Force	Jim Landrigan, Engineers PEI, Executive Director / Registrar
Kathryn Cosgrove, consultant, Cosgrove	Roddy MacDonald, consultant, Cosgrove
Ian Farthing, President, APEGS	Libby Osgood, President, Engineers PEI
Derek Follett, President, PEGNL	Bernard Roy, VP, APEGNB
Michael Gregoire, CEO, Engineers Geoscientists MB	Emma Sanderson, President, CFES
Gisela Hippolt-Squair, Director, APEGA	Terri Steeves, President, APEGA
Stormy Holmes, Executive Director & Registrar, APEGS	Adam Wallace, President, Engineers Yukon
Mike Houvardas, President, Engineers Geoscientists MB	Paul Wynnyk, CEO, APEGA
The following staff were in attendance:	
Joan Bard Miller, Manager, Governance, Board Services	Derek Menard, CFO
Kim Bouffard, Manager, Belonging and Engagement	Trina Hubley, Vice-President, Regulatory Affairs
Juliet Chou, Governance Coordinator	Jeanette Southwood, EVP, Corporate Affairs
Nathan Durham, Manager, Public Affairs	& Strategic Partnerships
Roseanne Gauthier, Planning, Event & Change Practitioner	

1. Opening

1.1 Call to order and approval of agenda

J. Van der Put, President, Engineers Canada, confirmed that quorum was present and called the meeting to order at 10:01am ET. Participants were welcomed and the land was acknowledged.

Motion 2025-12-1D
Moved and seconded
THAT the agenda be approved and the President be authorized to modify the order of discussion.
Carried

Meeting rules and norms were reviewed, as included in the agenda book.

J. Van der Put shared a diversity moment, focused on the National Day of Remembrance and Action on Violence Against Women.

1.2 Declaration of conflict of interest

No conflicts were declared. Participants were reminded to declare a conflict at any time during the meeting, as necessary.

1.3 Review of previous Board meeting

J. Van der Put referred the Board to the *Action item* and *Board attendance* lists from the last meeting, that were circulated for information.

2. Consent agenda

2.1 Approval of minutes

a) THAT the minutes of the October 9, 2025 Board meeting be approved.

2.2 Committee reports

a) Finance, Audit, and Risk Committee
b) Governance Committee
c) Human Resources Committee
d) Canadian Engineering Accreditation Board
e) Canadian Engineering Qualifications Board

2.3 Approval of committee work plans

a) THAT the Board approve the 2026 CEAB work plan.
b) THAT the Board approve the 2026 CEQB work plan.

2.4 CEAB leadership

THAT the Board approve the appointment of the CEAB leadership for the period July 1, 2026 to June 30, 2027:

- John Allen (Al) Stewart as Vice-Chair
- Julius Pataky as Chair

- Ray Gosine as Past Chair

2.5 National Position Statements

THAT the following updated National Position Statements be approved:

a) Research, development and innovation
b) The role of engineers in federal procurement

Motion 2025-12-2D
Moved and seconded
THAT consent agenda items 2.1 to 2.5 be approved.
Carried

3. Executive reports

3.1 President's report

J. Van der Put updated the Board on his Engineers Canada-related activities since the previous Board meeting, as per his pre-circulated slides, and responded to questions.

3.2 CEO update

P. Rizcallah presented his pre-circulated slides highlighting operational work undertaken since the October 2025 Board meeting and an overview of the organization's financial health. A discussion ensued and it was requested that trends from the national membership report be highlighted at an upcoming meeting.

a) Q3 Interim Strategic Plan reporting

P. Rizcallah referred to the Q3 interim strategic performance report that had been pre-circulated and opened the floor to questions.

b) Realizing FEA

P. Rizcallah provided a verbal report on the Realizing Futures of Engineering Accreditation, referred to as Realizing FEA. Rizcallah noted that work continues apace despite changes in staff resources to the project. Rizcallah also referenced the recent discussions at the CEAB's Policies and Procedures Committee and Deans Liaison Committee meetings. A brief discussion ensued.

c) Advancing collaboration and harmonization

P. Rizcallah provided the Board with an update on efforts to support collaboration and harmonization amongst the Regulators and responded to questions.

4. Board business / required decisions

4.1 Items pulled from consent agenda, if required

The Board approved the consent agenda as presented and without discussion.

4.2 2026 budget and 2028 Per Capita Assessment

M. Sterling, Finance, Audit and Risk (FAR) Committee Chair, presented the 2026 budget and 2028 Per Capita Assessment fee (PCAF) recommendation.

A brief discussion ensued from which the Board supported the FAR Committee's proposals and requested that the Corporate Secretary provide a memo explaining whether amendments to Engineers Canada's Bylaw, Section 7, Per Capita Assessment (PCA), would be required to index the PCA to inflation.

Motion 2025-12-3D
Moved and seconded
THAT the Board, on recommendation of the FAR Committee, approve the 2026 budget, as presented.
Carried

Motion 2025-12-4D
Moved and seconded
THAT the Board, on recommendation of the FAR Committee, recommend to the Members that the 2028 Per Capita Assessment Fee be set to $12 per Registrant.
Carried

4.3 Board policy updates

D. Pothier, Governance Committee Chair, presented for the Board's consideration revisions to three (3) Board policies that were pre-circulated to the Board.

Motion 2025-12-5D
Moved and seconded
THAT the Board, on recommendation of the Governance Committee approve the following revised Board policies:
1.5, About this manual
4.11, Board management delegation
5.4, Communications and support to the Board
Carried

4.4 Board's 30 by 30 Champion

T. Joseph and A. Mullick provided an update on the 2026 30 by 30 Conference and proposed adding a generative discussion on adopting a commitment statement for a welcoming and inclusive profession to the February 27, 2026, Board meeting agenda, as outlined in the pre-circulated backgrounder.

The Board discussed the merits and drawbacks of developing a commitment statement, recognized the need to catalogue existing inclusivity-related statements, and agreed to hold a generative discussion in February.

5. Next meetings

The next Board meetings are scheduled as follows:

- February 27, 2026 (Toronto, ON)
- April 8, 2026 (virtual)
- May 22, 2026 (Calgary, AB)
- June 15, 2026 (Port Rexton, NL)

6. In-camera sessions

6.1 Board Directors, Direct Reports, and governance review resources

Motion 2025-12-6D
Moved and seconded
THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors, Engineers Canada CEO, the CEAB and CEQB chairs, the Secretary, the Manager, Governance and Board Services, the Governance Review Task Force Chair, Cosgrove & Co., and the CEO Group Advisor.
Carried

6.2 Board Directors and Direct Reports

Motion 2025-12-7D
Moved and seconded
THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors, Engineers Canada CEO, the chairs of the CEAB and CEQB, the Secretary, and the CEO Group Advisor.
Carried

6.3 Board Directors and CEO

Motion 2025-12-8D
Moved and seconded
THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors, the Engineers Canada CEO.
Carried

6.4 Board Directors only

Motion 2025-12-9D
Moved and seconded
THAT the meeting move in-camera and be closed to the public at the recommendation of the Board. The attendees at the in-camera session shall include Board Directors.
Carried

7. Closing

With no further business to address, the meeting closed at 2:45pm ET.

Minutes prepared by J. Bard Miller, Manager, Governance and Board Services for:

John Van der Put, FEC, FGC (Hon.), P.Eng., President

Light Go, General Counsel and Corporate Secretary

BRIEFING NOTE: For information

FAR Committee report	2.2a
Purpose:	To review the FAR Committee contributions since the December 8, 2025, Board meeting.
Link to the Strategic Plan/Purposes:	Board responsibility: Provides financial oversight. Board responsibility: Provides risk identification and oversight.
Link to Corporate Risk Profile:	Reduced long term financial viability (Board risk)
Prepared by:	Joan Bard Miller, Manager, Governance and Board Services
Presented by:	Marisa Sterling, Chair, FAR Committee

Background

- The Finance, Audit, and Risk (FAR) Committee enhances the Board's effectiveness and efficiency on matters related to financial, audit, and risk management policies and monitoring.
- On October 9, 2025, the Board approved the FAR Committee's 2025-2026 work plan based on the responsibilities outlined in Board policy 6.4, *Finance, Audit, and Risk Committee terms of reference*.
- At each Board meeting, the FAR Committee Chair provides an update on the committee's work since the last Board meeting.

Status update

- As set out in its workplan, the FAR Committee met on December 12, 2025, to
  - Conduct the quarterly financial performance review, and
  - Review plans for the 2025 audit.
- The Q3-2025 financial statements are posted to OnBoard > Resources > H_Financial Statements | États financiers > 2025 Financial Statements for the Board's visibility.
- The audit will begin in February 2026. The auditor will present the audited financial statements to the FAR Committee in early March. The Board will receive them for approval, on the FAR Committee's recommendation, on April 8. The statements will be shared with the Members for information at their meeting in May.
- Reflecting on the Board's October and December discussions, the FAR Committee suggested that the 2027 budget process includes a scenario that aligns the Per Capita Assessment with inflation.

Next steps

- The FAR Committee is due to meet on Monday, February 23, and Friday, March 6, 2026, to complete the responsibilities set out in its work plan.
- As the FAR Committee's February meeting will be held only four days before the Board meeting, any matters from the February meeting requiring urgent attention from the Board will be reported verbally under item 4.1 of the current agenda. Otherwise, the outcomes of the February and March meetings will be reported on in May.

Appendix

- **Appendix 1:** Updated Finance, Audit, and Risk Committee work plan

- **Appendix 2:** Analysis on Bylaw section 7 – Per Capita Assessment (email dated January 8, 2026; available in OnBoard as a supplemental reference document for the Board's reference)

Board responsibilities (Board policy 4.1) / FAR Committee responsibilities (Board policies 6.4)	**Board / committee / task force**	**Occurrence**	**16-Jun-25**	**14-Aug-25**	**23-Oct-25**	**12-Dec-25**	**23-Feb-26**	**6-Mar-26**	**8-May-26**
(2) Provides ongoing strategic direction for Engineers Canada									
Conduct in-depth analysis of the Board's strategic risks and make recommendations of acceptable mitigation strategies, residual risks, and required actions to the Board as an input to each new Strategic Plan	FAR Committee	Every 5 years	--	--	--	--	--	--	--
Work with staff to develop a Strategic Plan that considers merging trends and Board risks	Board	Every 5 years							
(5) Provides financial oversight									
Annually, review and approve the CEO's budget envelope assumptions.	FAR Committee	Annually	✓						
Annually, review the CEO's draft budget and make recommendations to the Board.	FAR Committee	Annually		✓	✓				
Ensures that the annual budget is developed to align with priorities established by the Board	Board	Annually			✓				
Approves the annual budget	Board	Annually				✓			
Review the CEO's quarterly financial reports and make recommendations to the Board, as necessary.	FAR Committee	Quarterly		✓		✓	✓		
Review the investment reports (prepared by a third-party advisor) at least annually and make recommendations to the Board, as necessary.	FAR Committee	Annually					✓		
Monitor financial performance	Board	Ongoing							
Confirming the scope of the audit, which shall include a review of the key financial processes.	FAR Committee	Annually				✓			
Providing an annual report to the Board regarding the audited financial statements and any significant information rising from discussions with the auditor.	FAR Committee	Annually							
Approve the audited financial statements	Board								
Providing an annual report to the Members with: A) The Board's approval of the audited financial statements, B) A summary of the auditor's observations together with Engineers Canada staff response, and C) The Board's recommendation for the appointment of the following year's auditor.	FAR Committee	Annually							

Board responsibilities (Board policy 4.1) / FAR Committee responsibilities (Board policies 6.4)	**Board / committee / task force**	**Occurrence**	**16-Jun-25**	**14-Aug-25**	**23-Oct-25**	**12-Dec-25**	**23-Feb-26**	**6-Mar-26**	**8-May-26**
Conducting a comprehensive review of the auditor at least every five years. The outcome of this review is a recommendation to either retain the audit firm or select an alternative audit firm.	FAR Committee	Every 5 years	--	--	--	--	--	--	--
Providing information to the Board, as provided by the auditor, on significant new developments in accounting principles or relevant rulings of regulatory bodies with implications for the Board's financial policies.	FAR Committee	As required							
Review and update the Board on finance-related matters, such as internal financial controls and finance-related policies and procedures, as necessary	FAR Committee	Annually							
Conduct an annual review of any new long-term procurement contracts that extend beyond five years with a value that exceeds $100,000 per annum.	FAR Committee	Annually							
Review and recommend changes to the Board's investment policy.	FAR Committee	Biennially							
Approve policies to ensure that proper financial controls are in place	Board	As required							
Review policies related to the FAR Committee's work and make recommendations to the Governance Committee (not prescribed in BP 6.4).	FAR Committee	As required		✓					
Complete an annual review of the Corporate Risk Profile before it is shared with the Board, generally in May, or whenever significant changes occur.	FAR Committee	Annually							
Ensure risk management systems are in place that reflect the Board's risk tolerance and direct Board-approved mitigation strategies	Board	Annually							
Review on a quarterly basis any changes to the Board and operational risk registers, as applicable, and report anything of significance to the Board.	FAR Committee	Quarterly		✓ Overview & discussion	✓ Check-in	--		Deep dive	
Monitor known risks and identifying potential risks to the organization	Board	Ongoing							
Additional work / authorities									
The FAR Committee has the authority to meet independently with the external auditor.	FAR Committee	As required							
The Chair of the FAR Committee has the authority to meet independently with Engineers Canada's Director, Finance.	FAR Committee	As required							

Board responsibilities (Board policy 4.1) / FAR Committee responsibilities (Board policies 6.4)	**Board / committee / task force**	**Occurrence**	**16-Jun-25**	**14-Aug-25**	**23-Oct-25**	**12-Dec-25**	**23-Feb-26**	**6-Mar-26**	**8-May-26**
Consider recommending to the Board/Members special assessment fees to fund special projects.	FAR Committee	As required			Not required				

Included in annual work plan		Partially completed as per annual work plan	✓
Completed as per annual work plan	✓	Not completed	✖
Completed in addition to the annual work plan	✓	Not applicable	--

BRIEFING NOTE: For information

Governance Committee report	2.2b
Purpose:	To review the Governance Committee contributions since the December 8, 2025, Board meeting.
Link to the Strategic Plan/Purposes:	Board responsibility: Formulates and periodically reviews Board policies that align with the organization's values and guide decision making. Board responsibility: Ensures that policies and processes are established to monitor and enhance Board effectiveness.
Link to Corporate Risk Profile:	Decreased confidence in governance functions (Board risk)
Prepared by:	Joan Bard Miller, Manager, Governance and Board Services
Presented by:	Denise Pothier, Chair, Governance Committee

Background

- The Governance Committee is tasked to enhance the Board's effectiveness and efficiency on matters relating to Board governance principles and policies and to fulfill its Board responsibility to *ensure the development and periodic review of Board policies*.
- On October 9, 2025, the Board approved the Governance Committee's 2025-2026 work plan based on the responsibilities outlined in Board policy 6.8, *Governance Committee terms of reference*.
- At each Board meeting, the Governance Committee Chair provides an update on the committee's work since the last Board meeting.

Status update

- In keeping with its approved work plan, the Governance Committee has not met since the December Board meeting.
- A small working group of the committee, however, has been collaborating electronically on environmental sustainability statements for inclusion in the Board's policy manual. The group's recommendations will be discussed by the full committee at its meeting on March 12, 2026.

Next steps

- The Board is asked to approve one policy under item 4.4 of the current agenda.
- The Governance Committee's final meeting of the year will be held in March to complete the remaining responsibilities set out in its work plan.

Appendix

- **Appendix 1:** Governance Committee work plan

Board responsibilities (Board policy 4.1) / Governance Committee responsiblities (Board policy 6.8)	**Board / committee / task force**	**Occurrence**	**16/Jun/25**	**17/Sep/25**	**12/Nov/25**	**12/Mar/25**
(3) Formulates and periodically reviews Board policies that align with the organization's values and guide decision making.						
Review and maintain the currency and relevance of Board policies and governance documents	Governance Committee	4 times per year	✓	✓	✓	
Review and make recommendations on the currency and relevance of the Bylaws and Articles of Continuance	Governance Committee	Annually		✓		
(9) Ensures that policies and processes are established to monitor and enhance Board effectiveness.						
Make recommendations for Board education related to governance and Board effectiveness	Governance Committee	Annually				
Undertake such research or reviews as may be assigned by the Board	Governance Committee	As required				
Conduct a periodic survey of Regulators and Directors to evaluate the effectiveness of Board governance and operations and develop action plans to address any required improvements	Governance Committee	As required				
To make editorial changes to Board policies such as the correction of typographical and grammatical errors, to ensure the consistent use of terminology and plain language, and to update references	Governance Committee	As required				

Included in annual work plan	
Completed as per annual work plan	✓
Completed in addition to the annual work plan	✓
Partially completed as per annual work plan	✓
Not completed	✖
Not applicable	--

BRIEFING NOTE: For information

Human Resources Committee report	2.2c
Purpose:	To review the Human Resources (HR) Committee contributions since the December 8, 2025, Board meeting.
Link to the Strategic Plan/Purposes:	Board responsibility: Hires, supports, and evaluates the CEO so that they are better able to further Engineers Canada's purposes and achieve its vision. Board responsibility: Ensures that policies and processes are established to monitor and enhance Board effectiveness.
Link to Corporate Risk Profile:	Decreased confidence in governance functions (Board risk) Reduced long term financial viability (Board risk)
Prepared by:	Joan Bard Miller, Manager, Governance and Board Services
Presented by:	Marlo Rose, Chair, HR Committee

Background

- The Human Resources (HR) Committee enhances the Board's effectiveness and efficiency by overseeing the timely delivery of the Director onboarding and development program and monitoring and assessing the performance of the Board, Board committees, Directors, and the CEO so that Engineers Canada can deliver on its mandate.
- On October 9, 2025, the Board approved the HR Committee's 2025-2026 work plan based on the responsibilities outlined in Board policy 6.12, *Human Resources Committee terms of reference*.
- At each Board meeting, the HR Committee Chair provides an update on the committee's work since the last Board meeting.

Status update

- The HR Committee met in-camera on December 3 and 11, 2025, to conduct the CEO's annual performance assessment, the results of which will be reported to the Board in-camera as part of item 6.3 of the current meeting agenda.
- As reported in December, the HR Committee decided in November to pause the annual Board assessment during Engineers Canada's governance review. The annual Director self- and peer-assessments will continue as usual in keeping with Board policy 4.13, *Individual Director assessment*. After the February Board meeting, Directors will receive the following surveys that will be open for two weeks:
  - Peer assessments for seven (7) Directors who are either in year two of their first mandate or year one of their second mandate.
  - Self-assessments to help Directors identify their strengths, weaknesses, abilities, and competencies, provide demographic information (optional) and future committee and leadership appointments.
- Survey results will be shared confidentially with the President-Elect and respective Directors. Aggregated and anonymized results will be shared with the HR Committee for information, as well as Directors' committee preferences and competencies to inform the 2026-2027 appointments.

Next steps

- In keeping with its work plan, the HR Committee's next meeting will be on April 1, 2026.

Appendix

- **Appendix 1:** Human Resources Committee work plan

Board responsibilities (Board policy 4.1) / HR Committee responsibilities (Board policy 6.12)	**Board / committee / task force**	**Occurrence**	**24-May-25**	**16-Jun-25**	**4-Sep-25**	**20-Nov-25**	**3-Dec-25**	**11-Dec-25**	**27-Feb-26**	**1-Apr-26**
(3) Formulates and periodically reviews Board policies that align with the organization's values and guide decision making.										
Annually review policies which provide for the sound management of Engineers Canada's volunteers and personnel	HR Committee	Annually			✓					
(4) Hires, supports, and evaluates the CEO so that they are better able to further Engineers Canada's purposes and achieve its vision. If necessary, the Board has the authority to dismiss the CEO.										
Recommend to the Board for approval membership of a CEO Search Committee, when required. The CEO Search Committee's membership may align with that of the HR Committee.	HR Committee	As required	--	--	--	--		--	--	--
Annually review succession plans for the CEO Annually confirm that the CEO has prepared succession plans for their direct reports	HR Committee	Annually			✓					
Review and recommend annual objectives for the CEO to the Board	HR Committee	Annually			✓ Review draft objectives	✓ Recommend to Board				
Consider for approval the annual CEO objectives	Board	Annually								
Conduct regular CEO assessments and make recommendations to the Board regarding annual CEO compensation	HR Committee	Annually			✓ Select consultant	✓ Perfor-mance reporting	✓ Assessment	✓ Assessment		
Review results of the employee engagement survey	HR Committee	Every 3 years								
Consider for approval the annual short-term incentive	Board	Annually								

Board responsibilities (Board policy 4.1) / HR Committee responsibilities (Board policy 6.12)	**Board / committee / task force**	**Occurrence**	**24-May-25**	**16-Jun-25**	**4-Sep-25**	**20-Nov-25**	**3-Dec-25**	**11-Dec-25**	**27-Feb-26**	**1-Apr-26**
(9) Ensures that policies and processes are established to monitor and enhance Board effectiveness.										
Approve the structure and content of the annual Board, Director and Chair performance surveys, as per Board policies 4.12, Board assessments, and 4.13, Individual Director assessment, and 6.2, Board, committee, and task force chair assessment.	HR Committee	Annually for each assessment			✓ Chair	✓ Board / Director				
Review the results of the annual Board assessments and report anything of significance to the Board.	HR Committee	Annually								
Establish, administer, and annually review competency profiles for the Board, individual Directors, and chairs and consider Board and committee succession planning	HR Committee	Annually			✓					
Provide oversight of the Director onboarding and development program	HR Committee	Annually								
The Board may seek support from committees and task forces to deliver these responsibilities.										
Nominate new committee members and recommend committee chairs annually, as per Board policy 6.1, Board Committees and Task Forces	HR Committee	As required	✓							
Consider nominations for approval	Board	As required	✓	✓						
Additional work / authorities										
Approve budget for and recruitment of external resources to assist with HR Committee responsibilities	HR Committee	Annually	✓							
Check in on progress against CEO objectives for the year	HR Committee	Quarterly			✓	✓				

Included in annual work plan		Not completed	×
Completed as per annual work plan	✓	Not applicable	--
Completed in addition to the annual work plan	✓		
Partially completed as per annual work plan	✓		

BRIEFING NOTE: For information

Canadian Engineering Accreditation Board (CEAB) report	2.2d
Purpose:	To review the CEAB contributions since the December 8, 2025, Board meeting.
Link to the Strategic Plan/Purposes:	Core purpose 1: Accrediting undergraduate engineering education programs Core purpose 7: Managing risks and opportunities associated with mobility of work and practitioners internationally
Link to Corporate Risk Profile:	Accreditation (Board risk)
Prepared by:	Mélanie Ouellette, Manager, Strategic and Operational Planning and CEAB Secretary
Presented by:	Ray Gosine, CEAB Chair

Background

- The CEAB performs assessments of academic engineering programs to decide if they meet accreditation criteria approved by the Board. It grants accreditation to those programs that meet the criteria. They also produce information needed for the Board to make decisions on matters relating to engineering education both in Canada and in other countries.
- On December 8, 2025, the Board approved the CEAB's 2026 work plan based on the responsibilities outlined in Board policy 6.9, Canadian Engineering Accreditation Board (CEAB).
- At each Board meeting, the CEAB provides an update on the committee's work since the last Board meeting.

Status update

- **Recommendations 7, 8 and 9 of the Futures of Engineering Accreditation (FEA) Path Forward Report**: Last fall, the Engineers Canada Board tasked the CEAB to develop and recommend for Board approval appropriate changes to accreditation criteria pursuant to Recommendations 7, 8, and 9 of the FEA Path Forward Report. Progress to date includes:
    - Following the co-design session held in the fall, the Policies & Procedures (P&P) Committee and the Engineering Deans Canada (EDC)'s Deans Liaison Committee (DLC) have prepared a general direction that will be submitted to the CEAB, EDC, and the CEO Group for feedback. This input will be essential for shaping and refining the proposed accreditation criteria changes, ensuring they are comprehensive and thoughtfully considered before a broader, national consultation.
    - At the fall co-design session, members of both P&P and DLC committees expressed enthusiasm for the session outcomes, highlighting strong collaboration and a shared sense of accomplishment. However, participation from the Deans was limited, with only half (four out of seven) of the committee members attending (two in person). The low participation by Deans gives rise to a risk that the process is not capturing the full range of perspectives from the Higher Education Institutions (HEIs). The P&P committee's mitigation strategy is to maximize transparency throughout the process, including clearly communicating the views and positions of all participants.
- **Regulations for granting transfer credits**: The CEAB is proposing that a new clause (2.3.3) be added to Appendix 1 of the *CEAB Accreditation Criteria and Procedures*, stipulating that up to 112 Accreditation Units (AUs) can be allocated without a validation procedure for complementary studies at three-year technical CEGEP programs. The consultation report has

been finalized, and the proposed changes will be presented at the April CEAB meeting before being submitted to the Engineers Canada Board for approval in May.

- **Accreditation visit**: Between December 2025 and June 2026, the CEAB will conduct eight visits.
- **CEAB meeting and workshops:** In February, the CEAB:
    - Received updates from Engineering Deans Canada, the Canadian Federation of Engineering Students and the CEQB.
    - Provided input into the second round of consultation for the Engineers Canada governance review.
    - Held two workshops on the Graduate Attributes (GA) and Continual Improvement (CI) accreditation criteria, as well as on the substantial and meaningful engagement of professional engineers in the education of engineering students in support of recommendations 7, 8 and 9 of the FEA Path Forward Report.

Next steps

- The CEAB will next meet virtually on April 11, 2026.

Appendix

- **Appendix 1:** CEAB 2026 work plan

CEAB work plan 2026

Item		
Accreditation decisions	**Visit date**	**Decision date (2026)**
Conestoga College Institute of Technology and Advanced Learning (2 programs)	February 22-24, 2026	June
Humber College Institute of Technology and Advanced Learning (3 new programs)	February 22-24, 2026	June
Royal Military College (5 programs)	October 26-28, 2025	June
Sheridan College (1 new program)	November 16-18, 2025	June
Simon Fraser University (1 program)	February 1-3, 2026	June
Université du Québec à Rimouski (1 program)	November 24-26, 2025	June
Université du Québec en Abitibi-Témiscamingue (3 programs)	TBD; Winter 2026	June
Université Laval (14 programs)	November 16-18, 2025	June
University of Alberta (9 programs)	October 19-21, 2025	June
University of British Columbia – Okanagan (4 programs)	November 2-4, 2025	June
University of Calgary (2 programs + 1 new program)	February 1-3, 2026	June
University of Manitoba (5 programs)	November 2-4, 2025	June
University of New Brunswick (7 programs)	November 22-25, 2025	June
University of Regina (2 programs + 1 new program)	January 25-27, 2026	June
University of Toronto (9 programs)	October 19-21, 2025	June
University of Victoria (1 program)	February 22-24, 2026	June
University of Western Ontario (3 programs)	November 16-18, 2025	June
International monitoring	**Participant(s)**	**Date**
Provision of advice to the delegation to the Washington Accord meetings	CEAB members	June 8-13 Capetown, South Africa
Ongoing operational work	**Responsible**	**Due date**
Implement Tandem for accreditation (Engineers Canada's new web-based data management system).	P&P Committee CEAB members	Ongoing
Accountability in Accreditation (AinA) • Study and prioritize the findings from the 2025 report • Collect data for the 2026 report	AinA Committee P&P Committee CEAB	Ongoing
Procedural work	**Responsible**	**Due date**
Reconcile the Questionnaire, GA/CI rubrics, and accreditation criteria regarding the necessity for programs to classify the instructional level of content relating to one or more graduate attribute in each course across progression categories introductory (I), intermediate development (D), and advanced application (A) (complements FEA recommendation #4: Mandate a shift to outcomes-focused accreditation). *(Work approved in 2025 workplan; Not started)*	P&P Committee CEAB	December
Develop more robust procedures related to 'focused visits.' *(Work approved in 2025 workplan; Started)*	P&P Committee CEAB	April
Develop communication protocols for when institutions sunset accredited programs. *(Work approved in 2025 workplan; Not started)*	P&P Committee CEAB	April
Develop procedures for visits to programs with satellite campuses and/or feeder institutions. *(Work approved in 2025 workplan; Started)*	P&P Committee CEAB	April

Policy and criteria work	Responsible	Due date
Consider adding a new clause to "Appendix 1" of the CEAB Accreditation Criteria and Procedures book, "Regulations for granting transfer credits," to stipulate that up to 112 Accreditation Units (AUs) can be allocated without a validation procedure for complementary studies at 3-year technical CEGEP programs. *(Work approved in 2025 workplan; Started)*	P&P Committee CEAB	April
Develop alternative ways for HEIs to demonstrate that students enrolled in engineering programs have substantial and meaningful involvement with licensed professionals (complements FEA Path Forward Report recommendation #8; Engineering Deans Canada members have identified this as a priority). *(Work approved in 2025 workplan; Started)**	P&P Committee CEAB Engineers Canada Board	October
Formalize the risk-based trajectory decision process and update associated policies, procedures, and templates. *(Work approved in 2024 workplan; Started)*	P&P Committee CEAB	April
2025-2029 Strategic plan	**Responsible**	**Due date**
Monitor and contribute to the *Realizing accreditation and academic assessments* strategic direction when/how requested.	CEAB members	Ongoing

*The high-level steps to complete this work might include:

- The CEAB and EDC endorse a joint statement defining the purpose and outcomes for substantial and meaningful student involvement with licensed engineers.
- The CEAB, in collaboration with EDC, to review the existing accreditation criteria in light of the purpose statement.
- The CEAB, in collaboration with EDC, revise accreditation criteria and develop an interpretive statement, providing HEIs and visiting teams with adequate latitude and flexibility to meet the accreditation criteria.
- Per Board Policy 9, Accreditation criteria and procedures report, the CEAB to consult with interest holders on revised criteria and the associated interpretive statement.
- The CEAB to recommend appropriate criteria changes to the Engineers Canada Board, informed by interest holder feedback, by October 2026.
- The CEAB to examine the *Temporary exemption for students going on international exchange* to determine an appropriate way forward in light of recommended criteria changes.

BRIEFING NOTE: For information

Canadian Engineering Qualifications Board (CEQB) report	2.2e
Purpose:	To review the CEQB contributions since the December 8, 2025, Board meeting.
Link to the Strategic Plan/Purposes:	Core purpose 3: Providing services and tools that enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada.
Link to Corporate Risk Profile:	Diminished National Collaboration (Board risk)
Prepared by:	Ryan Melsom, CEQB Secretary
Presented by:	Sam Inchasi, CEQB Chair

Background

- The CEQB is tasked with providing services and tools that enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada.
- On December 8, 2025, the Board approved the CEQB's 2026 work plan based on the responsibilities outlined in Board policy 6.10, *Canadian Engineering Qualifications Board (CEQB)*.
- At each Board meeting, the CEQB provides an update on the committee's work since the last Board meeting.

Status update

- At its meeting held on January 21, 2026, CEQB approved:
  - The Guideline on the Ethical Development and Use of Groundbreaking Technologies, which will be presented to the Engineers Canada Board for publication approval at is October 2026 meeting; and
  - Regulator consultation on the draft General Direction for a Guideline on Managing Challenging Complaints.
- The Syllabus Committee of the CEQB has experienced challenges completing timely syllabus reviews, due to challenges in the volunteer environment. To mitigate, recruitment and onboarding procedures will be reviewed in 2026, and the CEQB Secretariat will be working closely with the National Admissions Officials Group to identify and select potential reviewers.
  - CEQB syllabi remain a vital resource to regulators, as they play a critical role in the academic assessment of non-CEAB applicants. These documents represent a synthesis of primarily technical CEAB program content, and are not intended to "define" engineering disciplines or represent the full set of competencies needed for entry to practice.
- CEQB initiated development of SMART KPIs in Q1 2026. When complete, these will assist in gauging the performance of CEQB products and practices.

Next steps

- CEQB will meet in Ottawa on April 11, 2026.

Appendix

- **Appendix 1:** 2026 CEQB work plan

CEQB work plan 2026

As mandated by the purposes of Engineers Canada, the Canadian Engineering Qualifications Board (CEQB) develops and maintains national guidelines, papers, and examination syllabi that enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada. The purpose of this document is to highlight current 2025 priorities that will be carried forward in 2026 and propose 2026 priorities based on received feedback from officials' groups.

A. Priorities carried forward from previous years

Item	Requested by	Work plan	Anticipated completion
Review of the 2012 Public guideline on the practice of engineering in Canada	NPOG	2024	October 2025
Creating a new Engineers Canada paper on the ethical use of groundbreaking technologies	NPOG	2024	May 2026
Review of 2018 Regulators guideline on academic assessment of non-CEAB applicants	NAOG	2024	October 2025
New Guideline on Misuse of the Complaint Process (Replaces 2025 Review of Qualified Persons in Demand-Side Legislation)	NPOG, NDEOG	2025	May 2027
Outreach activities based on 2024-5 work, including the development of short-format resources, conference presentations, and interest holder engagement.	CEQB, NAOG, NPOG, NDEOG	2025	December 2025

B. Additional 2026 priorities

Item	Requested by	Date of request	Anticipated completion
Proposed New Guideline on the public conduct of engineers [from officials]	NPOG, NDEOG	2025	February 2028
Review of Regulators guideline on Assessment of engineering work experience using competency-based assessment	NAOG	2025	May 2027

C. Ongoing review of examinations syllabi and associated textbooks

Item	Anticipated completion
2018 Environmental engineering syllabus	April 2026
2018 Geological engineering syllabus	April 2026
2018 Geomatics engineering syllabus	April 2026

D. New review of examinations syllabi and associated textbooks

Item	Anticipated completion
2020 Civil engineering syllabus	April 2027
2020 Basic studies syllabus	April 2027
2017 Engineering physics syllabus	April 2027

BRIEFING NOTE: For decision

Annual Strategic Performance Report	2.3
Purpose:	To approve the 2025 Annual Strategic Performance Report
Link to the Strategic Plan / Purposes:	Board responsibility: Provides ongoing strategic direction for Engineers Canada by monitoring implementation of the Strategic Plan.
Link to the Corporate Risk Profile:	Decreased confidence in the governance functions (Board risk)
Motion(s) to consider:	*THAT the Board approve the 2025 Annual Strategic Performance Report for circulation to the Members for information at the 2026 Annual Meeting of Members.*
Vote required to pass:	Simple majority
Prepared by:	Mélanie Ouellette, Manager, Strategic and Operational Planning
Presented by:	Phillip Rizcallah, Chief Executive Officer

Issue definition

- Engineers Canada's 2025-2029 Strategic Plan was approved by the Members in May 2024.
- Each strategic direction mitigates one or more Board risks.
- As per Board policy 1.4, *Strategic Plan,* the Board continuously monitors the performance of the organization against the plan, receiving three interim reports and one annual report each year. The annual performance report is also provided to the Members at their meeting in May.

Proposed action/recommendation

- That the Board approve the attached 2025 Annual Strategic Performance Report so that it may be circulated for information to the Members at their meeting in May.
- As indicated in the report, the Realizing an inclusive profession strategic direction is experiencing some delays due to a smaller staff contingent than originally anticipated when this strategic direction was conceived but is expected to be completed by the end of the strategic plan.
- All other strategic work is on track to be completed by the end of the strategic plan.

Financial implications

- There are no costs associated with this report. Expenses related to delivering the strategic plan had previously been accounted for in Engineers Canada's annual budget for the subject years.

Benefits

- The annual strategic performance report provides an opportunity for the Board to reflect on its performance and that of the organization.
- The annual strategic performance report demonstrates to the Members (Regulators) that the Board members understand who they are accountable to, and that they are committed to their role of delivering value to the Regulators.

Risks

- No significant risks have been identified with presenting the approved report to the Members. Conversely, failing to report progress and demonstrate accountability to the Members could lead to a loss of trust.

Next steps (if motion approved)

- The 2025 Annual Strategic Performance Report will be included in the agenda materials for the 2026 Annual Meeting of Members.
- The Board will receive its first quarterly update of the year at its May meeting.

Appendix

- **Appendix 1:** 2026 Annual Strategic Performance report

Annual Strategic Performance Report: Q4-2025

Indicators included in the tables below were approved at the Board Strategic Workshop in June 2024. Performance is benchmarked against the 2025-2029 Strategic Plan that came into effect on January 1st, 2025.

Legend	Status of strategic direction
Overall activities on track to be completed by 2029	
Overall activities experiencing some delays, no foreseen impact on completing the strategic priority by 2029	
Overall activities experiencing some delays which could impact the ability to complete the strategic priority by 2029	

Reporting Information Sources

The information included in this report has been obtained from the following sources:

Reporting area	Source
Planned activities (as set in June 2024)	Copied from Board June 2024 strategic workshop presentation
2025 quarterly reporting	Staff updates as part of quarterly internal reporting
What we will do	Copied from 2025-2029 Strategic Plan
What does success look like	Copied from Board June 2024 strategic workshop presentation
How will we measure success in 2029	

To make this report succinct, only the work to be done this current year is represented in the quarterly report. All the work that is expected to be completed in 2025-2029 can be found in the Section 2 of this report.

Section 1

Realizing a stronger federation				
Status: 				
Planned activities	**Q1**	**Q2**	**Q3**	**Q4**
Pillar: Implement Governance Review **Outcome: Engineers Canada has efficient and trustworthy governance processes**				
Hire an expert ***Indicator:*** *Consultant is engaged to lead the governance review*	• Expert was hired.	• Completed.		
Interview Regulators to identify issues, benchmark against other governance systems, and present options to the Board ***Indicators:*** *Regulators' positions are known and shared in consultation report* *Consultant proposes updates to the governance system*	• Upcoming in Q2.	• Individual interviews with Regulators are underway.	• First round of consultation / interviews with Regulators have been held.	• Completed.
Present proposed options for change to the governance system to Regulators for validation ***Indicator:*** *Regulators' positions are known and shared in consultation report*	• Upcoming in Q4.			• The Board received workshop results and draft solutions and options for Round 2 consultations • Draft solutions and options were sent for consultations held with individual Regulators, the CEAB and the CEQB between December 9 and end of January.
Pillar: Operationalize Collaboration and Harmonization **Outcome: Engineering regulators benefit from collaboration and harmonization** **Outcome: Engineering regulation is consistent, efficient and effective across Canada**				
Implement a predictable and transparent process to select future areas of regulatory collaboration ***Indicator:*** *Supported by Engineers Canada, Regulators collaboratively tackle various regulatory areas/issues for duration of Strategic Plan*	• Discussion initiated with CEO Group	• Work related to formalizing a predictable and transparent process to select areas of regulatory collaboration will be informed in due course. In the meantime, several projects are being advanced (see below). • Several collaboration and harmonization projects and initiatives are still being identified and advanced such as: Harmonized inter-jurisdiction mobility application confirmation form (new priority in 2025), environmental scan/business case on digital signature providers and potential of EC offering this function (new priority in 2025), harmonized CPD program (new priority in 2025), advancement of RFEA/FSCP outcomes, reviews/improvements of IIDD, NMDB, Mobility Register (new priority in 2025).		

Realizing accreditation and academic assessments

Status: 

Planned activities	Q1	Q2	Q3	Q4
Pillar: National Academic Requirement for Licensure **Outcome: Regulators have trusted, efficient, inclusive and proactive systems that help them meet fairness requirements and maintain the authority for licensure.** **Outcome: The academic assessment requirements for CEAB graduates and non-CEAB applicants for licensure are aligned and fair.**				
Establish a Full Spectrum Competency Profile (FSCP) Pilot Study Advisory Group working group ***Indicator:*** *Appropriate project governance is established* *Interest holders are actively participating in project activities.*	• The competencies for the working group have been prepared, and work is planned to confirm the governance approach. It is expected to be completed in Q2.	• Delays in establishing an FSCP Advisory Group due to resource constraints and competing priorities. • Additional resources have been assigned. • Expect to be back on track by the end of Q3.	• The FSCP advisory group is in final stages of being established, onboarding is planned for Q4. • Expect to be back on track by Q4.	• The FSCP working group recruitment was completed in Q4 as well as the groups' onboarding.
Hire an expert ***Indicator:*** *Consultant is engaged to create the competency profile.*	• Upcoming in Q3.	• Delays in hiring a consultant due to resource constraints and competing priorities.	• The Program Development Consultant has been selected, and the contract has been developed. • Pending legal review with a plan to have a contract signed in Q4.	• The Program Development Consultant has been selected and contract has been signed.
Select competencies ***Indicator:*** *Interest holders are actively participating in project activities.*	• Upcoming in Q4.			• The draft report identifying recommended competencies has been completed. • The report will be shared with the Board in 2026.

Planned activities	Q1	Q2	Q3	Q4
Pillar: Accreditation **Outcome: Accreditation is valued by regulators, educators, students and volunteers**				
Decision from Engineers Canada Board to proceed on other FEA Path Forward recommendations ***Indicator:*** *Engineers Canada Board approves next steps*	• All deliverables have been completed for Q1 except for education sessions. They will be completed in Q2.	• Education and Ask me Anything sessions have been held. • Delay in education sessions due to the need to clarify sessions' objectives and resource constraints. • Additional recommendations from The Path Forward Report will be brought forward to the Board in October 2025 (Q3).	• At its October meeting, the Engineers Canada Board tasked the CEAB to recommend appropriate changes to accreditation criteria related to faculty licensure pursuant to relevant recommendations in the Futures of Engineering Accreditation Path Forward Report. • The Engineers Canada Board also approved that staff and others work on Investments, Change Management, Industry Engagement, and Core Values recommendations. • These elements were as part the Futures of Engineering Accreditation Path forward Report.	• Work is starting on the recommendations approved by the Engineers Canada Board in October. Work is starting on the implementation approved by the Engineers Canada Board in October.

Realizing our role in sustainability				
Status: 				
Planned activities	**Q1**	**Q2**	**Q3**	**Q4**
Pillar: Board-approved initiatives **Outcome: Engineers Canada has a defined role in environmental stewardship that complements Regulators' efforts**				
Adopt a new Environmental, Social, Governance (ESG) policy ***Indicator:*** *Policy approved by Engineers Canada Board*	• Conducted research on best practices and Engineers Canada's needs. • Recommendations on integrating ESG in Engineers Canada's policies were presented to the Governance Committee for feedback.	• Ongoing research to inform the final policy approach that will be presented to the Governance Committee and Board for approval by the end Q4.	• The Governance Committee reviewed policy at their September meeting and additional revisions suggested. • Policy will be reviewed by Governance Committee again in November and Board approval will be sought in Q1 2026.	• The Governance Committee decided to strike a working group to develop policy statements, which are expected to be submitted for Board in May.
Pillar: Scope our national role to support Regulators **Outcome: Engineers Canada has a defined role in environmental stewardship that complements Regulators' efforts**				
Conduct environmental scan to compile emerging trends and similar organizations' practices ***Indicator:*** *Compile and publish environmental scan on our public website*	• Expert hired and working through literary review. Met with the Canadian Medical Association to learn about their journey and apology for harms to Indigenous Peoples.	• The consultants have been selected, and an outline of the environmental scan has been approved.	• Environmental scan and comparative analysis drafted. • Feedback from sponsor and workstream owner being incorporated and decisions underway about the best way to share the results/report.	• The environmental scan and comparative analysis drafted has been distributed to the CEO Group.

Realizing an inclusive profession				
		Status:		
Planned activities	**Q1**	**Q2**	**Q3**	**Q4**
Pillar: Drive inclusiveness of women **Outcome: Engineering is a welcoming, inclusive profession that reflects Canadian society and has embraced Truth and Reconciliation**				
Share recruitment and retention strategies and recommendations ***Indicator:*** *Recommendations are approved by the Board*	• Completed a review of existing programs through intersectional lens and impact on system.	• Due to continuing resource constraints, this project is behind schedule. • It is anticipated that the creation of the theory of change narrative will be pushed to Q4 based on recent discussions with the CEO taskforce. • The Regulator and employer consultations will be pushed into Q3.	• The CEO inclusivity taskforce has aligned on a vision, commitment statement and barriers impacting the profession. • We have met with ACEC to create a community of practice and identify companies to pilot the benchmark. • Discussions have begun with our Board champions to guide when and how the Board should be engaged.	• There is currently a smaller staff contingent than originally anticipated for this strategic direction was conceived, so this project is behind schedule. • This work will be carried forward into Q1 of 2026.
Pillar: Fostering Truth & Reconciliation **Outcome: Engineering is a welcoming, inclusive profession that reflects Canadian society and has embraced Truth and Reconciliation**				
Conduct environmental scan to compile emerging trends and similar organizations' practices ***Indicator:*** *Environmental scan is completed, and results are integrated into Engineers Canada's work*	• Completed a consultation with the Indigenous Advisory Committee on a framework for the proposed scope of work towards truth and reconciliation.	• We have consulted with the Indigenous Advisory Committee (IAC) on a framework for the proposed scope of work towards truth and reconciliation and K-12 Indigenous education literary review. • We also have developed an RFP in consultation with the IAC to do the environmental scan.	• We have selected and started working with consultants on the development of the environmental scan, framework and action plan. • This work is scheduled to be completed in Q4.	• The environmental scan, the framework and draft action plan have been completed.
Provide training to staff and volunteers ***Indicator:*** *Training has been provided to staff and volunteers*	• Provided HR with all contact information for delivery of training and requested it be part of the orientation process for new staff.	• On track to provide training in Q3.	• We continue to provide the Four Seasons of Reconciliation training as part of new staff and volunteer orientation. In September 2025, staff also participated in the Kairos Blanket Exercise to mark the National Day for Truth and Reconciliation and Orange Shirt Day, and to help them understand their role in advancing Truth and Reconciliation.	• The training has been provided for staff.

Realizing a fuller awareness of engineers				
Status: 				
Planned activities	**Q1**	**Q2**	**Q3**	**Q4**
Pillar: National marketing campaign **Outcome: The public has an increased awareness of engineers' contributions to society**				
Review impact of Building Tomorrows campaign and release summary report ***Indicator:*** *Report is shared with Board and Regulators*	• Completed.			
Consult Regulators to determine whether a national marketing campaign should continue and if so, how it would be funded ***Indicator:*** *Engineers Canada has a clear path forward as documented in consultation report*	• Upcoming in Q3.	• Initial discussion with Regulator CEOs held at their July meeting. • Initial feedback will inform ongoing consultation process and approaches going forward.	• Based on feedback, we prepared revised national marketing approaches with a recommendation that will be presented to the CEO Group in Q4.	• Revised national marketing approaches presented to CEO Group. Agreement that Engineers Canada will proceed with a national marketing campaign in consultation with the National Communications Officials Group, who will assist in an advisory role on strategy and delivery. • Engineers Canada will fund up $500K over three years to design and deliver a campaign.
Pillar: Pathway to engineering **Outcome: The public has an increased awareness of engineers' contributions to society**				
Communications plan developed and implemented ***Indicator:*** *Ongoing growth in social media following throughout course of the strategic plan*	• Upcoming in Q2.	• Two quarterly webinars completed with great success and uptake.	• The Q4 webinar planning and promotion is well underway. This project is on track.	• Completed.
Informational content on the licensure process in Canada for engineering graduates from CEAB-accredited programs is maintained online ***Indicator:*** *Stable engagement with content over several years*	• Content has been published and is available online. Too early to establish engagement trend.	• Information is provided online.	• To better support early career professionals, we expanded our Pathway to Engineering project by developing new tools and resources to better support early career outreach and engagement. • We also developed quarterly webinars on relevant topics connecting it to the value of the engineering license, created targeted goals by province that included strategies to engage folks who qualify to pursue their license and initiated a licensure pilot project.	• Completed.

Pillar: Engineers in leadership **Outcome: The public has an increased awareness of engineers' contributions to society**				
Conduct an environmental scan including barriers and opportunities evaluation, executive interviews, and strategic recommendations ***Indicator:*** *Report is validated by advisory group to this work and Regulators*	• Upcoming in Q2.	• RFP for the environmental scan is in development, for release in Q3.	• The RFP closed, and 14 proposals were received. • Proposal review is underway with a decision expected in Q4 and project complete by end of year.	• Engineers Canada has contracted with Cathexis to perform an environmental scan, literature review, and key informant interviews to deliver recommendations on representation of engineers on corporate boards and public bodies. • A final report is expected in mid-January 2026.
Create advisory group and project charter ***Indicator:*** *Advisory Group is struck by CEO*	• Upcoming in Q3.	• The project charter and advisory group creation will begin in Q3.	• The project charter is in development with completion by end of Q4. • The advisory group recruitment moved to Q1 2026 pending results of environmental scan.	• Project charter was completed in Q4, with advisory group recruitment moved to Q1 2026 pending results of environmental scan.

Section 2

The following section highlights which year each indicator is expected to be achieved:

Realizing a stronger federation					
Planned activities	**2025**	**2026**	**2027**	**2028**	**2029**
Pillar: Implement Governance Review **Outcome: Engineers Canada has efficient and trustworthy governance processes**					
Establish Governance Review Task Force ***Indicator:*** *Creation of the task force (achieved in 2024)*					
Hire an expert ***Indicator:*** *Consultant is engaged to lead the governance review (completed)*					
Interview Regulators to identify issues, benchmark against other governance systems, and present options to Board ***Indicators:*** *Regulators' positions are known and shared in consultation report* *Consultant proposes updates to the governance system*					
Present proposed options for change to the governance system to Regulators for validation ***Indicator:*** *Regulators' positions are known and shared in consultation report*					
Submit governance proposal and implementation plan to Regulators for consultation and subsequent approval ***Indicator:*** *Regulators approve changes to the governance system*					
Implement and monitor revised governance system ***Indicator:*** *No further changes to the governance system are proposed by Members for duration of Strategic Plan*					
Pillar: Long-Term Funding **Outcome: Engineers Canada has efficient and trustworthy governance processes**					
Renew long-term funding agreement ***Indicator:*** *Regulators renew long-term funding agreement*					
Pillar: Operationalize Collaboration and Harmonization **Outcome: Engineering regulators benefit from collaboration and harmonization** **Outcome: Engineering regulation is consistent, efficient and effective across Canada**					
Implement a predictable and transparent process to select future areas of regulatory collaboration ***Indicator:*** *Supported by Engineers Canada, Regulators collaboratively tackle various regulatory areas/issues for duration of Strategic Plan*					
Evaluate success of the five-year National Statement of Collaboration ***Indicator:*** *Lessons have been learned and activities over five years have resulted in successes (and failures) that can be used to evolve the statement*					
Regulators agree to review the Statement of Collaboration ***Indicator:*** *Regulators agree to renew an evolved Statement*					

Realizing accreditation and academic assessments					
Planned activities	**2025**	**2026**	**2027**	**2028**	**2029**
Pillar: National Academic Requirement for Licensure **Outcome: Regulators have trusted, efficient, inclusive and proactive systems that help them meet fairness requirements and maintain the authority for licensure.** **Outcome: The academic assessment requirements for CEAB graduates and non-CEAB applicants for licensure are aligned and fair.**					
Establish a Full Spectrum Competency Profile (FSCP) Pilot Study working group ***Indicator:*** *Appropriate project governance is established* *Interest holders are actively participating in project activities.* *(upcoming in Q2)*					
Hire an expert ***Indicator:*** *Consultant is engaged to support the FSCP Pilot Study.* *(upcoming in 2025)*					
Select competencies ***Indicator:*** *Interest holders are actively participating in project activities.* *(upcoming in 2025)*					
Undertake FSCP Pilot Study ***Indicator:*** *Interest holders are actively participating in project activities.* *(upcoming in 2026)*					
Share report of findings ***Indicator:*** *Interest holders are actively participating in project activities.*					
Decide on next steps ***Indicator:*** *Board approves changes.*					
Pillar: Accreditation **Outcome: Accreditation is valued by regulators, educators, students and volunteers**					
Decision from Engineers Canada Board to proceed on other FEA Path Forward recommendations ***Indicator:*** *Engineers Canada Board approves next steps*					
Approve the revised purpose & scope of accreditation statements and design parameters by Engineers Canada Board. ***Indicator:*** *Engineers Canada Board approves revised purposes, scope of accreditation statements and design parameters.*					
Establish new policy group to reflect new purpose and scope. ***Indicator:*** *Appropriate policy group is established.*					
Hire consultant to write new policies ***Indicator:*** *Consultant is engaged to write new policies.*					
Hire consultant to help with change management across the system. ***Indicator:*** *Consultant is engaged to manage change in the system.*					
Approval of the retirement of the minimum path by the Engineers Canada Board. ***Indicator:*** *Engineers Canada Board approves the retirement of the minimum path.*					
Report in findings around feasibility of accepting Higher Education Institutions (HEI) evaluations. ***Indicator:*** *Findings report is shared publicly.*					
Revise and get approval for the CEAB Accreditation criteria procedures (criteria, policies and principles). ***Indicator:*** *Engineers Canada Board approves the accreditation criteria.* *The CEAB approves the policies and the principles.*					

Realizing accreditation and academic assessments

Planned activities	2025	2026	2027	2028	2029
Pillar: Academic assessments for internationally educated applicants **Outcome: Regulators have efficient, effective, consistent and fair requirements for the academic assessment of non-CEAB applicants for licensure**					
Develop business case. ***Indicator:*** *Business case is developed and recommended by staff for presentation to Board.*					
Business case is shared. ***Indicator:*** *Board decides that proposal is viable and approves it for Regulator consultation.*					
Consult Regulators on viable option(s). ***Indicator:*** *Engineers Canada has a clear path forward as documented in consultation report.*					
Transition other Engineers Canada services and programs where needed. ***Indicator:*** *A plan is approved and implemented as applicable.*					

Realizing our role in sustainability

Planned activities	2025	2026	2027	2028	2029
Pillar: Board-approved initiatives **Outcome: Engineers Canada has a defined role in environmental stewardship that complements Regulators' efforts**					
Adopt a new Environmental, Social, Governance (ESG) policy ***Indicator:*** *Policy approved by Engineers Canada Board*					
Investigate and assess requirements and impacts of becoming a carbon neutral organization ***Indicator:*** *Report prepared and presented to the Engineers Canada Board.*					
Make decision on becoming a carbon neutral organization or not ***Indicator:*** *Decision made by Engineers Canada Board*					
Pillar: Scope our national role to support Regulators **Outcome: Engineers Canada has a defined role in environmental stewardship that complements Regulators' efforts**					
Conduct environmental scan to compile emerging trends and similar organizations' practices ***Indicator:*** *Compile and publish environmental scan on our public website*					
Hold workshop and consult Regulators on options for Engineers Canada's role ***Indicator:*** *Regulators attend workshop and inform options as documented in the consultation report*					
Determine how the engineering profession can contribute to UNSDGs ***Indicator:*** *Engineers Canada has a defined role and areas of focus for the profession as approved by the Board*					

Realizing an inclusive profession					
Planned activities	**2025**	**2026**	**2027**	**2028**	**2029**
Pillar: Drive inclusiveness of women **Outcome: Engineering is a welcoming, inclusive profession that reflects Canadian society and has embraced Truth and Reconciliation**					
Share recruitment and retention strategies and recommendations ***Indicator:*** *Recommendations are approved by the Board*					
Share 30 by 30 repositioning recommendations ***Indicator:*** *Recommendations are approved by the Board*					
Implementation of recommendations with Regulators, HEIs and employers ***Indicator:*** *Recommendations are implemented by end of Strategic Plan*					
Pillar: Embracing IDEA **Outcome: Engineering is a welcoming, inclusive profession that reflects Canadian society and has embraced Truth and Reconciliation**					
Invest in capacity-building efforts of key organizations ***Indicator:*** *The scope of the current evaluation framework is updated to include accessibility and new partnerships are explored*					
Consult Regulators to define Engineers Canada's role in advancing accessibility ***Indicator:*** *Engineers Canada has a defined role identified by Regulators*					
Become an IDEA employer of excellence ***Indicator:*** *Engineers Canada has established internal goals and metrics for success related to being an IDEA employer of excellence*					
Pillar: Fostering Truth & Reconciliation **Outcome: Engineering is a welcoming, inclusive profession that reflects Canadian society and has embraced Truth and Reconciliation**					
Conduct environmental scan to compile emerging trends and similar organizations' practices ***Indicator:*** *Environmental scan is completed and results are integrated into Engineers Canada's work*					
Provide training to staff and volunteers ***Indicator:*** *Training has been provided to staff and volunteers*					
Strike partnerships with Indigenous associations, councils and organizations ***Indicator:*** *Partnerships are documented and have clear objectives*					
Review of internal processes and policies and national position statements in alignment with our commitment to uphold the Calls to Action, Calls to Justice and United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) ***Indicator:*** *Benchmarking against Calls to Action, Calls to Justice and United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) has been conducted and a path forward to implement changes has been identified*					

Realizing a fuller awareness of engineers					
Planned activities	**2025**	**2026**	**2027**	**2028**	**2029**
Pillar: National marketing campaign **Outcome: The public has an increased awareness of engineers' contributions to society**					
Review impact of Building Tomorrows campaign and release summary report ***Indicator:*** *Report is shared with Board and Regulators*					
Consult Regulators to determine whether a national marketing campaign should continue and if so, how it would be funded ***Indicator:*** *Engineers Canada has a clear path forward as documented in consultation report*					
Implement next steps as agreed upon during consultation ***Indicator:*** *Consultation report shared with Regulators and implemented*					
Pillar: Pathway to Engineering **Outcome: The public has an increased awareness of engineers' contributions to society**					
Communications plan developed and implemented ***Indicator:*** *Ongoing growth in social media following throughout course of the strategic plan*					
Informational content on the licensure process in Canada for engineering graduates from CEAB-accredited programs is maintained online ***Indicator:*** *Stable engagement with content over several years*					
Conduct mid-point evaluation and readjust approach and content if appropriate ***Indicator:*** *Evaluation is conducted and path forward is shared*					
Pillar: Engineers in leadership **Outcome: The public has an increased awareness of engineers' contributions to society**					
Conduct an environmental scan including barriers and opportunities evaluation, executive interviews, and strategic recommendations ***Indicator:*** *Report is validated by advisory group to this work and Regulators*					
Create advisory group and project charter					
Develop and implement strategy					

BRIEFING NOTE: For decision

National Position Statements	2.4
Purpose:	To consider approving a new National Position Statement
Link to the Strategic Plan/Purposes:	Core purpose 5: Advocating to the federal government
Link to the Corporate Risk Profile:	Diminished national collaboration (Board risk) Reputation (operational risk) Sustainability of engineering regulation (operational risk)
Motion(s) to consider:	*THAT the new National Position Statement, Artificial Intelligence, Machine Learning, and Data Sciences, be approved*.
Vote required to pass:	Simple majority
Transparency:	Open session
Prepared by:	Nathan Durham, Manager, Public Affairs Jeanette Southwood, Executive Vice President, Corporate Affairs and Strategic Partnerships
Presented by:	Philip Rizcallah, Chief Executive Officer

Problem/issue definition

- National Position Statements (NPSs) are positions on key issues relating to the public interest. These are developed in collaboration with the provincial and territorial engineering regulators. These statements:
  - Provide a national perspective from the engineering profession on key issues
  - Influence public policy
  - Facilitate discussion with government
  - Provide information for our Members and those of the engineering profession
- Engineers Canada's Public Affairs Advisory Committee (PAAC) is tasked with creating the NPSs. This committee is comprised of volunteers with multi-disciplinary backgrounds and expertise.
- Each year, PAAC develops NPSs on new and existing issues facing the engineering profession. In addition, PAAC works to update the current NPSs to ensure they remain up-to-date and relevant. This helps ensure that parliamentarians and the federal government consider the expertise of the engineering profession in policymaking.
- The current process for deciding which topics PAAC will be developing in the upcoming year starts with discussion of the potential topics during PAAC's regular meetings. This process includes reviewing all existing NPSs and deciding which ones require updating as part of the annual update cycle and which NPSs are to be archived. The topics identified by PAAC are circulated for consultation with the regulators. Once approved, PAAC develops and/or updates the NPSs and presents them to the Engineers Canada Board and the Regulators for approval. The process for the identification and development of public policies supported by the Regulators is available in Board policy 9.3, *National Position Statements*.

- The NPS for review at this meeting is linked to Engineers Canada's core purpose 5: Advocating to the Federal Government, and is a new NPS:
  - Artificial Intelligence, Machine Learning, and Data Science.

Proposed action/recommendation

- That the Board approve the attached NPS.
- Once approved, the NPS will be made public on Engineers Canada's website and will be relied upon when Engineers Canada staff and volunteers consult with the federal government on these issues.

Risks

- Should the NPS not be approved, the advocacy strategy would be impacted until an approach is agreed upon.

Benefits

- To the Regulators:
  - A national position on key issues is beneficial as these issues affect the Regulators and the regulation of the engineering profession. Regulators strongly benefit from unified national positions.
  - Engineers Canada will have a unified position on topics in which the federal government is heavily engaged; therefore, it will potentially increase our profile and opportunities to engage with parliamentarians and senior federal officials.
- To the engineering profession:
  - These national positions provide clarity on the role of the engineering profession in helping tackle these current issues.
- To others (public, government, higher education institutions, individual engineers, etc.):
  - These national positions will provide the federal government with awareness on issues that Engineers Canada is currently working on that are linked to the federal government's mandate.

Consultation

- Our multi-disciplinary PAAC, Regulators (via the CEOs), and the Engineers Canada Board Directors were asked, by email, to review and provide comments and updates to the presented NPSs.
- We received several substantive comments related to the position articulated in this statement as well as important additions. These comments and our responses are detailed in Appendix 1.

Next steps (if motion approved)

- The NPS will be made public on Engineers Canada's website and will be relied upon when consulting with the federal government on these issues.

Appendix

- **Appendix 1:** Summary of Consultation Feedback and Responses
- **Appendix 2:** Artificial Intelligence, Machine Learning, and Data Science

Summary of Changes
National Position Statement – Artificial Intelligence, Machine Learning, and Data Science

- The table below summarizes the feedback received during the consultation period and how it was addressed in the final version of the NPS.

Type of change	Content added in response to feedback	Reason for change
Language used to describe the position.	"The Engineering Profession's position" has been changed to "Engineers Canada's position."	This is a change that is being made to all NPSs being developed.
Position articulated on the use of AI for the practice of engineering.	Where AI, machine learning, and data science are applied as tools to practise engineering, the work must be undertaken by an engineer who is licensed by the provincial or territorial engineering regulator in the jurisdiction in which they are working. These engineers have an ethical responsibility to verify the integrity of the output of these tools.	Addresses comments raised during consultation that the NPS required a clear statement on the need for human accountability when AI tools are used to practise engineering.
Position articulated on the emergence of Artificial General Intelligence.	As AI, machine learning, and data science technologies develop, the potential of the emergence of Artificial General Intelligence (AGI) is significant for the engineering profession. While AGI may produce engineering output without human intervention,	This addresses a concern raised in the consultation that the NPS did not account for the possibility of Artificial General Intelligence.

Type of change	Content added in response to feedback	Reason for change
	it cannot be relied upon, because all engineering work must be undertaken by a licensed human engineer.	
Removal of specific reference to definition of the practice of engineering.	In each of these three fields [AI, Machine Learning, and Data Science], the practice of engineering plays an important role. Each technology can impact the practice of engineering when they are used to create engineering output. Engineers involved in developing these tools, and engineers using these tools to perform engineering work, are subject to the oversight of the provincial and territorial engineering regulators. The regulators enforce the definition of engineering as outlined in provincial or territorial legislation.	Rather than reference a specific definition of engineering, this change identifies that such a definition would be found in provincial and territorial legislation, which the regulators enforce.
Recommendations to the federal government.	While the provincial and territorial engineering regulators regulate the practice of engineering, including the use of AI, machine learning, and data science tools for the practice of engineering, the federal government has a role to play in addressing larger questions of the governance of these technologies and their impact on society.	The three recommendations included in this section were revised during the consultation period to more clearly distinguish between the federal and provincial responsibilities.

Artificial Intelligence, Machine Learning, and Data Science

Engineers Canada's position

- Artificial intelligence (AI), machine learning, and data science are overlapping but distinct interdisciplinary fields in which the practice of engineering plays an important role, and in which the technologies impact the practice of engineering itself.
- As governments develop new regulatory frameworks related to advancements in AI, machine learning, and data science, Canada will benefit from the expertise of engineers, who work in the interest of the public, and are overseen by the provincial and territorial engineering regulators.
- AI, machine learning, and data science hold potential to positively impact Canadian society and the economy. However, as with traditional technologies, they also have potential for harm. It is important that they be applied and managed by competent and professional people who work in the public interest, including engineers.
- Where AI, machine learning, and data science are applied as tools to practise engineering, the work must be undertaken by an engineer who is licensed by the provincial or territorial engineering regulator in the jurisdiction in which they are working. These engineers have an ethical responsibility to verify the integrity of the output of these tools.
- As AI, machine learning, and data science technologies develop, the potential emergence of Artificial General Intelligence (AGI) is significant for the engineering profession. While AGI may produce engineering output without human intervention, it cannot be relied upon, because all engineering work must be undertaken by a licensed human engineer.

The challenge

In Canada, self-regulation of the engineering profession plays a vital role in protecting and enhancing public health and safety. Emerging disciplines and technologies are challenging established frameworks and require engineering regulators to reassess and clarify the scope of regulated practices.

Today, engineers and engineering regulators face a growing challenge with the rapid development and deployment of AI throughout the economy. AI is an advanced technology that involves the development of systems capable of simulating human cognitive functions such as reasoning, learning, and problem-solving. Machine learning, a subset of AI, focuses on algorithms that enable systems to improve performance through experience without explicit programming. Data science involves extracting insights and value from data using statistical, computational, and engineering methods.

In each of these three fields, the practice of engineering plays an important role. Each technology can impact the practice of engineering when they are used to create engineering output. Engineers involved in developing

these tools, and engineers using these tools to perform engineering work, are subject to the oversight of the provincial and territorial engineering regulators. The regulators enforce the definition of engineering as outlined in provincial or territorial legislation.

As these technologies evolve, the potential that non-humans may be engaged in the practice of engineering becomes significant. This is especially challenging when considering the possibility of Artificial General Intelligence (AGI). The central challenge will be working to establish that human accountability remains foundational to all engineering work.

How Engineers Canada has contributed

Engineers Canada has advocated to the federal government on the safe and secure advancement of AI technology. Our National Position Statement on AI Engineering Technology in Autonomous and Connected Vehicles explores the public health and safety implications of ensuring professional engineers are involved in the development of AI technology in a specific context where the regulation of engineering is essential to protect the public from harm.

Recommendation to the federal government

As the federal government develops new policy frameworks for the fields of AI, machine learning, and data science, they must recognize the essential role that engineers and engineering regulation play. While the provincial and territorial engineering regulators regulate the practice of engineering, including the use of AI, machine learning, and data science tools in the practice of engineering, the federal government has a role to play in addressing larger questions of the governance of these technologies and their impact on society.

Engineers Canada therefore asks the federal government to consider the following principles in efforts to develop new frameworks governing AI, machine learning, and data science:

1. **Professional ethics and accountability**

   To strengthen public trust in the use of AI, machine learning, and data science tools, governance frameworks should incorporate requirements for human oversight and accountability.

2. **Safety, security, and reliability**

   As new tools are deployed throughout the economy and society in ways that impact public safety, governance frameworks that result in higher levels of safety, security, and reliability for these tools are essential.

3. **Innovation and economic growth**

   AI, machine learning, data science and the technological changes these fields induce are powerful drivers of economic growth. When developing new regulatory frameworks, the positive benefits of technological advancements should be balanced with the need to protect the public from potential harms.

How Engineers Canada will contribute

Engineers Canada will continue to monitor the federal government's agenda, legislative initiatives, and proposed regulations related to the development and deployment of AI, machine learning, and data science, particularly where these may affect life, health, property, economic interests, public safety and welfare, or the environment. Engineers Canada will continue supporting the provincial and territorial engineering regulators as they develop guidance on the use of AI in an engineering context.

BRIEFING NOTE: For information

Realizing Futures of Engineering Accreditation	3.3
Purpose:	To receive an update on the status of recommendations from the Futures of Engineering Accreditation *Path Forward Report,* including those related to outcomes-focused accreditation.
Link to the Strategic Plan/Purposes:	Strategic Direction: Realizing accreditation and academic assessments Core purpose 1: Accrediting undergraduate engineering programs
Link to Corporate Risk Profile:	Decline in the value of accreditation (Board risk)
Prepared by:	Trina Hubley, Vice President, Regulatory Affairs Joan Bard Miller, Manager, Governance and Board Services
Presented by:	Trina Hubley, Vice President, Regulatory Affairs

Background

- The Board received the Futures of Engineering Accreditation (FEA) Path Forward Report on December 9, 2024. The report presented 18 recommendations and sets a foundation for the 2025-2029 Strategic Plan direction, Realizing accreditation and academic assessments (commonly known as Realizing FEA or RFEA).
- On December 9, 2024, the Board also actioned work on two of the report's recommendations (12 & 15); and agreed that Engineers Canada staff should continue to advise the Board, in due course, on additional recommendations from the FEA Path Forward Report.

Status update

- To date, 10 of the 18 recommendations have been actioned (see Appendix 1), demonstrating significant progress on the Path Forward Report.
- In October 2025, the Board considered options for building consensus on outcomes-focused accreditation and determined that a large-scale summit would not be the most effective approach.
- While there is broad agreement among interest holders on moving towards outcomes-focused accreditation, perspectives differ on how best to achieve this. Success will require ongoing collaboration, communication, and co-design. Key areas of discussion may include the proposed scope and purpose of accreditation statements, the role of Graduate Attributes, and the potential removal of the "minimum path" concept. The timing of implementation remains an important consideration, and efforts are focused on achieving progress at a pace that ensures quality and sustainability.
- Taking these factors into account, staff will work through:
    - Resource requirements and mobilization (staff and consultants)
    - Activities to be undertaken, with guidance from the RFEA Advisory Council
    - The appropriate work plan to deliver in a timely manner
    - Strategy to engage interest holders
    - CEAB criteria and/or policies and procedures requiring amendments

Next steps

- The Board will continue to receive updates as staff continue to advance work on the recommendations from the Path Forward Report.

- As appropriate, the Board will be asked to make decisions to support implementation of the recommendations.

Appendices

- **Appendix 1:** FEA Path Forward Report Recommendations - Status
- **Appendix 2:** FEA Path Forward Report consolidated recommendations

Appendix 1: FEA Path Forward Report Recommendations - Status

FEA Path Forward Report Recommendation	Status
1. Identify and strategically integrate the system's current strengths into the future framework.	Approach in development
2. Endorse the revised purpose and scope of accreditation statements.	Approach in development
3. Adopt the outlined design parameters as a fundamental framework for the future accreditation system.	Approach in development
4. Mandate a shift to an outcomes-focused accreditation as a cornerstone for future system change.	Approach in development
5. Remove criteria related to the measurement of curriculum content with Accreditation Units(AUs). Focus on Graduate Attributes until a transition to the Full Spectrum Competency Profile can be completed.	Approach in development
6. Retire the concept of the "minimum path".	Approach in development
7. Accept some of the recommendations presented by the Canadian Engineering Accreditation Board (CEAB) to address faculty license requirements, including: a. The CEAB should endorse the principle that engineering programs must have substantial and meaningful involvement of licensed professionals in the education of future professionals. b. The CEAB and visiting teams should interpret existing accreditation criteria related to the role of the professional engineer in the instruction of students in a manner that allows HEIs to have more flexibility with respect to mechanisms to facilitate substantial and meaningful involvement of licensed professionals in the engineering education process. c. The CEAB must require Higher Education Institutions (HEIs) to demonstrate that graduates have developed the expected level of understanding of, and commitment to, professionalism. d. The CEAB remove the Specific AUs criteria and the requirement for the significant design experience to be conducted under the professional responsibility of licensed faculty.	Tasked to the CEAB by the Board on October 9, 2025 (Motion 2025-10-3D)
8. Explore the development of alternate ways for HEIs to demonstrate that students enrolled in engineering programs have substantial and meaningful involvement with licensed professionals.	Actioned by the Board on October 9, 2025 (Motion 2025-10-3D)
9. Formalize the CEAB's Temporary Exemption for Students Going on International Exchange by permanently integrating its core principles into accreditation policy.	Actioned by the Board on October 9, 2025 (Motion 2025-10-3D)
10. Evaluate the feasibility of accepting HEI evaluations from provincial quality assurance bodies to streamline CEAB processes while maintaining compliance with the Washington Accord.	Approach in development
11. Maximize the return on investment for all interest holders by incorporating new core values into the accreditation system, including co-design, collective stewardship, and more representative governance.	Actioned by the Board on October 9, 2025 (Motion 2025-10-5D)
12. Initiate a pilot study to evaluate the feasibility of the FSCP according to the proposed Terms of Reference.	Approved by Board December 2024 (Motion 2024-12-4D)
13. Ensure that the FSCP, including the National Academic Requirement for Licensure (NARL), is substantially equivalent to the International Engineering Alliance (IEA) Graduate Attributes and Professional Competencies benchmark.	Awaiting FSCP Pilot Study results
14. Establish a dedicated task force to develop a change management plan for the strategic implementation of outcomes-focused accreditation. This plan should encompass the sequence of tactical steps to move from the current state to the desired state and address the potential emotional and psychological experience of change.	Actioned by the Board on October 9, 2025 (Motion 2025-10-5D)

FEA Path Forward Report Recommendation	Status
15. The Engineers Canada Board should establish two distinct bodies in accreditation: a policy body responsible for setting strategic direction, and an operational body focused on execution of policies.	Referred to the Governance Review Task Force in December 2024 (Motion 2024-12-4D)
16. Establish a new dedicated oversight body for the FSCP.	Awaiting FSCP Pilot Study results
17. Establish regular engagement opportunities with industry, leveraging existing mechanisms to gather ongoing feedback and insights.	Actioned by the Board on October 9, 2025 (Motion 2025-10-5D)
18. Adopt the outlined core values to guide implementation of these recommendations.	Actioned by the Board on October 9, 2025 (Motion 2025-10-5D)

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futures of engineering accreditation

Path Forward Report

Futures of Engineering Accreditation

Recommendations

August 2024

Prepared for: Engineers Canada
Prepared by: Futures of Engineering Accreditation Steering Committee
In partnership with: Coeuraj

COEURAJ

Consolidated recommendations

The complete recommendations appear below. Page references in square brackets indicate where the recommendations can be found in the Path Forward Report.

ACCREDITATION SYSTEM STRENGTHS

1. Identify and strategically integrate the system's current strengths into the future framework. [page 18]

PURPOSE AND SCOPE OF ACCREDITATION

2. Endorse the revised purpose and scope of accreditation statements. [page 23]

DESIGN PARAMETERS FOR THE FUTURE ACCREDITATION SYSTEM

3. Adopt the outlined design parameters as a fundamental framework for the future accreditation system. [page 27]

OUTCOMES

4. Mandate a shift to an outcomes-focused accreditation as a cornerstone for future system change. [page 29]

5. Remove criteria related to the measurement of curriculum content with Accreditation Units (AUs). Focus on Graduate Attributes until a transition to the Full Spectrum Competency Profile can be completed. [page 29]

MINIMUM PATH

6. Retire the concept of the "minimum path". [page 30]

FACULTY LICENSURE

7. Accept some of the recommendations presented by the Canadian Engineering Accreditation Board (CEAB) to address faculty license requirements, including:
    a. The CEAB should endorse the principle that engineering programs must have substantial and meaningful involvement of licensed professionals in the education of future professionals.
    b. The CEAB and visiting teams should interpret existing accreditation criteria related to the role of the professional engineer in the instruction of students in a manner that allows HEIs to have more flexibility with respect to mechanisms to facilitate substantial and meaningful involvement of licensed professionals in the engineering education process.

c. The CEAB must require Higher Education Institutions (HEIs) to demonstrate that graduates have developed the expected level of understanding of, and commitment to, professionalism.
d. The CEAB remove the Specific AUs criteria and the requirement for the significant design experience to be conducted under the professional responsibility of licensed faculty. [page 31]

8. Explore the development of alternate ways for HEIs to demonstrate that students enrolled in engineering programs have substantial and meaningful involvement with licensed professionals. [page 32]

PROGRAM EXCHANGE

9. Formalize the CEAB's Temporary Exemption for Students Going on International Exchange by permanently integrating its core principles into accreditation policy. [page 33]

EDUCATIONAL CURRICULUM AND LEARNING ENVIRONMENT

10. Evaluate the feasibility of accepting HEI evaluations from provincial quality assurance bodies to streamline CEAB processes while maintaining compliance with the Washington Accord. [page 33]

RETURN ON INVESTMENT

11. Maximize the return on investment for all interest holders by incorporating new core values into the accreditation system, including co-design, collective stewardship, and more representative governance. [page 35]

FULL SPECTRUM COMPETENCY PROFILE (FSCP) PILOT STUDY

12. Initiate a pilot study to evaluate the feasibility of the FSCP according to the proposed Terms of Reference. [page 56]

SUBSTANTIAL EQUIVALENCE

13. Ensure that the FSCP, including the National Academic Requirement for Licensure (NARL), is substantially equivalent to the International Engineering Alliance (IEA) Graduate Attributes and Professional Competencies benchmark. [page 57]

CHANGE MANAGEMENT

14. Establish a dedicated task force to develop a change management plan for the strategic implementation of outcomes-focused accreditation. This plan should encompass the sequence of tactical steps to move from the current state to the desired state and address the potential emotional and psychological experience of change. [page 60]

GOVERNANCE

15. The Engineers Canada Board should establish two distinct bodies in accreditation: a policy body responsible for setting strategic direction, and an operational body focused on execution of policies. [page 61]

16. Establish a new dedicated oversight body for the FSCP. [page 61]

INDUSTRY ENGAGEMENT

17. Establish regular engagement opportunities with industry, leveraging existing mechanisms to gather ongoing feedback and insights. [page 63]

CORE VALUES

18. Adopt the outlined core values to guide implementation of these recommendations. [page 66]

BRIEFING NOTE: For decision

CEO objectives	4.2
Purpose:	To approve the 2026 CEO objectives
Link to the Strategic Plan/ Purposes:	Board responsibility: Hires, supports, and evaluates the Chief Executive Officer (CEO) so that they are better able to further Engineers Canada's purposes and achieve its vision.
Link to the Corporate Risk Profile:	Decreased confidence in the governance functions (Board risk) Human resources (operational)
Motion(s) to consider:	*THAT the Board, on recommendation of the HR Committee, approve the 2026 CEO objectives*.
Vote required to pass:	Simple majority
Transparency:	Open session
Prepared by:	Joan Bard Miller, Manager, Governance and Board Services
Presented by:	Marlo Rose, HR Committee Chair

Problem/issue definition

- On an annual basis the CEO, with the HR Committee, sets annual objectives on which performance can be measured, as per Board policy 4.7, *Monitoring of CEO*.
- Approval of the objectives rests with the Board.

Proposed action/recommendation

- That the Board approves the proposed 2026 CEO objectives.
- Well-defined and measurable CEO objectives promote understanding and confidence between the CEO, the Board, Regulators and among staff. Establishing transparent objectives fosters clarity, minimizing confusion and frustration, and facilitates annual evaluation.

Consultation

- These objectives were developed with reference to the Strategic Plan, the Annual Operating Plan, and budget, with input from the CEO, senior leadership staff.
- At its meeting on September 4, 2025, the HR Committee reviewed draft objectives and advised that they should emphasize strategic priorities over numerous activities, and that each priority area includes at least one stretch goal.
- A final draft was subsequently endorsed by the HR Committee on November 20, 2025.

Next steps (if motion approved)

- At year end, with support from the HR Committee, the Board will measure the results of the 2026 objectives and conduct the CEO's performance evaluation.

Appendix

- **Appendix 1**: 2026 CEO objectives

2026 CEO Objectives - Strategic Direction

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
Identify and propose options for changes to the governance system for validation by Regulators.	Continue to lead the change management process; ensure the process is transparent and builds understanding and alignment amongst all interest holders.	Complete – Yes/No	Host at least one multi-interest holder session to build understanding and consensus around proposed governance changes.	20%	Strategic Thinking/Vision, Governance	
	In collaboration with the Governance Review Task Force and consultant continue to socialize recommendations and obtain strong support from interest holders.	Complete – Yes/No	In collaboration with the Governance Review Task Force and consultant, achieve documented support from 90% of interest holders for the proposed governance recommendations. Develop and distribute a governance reform communications package to all stakeholders			
	Implement governance improvements agreed upon by the Board and Members.	Complete – Yes/No	Secure formal validation or endorsement from relevant regulatory bodies for the			

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
			revised governance framework.			
Continue implementing the Engineers Canada Board Approved Futures of Engineering Accreditation Path Forward Report recommendations.	Continue to oversee the FSCP Pilot Study, with results expected in 2026.	Complete – Yes/No	Oversee the FSCP Pilot Study with milestone tracking and risk mitigation strategies, ensuring results are delivered on time in 2026.	20%	Stakeholder Engagement, People Leadership, Advanced Communication Skills, Strategic Thinking/Vision	
	Ensure the plan results in a structured and transparent process, with engagement of key interest holders whose input, and concerns are heard and captured, and aligned to common goals.	Achieved – Yes/No Key indicators: feedback from regulators regarding the way in which the process was managed, positive feedback from interest holders re: their experience and outcomes.	Lead a structured engagement process that captures input from at least 90% of identified key interest holders, with documented alignment to shared goals.			
	Implement EC Board approved Recommendations.		Implement all EC Board-approved recommendations Deliver a comprehensive Outcomes Report to the Board, including recommendations and roadmap for 2027			

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
Drive inclusiveness for women and underrepresented groups. **Promotion of Profession**	Welcoming and Inclusive Profession Narrative Framework • **Objective**: Establish a national narrative and framework that positions engineering as a welcoming and inclusive profession for all. This narrative will unify values, language, and messaging across the country, guiding programs and communications	Final framework adopted and used by at least 60% of key national partners in communications and programming within the first year of release.	Finalize and launch the Welcoming and Inclusive Profession Narrative Framework by mid-2026, with input from at least 10 national stakeholder groups, including regulators, educators, and equity-deserving communities. Ensure the framework is adopted or referenced by 80% of Engineers Canada member organizations in their communications or programming by year-end.	20%	Strategic Thinking/Vision, Advanced Interpersonal Skills, Advanced Communication Skills	
			Complete a **feasibility study and business case** for a new business line examining establishment of a not-for-profit structure by Q3			

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
			2026, including legal, financial, and operational considerations. Identify at least three viable funding streams (e.g., federal grants, philanthropic partnerships, innovation funds) aligned with Engineers Canada's mission.			
	Support to National Conference on Building a Welcoming and Inclusive Engineering Profession • **Objective**: Convene national stakeholders to build shared understanding and drive collective action toward a more inclusive engineering profession.	->30% of registered participants are men -40% of registered participants are employers (>40%), HEIs and Associations (>30%).	Publish a Conference Outcomes Report with actionable recommendations and commitments from stakeholders, distributed within 60 days post-event.			
	Forward Engineering Collective Impact Project (K–12 STEM Coalition)	Coalition reaches 15+ STEM NGOs, with at least 75% incorporating Forward Engineering Collective commitments into their			People Leadership, Strategic Thinking/Vision	

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
	• **Objective**: Expand a national coalition to align and scale K–12 STEM engagement efforts, with a strong focus on engineering awareness and inclusion.	programming—defined as emphasizing the "E" in STEM and adopting best practices outlined in each pillar: Drive Inclusion, Inspire Connection, Showcase Engineering, and Improve Impact.				
Awareness campaign	Implement national marketing approach per the needs identified by regulators and Board of Directors.	Implement national marketing approach in alignment with key issues affecting the engineering profession. Key indicators include total impressions, total downloads of key resources, engagement in events or audience feedback tools (e.g. surveys)				
Build and strengthen relationships with Regulators	Continue to build relationships with Regulators through ongoing meetings, attending AGMs, and being readily available.	3 regulator engagements. Positive buy-in/support, and feedback from regulators through the above list of priorities and actions.		20%	Stakeholder Engagement, Advanced Interpersonal Skills, Advanced Communication Skills, Strategic Thinking/Vision	
	Advance on harmonization initiatives with regulators. Possible areas of consideration CPD harmonization.	Regulators identify a common area of national harmonization	Reach consensus in identifying areas for harmonization with regulators and begin to develop strategy			

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
			to implement			
	Update, streamline and improve national databases and service levels to regulators (e.g. IIDD, NMDB, International and Members Database)	Improved service levels, confidence and number of Regulators utilizing the national system	Complete a full review and modernization plan for national databases (IIDD, NMDB, International and Members Database) by Q3 2026. Achieve measurable improvements in service levels, including reduced response times and enhanced data accuracy, with a Regulator Satisfaction notably increased			
Engineers in Leadership	Advance the public interest and safety value that engineers bring to boards and senior leadership of corporations and public bodies. Undertake targeted activities, as defined through the 2025 environmental scan, to increase and improve the	Implement workplan with anticipated indicators including: impressions and engagement with resources developed; number of individuals reached through events or feedback tools (e.g. surveys or focus groups).		5%	People Leadership, Strategic Thinking/Vision	

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2026
	participation of engineers in roles on corporate boards and boards of public bodies.					

Achievement of Key Operational Objectives

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2025
Organizational Culture and Engagement	Maintain the current level of employee engagement.	Employee Engagement Survey Results (Q4 2025)		15%	People Leadership, Advanced Communication Skills, Strategic Thinking/ Vision	
	Improve office operations' cost-effectiveness and efficiency, will implement automation tools, optimize resource allocation, and reduce manual tasks.	These KPIs will include metrics such as the reduction in operational costs, the number of automated processes implemented timely implementation of new technologies.	Implement at least one automation tool or digital solution that reduce manual tasks and improve cost-effectiveness across office operations. Achieve 10–15% improvement in operational efficiency, measured through time savings, cost			

Priority	Actions/Initiatives	Key Performance Indicators/Metrics	Stretch Goal(s)	Weight	Leadership Competencies Required	Evidence of Impact December 2025
			reduction, or resource optimization metrics.			
	Build alignment and consensus and inform the role of Engineers Canada as it takes a national position on ESG within the engineering profession. (top)	Hold workshop and consult Regulators on options for Engineers Canada's role in advancing sustainability initiatives.	Determine how the engineering profession can contribute to UNSDGs.			
CEO Development Plan	Implement all actions outlined in the CEO's development plan.	Meet the objectives established in the CEO development plan.			All	

BRIEFING NOTE: For discussion

Realizing an Inclusive Profession	4.3
Purpose:	To help the Board determine whether it should adopt a commitment statement that will guide Engineers Canada's role in advancing a welcoming and inclusive profession.
Link to the Strategic Plan / Purposes:	Strategic Priority: Realizing an Inclusive Profession Core purpose 9 (CP9): Promote diversity and inclusion in the profession that reflects Canadian society
Link to Corporate Risk Profile:	Engineering is unwelcoming and exclusionary to under-represented people in engineering
Prepared by:	Kim Bouffard, Manager, Belonging and Engagement Jeanette Southwood, Executive Vice President, Corporate Affairs and Strategic Partnerships
Presented by:	Anjum Mullick, 30 by 30 Co-Champion Tim Joseph, 30 by 30 Co-Champion

Problem/issue definition

- The engineering regulators' decision to develop a joint commitment statement to guide their future inclusion, diversity, equity, and accessibility (IDEA) and Truth and Reconciliation efforts has raised questions about the Engineers Canada Board adopting a similar statement that guides its specific role in advancing a welcoming and inclusive profession.

Background

- Engineers Canada has championed gender equity in engineering since 2014 through its 30 by 30 initiative, which aimed to increase the percentage of newly licensed engineers who are women to 30 per cent by 2030.
- Through its 2025-2029 Strategic Plan, Engineers Canada reconfirmed its commitment to increasing women in engineering and broadened the organization's focus to foster truth and reconciliation with Indigenous peoples while working with Regulators to improve equity, diversity, inclusion, and accessibility across the engineering profession.
- The Board had initial discussions about adopting a commitment statement at its October 9, 2025, and December 8, 2025 meetings, the latter of which was supported by a pre-circulated backgrounder. The Board considered the merits and drawbacks of developing a commitment statement, recognized the need to inventory existing inclusivity-related statements, and agreed to hold a generative discussion about adopting a new statement at its February 2026 meeting.

Proposed action/recommendation

- The Board is asked to discuss and decide whether to adopt an outward-facing, organizational commitment statement.

- To inform the discussion, the following is the Regulators' draft commitment statement written to describe their role in advancing an inclusive profession:
  - *As regulators, we uphold the public interest by ensuring fair and consistent practices and **cultivating inclusive environments** where all individuals can **thrive**. We are **committed** to advancing **equity** and **collaboration** through the **removal of systemic barriers**, in alignment with our Code of Ethics and within our sphere of influence. We **lead by example**, demonstrating **respect, accountability**, and a deep **commitment to belonging** in every aspect of our work.*
- Moreover, the Board may consider the existing messaging which has been inventoried and analyzed in Appendix A. It is noted that while Engineers Canada frequently references EDI in public materials, its unique national role in leading and coordinating system-wide action is clearer in practice than how it is publicly communicated. Current messaging focuses on a gender-specific outcome and does not capture the full complexity of equity and systemic barriers across the profession.
- A Board-approved formal commitment statement can address current messaging limitations by:
  - Moving beyond the gender-specific framing
  - Positioning 30 by 30 as one contributing piece within a larger, integrated vision for IDEA
  - Embedding intersectionality and reconciliation
  - Shifting from activity-based communication to transformative leadership storytelling
  - Reframing Engineers Canada as the national steward of an inclusive engineering profession

Questions for discussion

- The following questions have been proposed for the Board's reflection and discussion:
  1. Does Appendix A meet the Board's request for an inventory of publicly communicated statements about Engineers Canada's IDEA and Truth and Reconciliation work?
  2. Does the Board want to develop a commitment statement that:
     - clarifies Engineers Canada's role in advancing an inclusive profession, and
     - provides strategic direction to the organization.
  3. Does the Board want to follow a process similar to that which was followed by the CEO Inclusivity Taskforce (Appendix B)?

Next steps

- Pending the outcome of the discussion, a roadmap will be drafted and time allotted on upcoming Board meeting agendas to:
  - Finalize the Engineers Canada Board Commitment Statement
  - Identify what is needed to support the Board's role in IDEA, such as:
    - Creation of, or revisions to, Board policies
    - Creation of a decision-making matrix
    - Review of existing Board committees and advisory roles

Appendices

- **Appendix 1:** References to EDI Across Engineers Canada's Website and Publications
- **Appendix 2:** CEO Inclusivity Taskforce Process

APPENDIX 1: REFERENCES TO EDI ACROSS ENGINEERS CANADA'S WEBSITE AND PUBLICATIONS

Overview

Included below is an inventory of references to EDI (equity, diversity, and inclusion) in Engineers Canada's public-facing materials, including Engineers Canada's website, publications and Board policies.

EDI is mentioned at least 50 times throughout Engineers Canada's website and publications. As described below, there is fragmented but consistent EDI messaging, with growing references to reconciliation, accessibility, and intersectionality.

Analysis

1. Gender-Dominant Narrative
   - EDI messaging is heavily anchored in women's representation through 30 by 30.
2. Intersectionality Growing but Inconsistent
   - Emerging attention to Indigenous inclusion, LGBTQ2S+ inclusion, disability, racial equity, and newcomer inclusion—but not consistent across pages.
3. Fragmented Storyline
   - Tools, policies, and training are robust, but not framed within a cohesive systems-change narrative. In other words, what is absent is a shared story about the problem we're trying to solve, why it exists, and how all the different actions across the system work together to create lasting change.
   - Consistent messaging helps everyone see how their role and actions fit into the bigger picture, so efforts aren't fragmented or working at cross-purposes. Without a shared story, change efforts are like people rowing in different directions. A cohesive systems-change narrative gives everyone the same map and direction.
4. Opportunity for Stronger Leadership Positioning

Engineers Canada frequently references EDI in public materials; however, its unique national role in leading and coordinating system-wide action is clearer in practice than how it is publicly communicated.

Strategic and Foundational Documents

Strategic Plan 2025–2029: *Realizing Tomorrows*

- EDI embedded as a core future direction.
- Focus areas: inclusion, reconciliation, accessibility, demographic representation.
- Emphasis on culture change, regulatory alignment, and sector-wide collaboration.

Equity, Diversity, and Inclusion: Fostering a Welcoming and Representative Engineering Profession (Position Statement, 2023)

- Frames EDI as central to public interest obligations.
- Identifies systemic barriers across gender, race, disability, and other identities.
- Recommends structural interventions and partnership strategies.

Program and initiative web pages

About Diversity in Engineering

- Discusses the importance of a diverse profession for innovation and societal responsiveness.
- Positions diversity as a strategic imperative.

30 by 30

- Most visible EDI initiative on the website.
- Strong emphasis on gender parity and national mobilization.
- Provides toolkits, annual reports, and conference content.

Observation: Although successful, 30 by 30 dominates the public EDI landscape, creating an impression that EDI = gender.

Tools, Guidelines, and Professional Supports

Guideline for Engineers and Engineering Firms on Workplace Equity for Women (Women in Engineering)

- Strategies for inclusive workplaces, primarily focused on supporting women.
- Includes intersectional considerations.

A quick guide for EDI champions and leaders

- Practical, action-focused guidance for leaders.
- Frames accountability and systems change.
- Strong resource, but limited visibility relative to 30 by 30.

Webinars, Training, and Learning Modules

- Addresses bias, inclusive leadership, and culture-building.
- Reflect an emerging emphasis on competencies, not only representation.

News and Public Statements

- Observances (Gender Equality Week, National Day of Truth and Reconciliation).
- Announcements of EDI-related projects and partnerships.
- Statements affirming equity and barrier reduction.

Observation: Messaging is strong but dispersed; does not yet communicate a unified EDI story.

Board policy manual

1.2, *Guiding Principles:*

(4) Enable equity, diversity, and inclusion in the Canadian engineering profession.

a) Recognize the critical importance of a diverse engineering profession, which is supported by an inclusive climate for the future of the profession.
b) Support and encourage the equitable opportunity for all qualified people to participate within the engineering profession without regard to race, color, religion, gender, gender identity or expression, sexual orientation, national origin, disability, or age.
c) Develop programs and initiatives designed to advance the profession by promoting a diverse and inclusive culture in the profession.

d) Convene Regulators and engineering interest holders to support the adoption of best practices in equity, diversity, and inclusion, and to share timely and relevant research on diversity in the profession.
e) Deliver ongoing information, training, and resource support to help the Board, Board committees, volunteers, and staff to develop capacity to address equity, diversity, and inclusion in their work.
    i. Equity, diversity, and inclusion training will form part of mandatory Board and staff training so that specific, measurable diversity provisions are incorporated into all areas of work."

1.3, *Purposes of Engineers Canada* (1.3.(2)):
9. Promoting diversity and inclusivity in the profession that reflects Canadian society.

4.1, *Board responsibilities*:
(10) Ensures that the principles of equity, diversity, inclusion, and accessibility are reflected and practiced throughout Engineers Canada's governance and operations.

4.3, *Code of conduct* (4.3.1):
(2) a) They shall refrain from violent behavior, harassment, intimidation, retaliation or any form of discrimination and shall treat one another and staff members with respect, co-operation, and a willingness to deal openly on all matters, valuing a diversity of views and opinion."
(3) Unacceptable behavior by Board or Board committee members includes…a) Verbal or written comments that are not welcome and/or are personally offensive that relate to gender, sexual orientation, disability, physical appearance, body size, race, religion, national origin, or age

4.8, *Board composition profile*:
(1) Engineers Canada strives for a Board comprised of talented and dedicated Directors with diverse lived experiences, from a broad range of demographics from across the country, including gender, sexual orientation, Indigenous identity, Black, People of Colour, neurodivergent, and persons with disabilities.
4.8.1(B) Board demographics aim to reflect the representation of the Canadian population. Regulators are encouraged to follow the latest bias-free recruitment techniques and actively recruit equity-deserving groups.
4.8.3 B Demographic preferences
The Board recognizes the strategic and critical importance of equity, diversity, and inclusion. This includes supporting an inclusive culture that solicits a diversity of perspectives and experiences, actively addresses discrimination, harassment, and unconscious bias, and supports the advancement of underrepresented groups.
The Board understands the difference between meaningful and respectful representation, and tokenization of underrepresented groups. The aim is to respect and incorporate different perspectives from within engineering to better guide the organization on the complexity of the profession and facilitate policies and practices that are inclusive of underrepresented groups.
The Board strives to include the following representation, based on the Canadian population, and in alignment with the organization's commitment to the federal government's 50-30 Challenge. Given the interconnected nature of identity categories such as gender, race, and ability, it is understood that these categories may be overlapping.

- 50 per cent women and/or non-binary people
- 30 per cent representation of other equity-deserving groups, including those who identify as Racialized, Black, and/or People of colour, People with disabilities (including invisible and episodic disabilities), 2SLGBTQ+, and Indigenous Peoples (First Nations, Métis and Inuit).

The Board should also attempt to ensure that at least 30 per cent of its composition includes active engineering practitioners and at least one Director is under the age of 35 years.

6.9.1, *Canadian Engineering Accreditation Board (CEAB)* & 6.10, *Canadian Engineering Qualifications Board (CEQB)*:
C (10) In the selection of members for the CEAB, reasonable effort shall be made to achieve a diverse membership, representative of the Canadian population and in alignment with Engineers Canada's commitment to the federal government's 50-30 Challenge:

a) 50 per cent women and/or non-binary people; and,

b) 30 per cent representation of other equity-deserving groups, including those who identify as Racialized, Black, and/or People of colour, People with disabilities (including invisible and episodic disabilities), 2SLGBTQ+, and Indigenous Peoples (First Nations, Métis and Inuit).

Given the interconnected nature of identity categories such as gender, race, and ability, it is understood that these categories may be overlapping. Regulators are encouraged to follow the latest bias-free recruitment techniques and actively recruit equity-deserving groups.

7.2, *Relationship with the Canadian Federation of Engineering Students*:
(1) The Canadian Federation of Engineering Students (CFES) is the national organization that represents engineering students in Canada. They provide annual conferences and competitions for students that inspire innovation and foster the development of leadership, professional and ethical qualities, knowledge about inclusion, diversity, equity and accessibility (IDEA), sustainability, engineering identity, technical proficiency, and communication skills. They also conduct research on nationally relevant student issues and issues in the profession, and work with interest holders in the community to tackle these issues.

9.2. *Qualifications Board products*:
(2) Guidelines are recommendations for the Regulators and the public on…

b) engineering/workplace practices that support and enhance the fundamentals of equity, diversity, and inclusion."

APPENDIX 2: CEO INCLUSIVITY TASKFORCE PROCESS OVERVIEW

- Guided Engineers Canada in advancing a welcoming, inclusive profession through the use of the Control and Influence framework to clarify the scope and role of the regulator in moving forward with this work.
- Participating CEOs made a six-month commitment to the taskforce with in-person kickoff, monthly virtual meetings, and an October 2025 in-person workshop with wrap up virtual meetings in December and February.
- Applied a **systemic approach**, **intersectional lens**, and a **control vs. influence framework** (GBA+) to identify barriers and regulatory impact.
- Note: Currently in process of developing a regulator roadmap with **specific, prioritized actions** to address barriers, guide tangible progress, and align stakeholders.

ADKAR Process Visual-Taskforce Work

ADKAR Stage	Key Activities / Meetings	Action Items / Outcomes
Awareness (Understanding the Need for Change)	- Challenge presented to CEO group - Volunteers secured to form taskforce - Kickoff focus: systemic barriers, need for inclusive commitment	- Recognize regulators' role in advancing IDEA - Understand community expectations and systemic challenges
Desire (Building Commitment to Participate)	- In-person kickoff meeting - Discussions on commitment, "organic pivot," mentorship & retention	- Taskforce members commit to six-month engagement - Align on shared motivation and goals
Knowledge (Understanding How to Change)	- Monthly virtual sessions - October 6 workshop (Guiding Star Consulting) - GBA+ analysis - Intersectional approach & resistance reasoning	- Define "Welcoming & Inclusive Profession" as regulator - Understand barriers and regulatory scope - Identify tools to address resistance
Ability (Implementing Change)	- Draft commitment statement - one-day in-person meeting in Oct - Organize actions under 4-5 themes - Virtual session collaboration	- Finalize commitment statement - Identify high-impact actions within scope - Integrate actions across regulators & Engineers Canada
Reinforcement (Sustaining Change)	- Track progress on barriers & actions - Consistent communications with councils & stakeholders	- Ensure accountability and follow-up - Embed actions into national

	- Use control & Influence framework to focus on high-impact actions (≥75% score)	strategy - Sustain change momentum

BRIEFING NOTE: For decision

Board policy updates	4.4
Purpose:	To approve revisions to one existing Board policy
Link to the Strategic Plan/ Purposes:	Board responsibility: Formulates and periodically reviews Board policies that align with the organization's values and guide decision making.
Link to the Corporate Risk Profile:	Decreased confidence in the governance functions (Board risk)
Motion(s) to consider:	*THAT the Board, on recommendation of the Governance Committee, approve revised Board policy 7.12, Net assets.*
Vote required to pass:	Two-thirds majority
Transparency:	Open session
Prepared by:	Joan Bard Miller, Manager, Governance and Board Services
Presented by:	Denise Pothier, Chair, Governance Committee

Problem/issue definition

- Through its regular policy review, the Governance Committee (GC) has identified revisions to one (1) Board policy for approval.

Proposed action/recommendation

- That the Board review and approve the proposed revisions to the existing net asset policy (7.12), attached in Appendix 1:
  - Textual changes have been proposed throughout the policy to improve readability.
  - The target level for the Contingency reserve fund has been increased from the equivalent of three-months of operating costs to six months.

Financial implications

- The Contingency reserve fund will need to see an increase of $2.9M should its target level be increased as proposed.

Benefits

- Moving unrestricted funds to a restricted reserve would clarify their purpose as an emergency reserve and demonstrate the organization's commitment to prudent financial management, offering Members greater assurance about its financial stability.
- This recommendation is in keeping with what is considered industry standard.

Risks

- Additional approvals are required from the Board to access funds from restricted reserves, if needed for operations. This may be less suitable than leaving them as unrestricted funds at a time when the organization anticipates a deficit.

- Furthermore, the restricted reserves are currently well funded with a total of $3.5M that is unlikely to be drawn upon.

Consultation

- Feedback from Engineers Canada's auditor and the Finance, Audit, and Risk (FAR) Committee informed the GC's understanding of the benefits and risks to the proposed change to the Contingency reserve fund.

Other options considered

- The Governance Committee considered retaining the existing Contingency reserve target.
- At its November meeting the GC also completed its second-round review of policy 5.5, *Asset Protection,* and decided that no changes were required at this time.

Next steps (if motion approved)

- Pending Board approval, the policy manual will be updated to include the revised policy.
- As part of the 2027 budget process, staff will seek guidance from the FAR Committee about whether the additional funds to top up the Contingency reserve fund should be transferred from the unrestricted net assets at once or in increments. The recommendation will then come to the Board at the October Board meeting.

Appendix

- **Appendix 1**: Marked up and clean copies of Board policy 7.12, *Net assets*.

7 Board policies

7.12 Net assets

Date of adoption: October 2, 2020 (Motion 2020-10-3D) *Review period:* Triennial

Date of latest amendment: March 1, 2024 (Motion 2024-03-6D) *Date last reviewed: March 1, 2024*

Commented [JB1]: When the policy was last reviewed, it was understood that the internally restricted reserve target levels in Appendix A would be reviewed by the auditor following approval of the 2025-2029 Strategic Plan, as per section 7.12.3(1)b of the original policy.
This review has been undertaken with support of Engineers Canada's auditor, Finance, Audit and Risk Committee, and Governance Committee.
Several textual changes were recommended throughout the policy to improve readability.

7.12.1 Purpose of policy:

(1) Engineers Canada uses its net assets to progress towards its strategic objectives. The Board approves the net asset levels as described in section 7.12.3, through the annual budgeting process and revisions (if necessary).

(2) Net assets must be actively managed to maintain necessary levels. The proper management of net asset levels supports strategic objectives and planned operations by:
   a) Protecting against unexpected losses;
   b) Providing opportunity for planned new initiatives or strategic priorities;
   c) Providing the opportunity to continue investing in assets, technology, products, and services;
   d) Building Member confidence and creating value for Members; and;
   e) Providing general financial stability.

(3) Net asset management considers a number of factors such as:
   a) The level of expected revenue and expenses;
   b) Anticipated growth or planned changes to the purposes, operational imperatives or strategic priorities of Engineers Canada; and;
   c) Issues arising through enterprise risk management.

(4) The ability of Engineers Canada to maintain adequate net asset levels is considered an indication of safety, stability and a prudent resistance to adverse business and economic conditions.

7.12.2 Measures

(1) Net assets are normally allocated into internally restricted reserves, unrestricted reserves, and investments in tangible capital and intangible assets.

   a) **Internally restricted reserves** are funds that have been set aside for a specified future purpose or contingency. These funds can only be created, authorized for expenditure, and dissolved by the Board. Examples of uses for internally restricted funds include to:

i. ensure stability for the delivery of ongoing programs, products and services;
ii. fund strategic initiatives;
iii. mitigate the financial impact of risks to operations or achievement of strategic objectives.

b) **Funds invested in tangible and intangible assets** represent the financial resources of Engineers Canada. Tangible assets are physical (such as office equipment), while intangible assets do not exist in physical form and include intellectual property, software, and goodwill, etc.

c) **Unrestricted reserves** are those funds that are neither restricted nor invested. The Board will approve the amount of unrestricted reserves that may be used for operations and to fund the activities under the Strategic Plan.

(2) Engineers Canada net assets are currently categorized with target levels (balances) ~~as follows:~~in Appendix A.

Commented [JB2]: The information in this table is the focus of Appendix A and is therefore redundant here and unnecessarily increases the length of the policy.

~~**Internally restricted:** legal defense fund~~	~~The legal defense fund is established by the Board to ensure that funds are available in case of legal challenge, to provide funds to cover deductibles for insurances, and to assist the Engineering Regulators where it is determined 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 Regulators.~~
~~**Internally restricted:** Strategic priorities fund~~	~~The strategic priorities fund is established by the Board to provide funds:~~ ~~• For planned strategic Initiatives~~ ~~• For information technology projects consistent with the approved Strategic Plan;~~ ~~• To respond to future risks and investment needs in the performance, accessibility, and security of its information technology assets.~~
~~**Internally restricted:** Contingency reserve fund~~	~~The contingency reserve fund is established by the Board to mitigate the financial impact of the risk of future unexpected, negative events that could have a significant, adverse impact on the operations, revenues and expenses of Engineers Canada.~~
~~**Invested in capital assets and intangible assets**~~	~~The investment in capital assets and intangible assets is the calculated amount consisting of the net book value of capital and intangible assets less their related debt.~~

~~**Unrestricted**~~	~~Unrestricted reserves represent the assets that have no restrictions placed on their use.~~

~~(3) The target levels for these reserves are documented in the Net Asset Structure (appendix A).~~

7.12.3 Responsibility and authority

(1) The Engineers Canada Board is responsible for understanding the operational and reserve needs of Engineers Canada and the minimum required level of net assets. Changes to the internally restricted reserves, in Appendix A, must be consistent with Engineers Canada's Strategic ~~Plan and priorities~~and operating plans, and the risk assessment. Accordingly, the following processes represent the governance responsibilities associated with the net assets of Engineers Canada:

a) Annually, as part of the budgeting process, the CEO shall ~~make recommendations~~recommend appropriate unrestricted reserve levels to the Board, through the Finance, Audit, and Risk (FAR) Committee, ~~regarding the unrestricted reserves level, considering~~taking into account the budget, immediate liquidity needs, and cash flow requirements. ~~The final budget is approved by the Engineers Canada Board.~~

~~a)~~ Annually, as part of the annual budgeting process, the Engineers Canada Board ~~will review~~shall, on recommendation of the FAR Committee, review and approve ~~through the annual budgeting process~~ the adequacy of the balances in the internally restricted funds~~, on recommendation of the Finance, Audit, and Risk (FAR) Committee.~~ .

b)

~~The Engineers Canada Board shall approve, on recommendation of the FAR committee, the net asset structure with target levels, as appropriate (Appendix A).~~

~~b) Upon approval of the Strategic Plan, the FAR Committee shall review the internally restricted reserves and make recommendations to the Board through the budgeting process and as otherwise needed.~~Upon approval of the Strategic Plan, the FAR Committee shall review the net asset structure and targets outlined in Appendix A, and make recommendations to the Board for approval, as needed.

c) ~~Annually, as part of the budgeting process, the CEO shall make recommendations to the FAR Committee regarding the unrestricted reserves level, considering the budget, immediate liquidity needs, and cash flow requirements. The final budget is approved by the Engineers Canada Board.~~

~~d) The Engineers Canada Board shall approve, on recommendation of the FAR committee, the net asset structure with target levels, as appropriate (Appendix A).~~

~~e)~~d) A breach of the net asset target levels is not acceptable or consistent with Engineers Canada's risk appetite and the budgeting, planning, monitoring, and reporting processes must be designed to avoid such a breach.

~~f)~~e) It is recognized that net asset levels in some categories will be spent during some years and restored in others. In addition, net asset levels may fall below target due to unforeseen adverse events, in which case the CEO will prepare plans to redress the situation.

Commented [JB3]: Addressed above.

Commented [JB4]: The bullet points in this section have been reordered to reflect the actual sequence of the process. Edits have also been made to improve readability.

Commented [JB5]: New language to simplify the two bullets above.

Commented [JB6]: Moved above to become the first bullet.

7.12.4 Reporting

(1) The Engineers Canada ~~CEO~~ FAR Committee shall annually report net asset levels to the Board through the audited financial statements.

(2) Net asset levels will be reported to the ~~Board~~ FAR Committee with the quarterly financial statements. Following their review by the FAR Committee, the statements will be made available to the Board through its portal. Anything of significance shall be reported to the Board, including breaches of the net asset target levels.

Commented [JB7]: Updated given that it is the FAR Committee and not the CEO who presents to the Board.

Commented [JB8]: Additional text recommended to clarify responsibilities.

Appendix A: Net asset structure document

Date of Board approval: February 26, 2020	Effective Date: Year Ended December 31, 2020
Date of latest amendment: [date & motion]	Date last reviewed: [date]

Net assets overview

Engineers Canada aims to effectively use its net assets to maximize its ability to achieve its objectives. The accumulation of net assets in and of itself is not a goal of Engineers Canada. However, prudent financial management dictates that Engineers Canada maintain the necessary net assets to ensure stability for the delivery of on-going programs and services, to fund strategic initiatives and to mitigate the financial impact of risks to its operations and achievement of strategic objectives.

As a best practice of Canadian not-for-profit organizations, Engineers Canada should explicitly establish internally restricted net assets (often called "reserves" or "reserve funds") to demonstrate the intent and purpose for its net assets to its members and interest holders. This practice is in accordance with Canadian Accounting Standards and is supported by the Canada Revenue Agency in demonstrating Engineers Canada's not-for-profit status under the Income Tax Act (Canada).

~~Changes in internally restricted net assets should be consistent with Engineers Canada's overall strategy, priority initiatives, and risk assessment. Annually, Engineers Canada should generally review the use and the adequacy of the balances in the internally restricted funds. Engineers Canada should also do a more in-depth assessment of its internally restricted net assets during its strategic planning process, including a comprehensive risk assessment.~~

Commented [JB9]: This has been removed from the appendix since it is already covered in the body of the policy.

This paper uses standard definitions of net assets, which are provided in the ~~Definitions~~ glossary section.

Commented [JB10]: This is arguably confusing given that Board policy 2, *Definitions*, outlines all policy definitions.

Summary of net assets

Below is a summary of the internally restricted funds, unrestricted net assets and the investment in capital assets and intangible assets of Engineers Canada. Further rationale is provided later in this ~~paper~~appendix.

Internally Restricted Net Assets

Internal restriction	Purpose	Amount
Legal defense fund	The legal defense fund is established by the Board to ensure that funds are available in case of legal challenge, to provide funds to cover deductibles for insurances, and to assist the engineering regulators where it is determined 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 regulators.	$1,500,000

Strategic priorities fund	The strategic priorities fund is established by the Board to provide funds: • For planned strategic initiatives • For information technology projects consistent with the approved strategic plan; • To respond to future risks and investment needs in the performance, accessibility, and security of its information technology assets.	$2,000,000
Contingency reserve fund	The contingency reserve fund is established by the Board to mitigate the financial impact of the risk of future unexpected, negative events that could have a significant, adverse impact on the operations, revenues and expenses of Engineers Canada.	$~~25~~,5~~4~~00,000
	Total internally restricted net assets	**$~~6,000,000~~8,900**

Commented [JB11]: As noted in the description below, the current target is equivalent to three months operating expenses. The Governance Committee suggests that this be increased to the equivalent of six months of operating expenses or $5.4M, an increase of $2.9M.

Unrestricted net assets and investment in capital assets and intangible assets

Asset category	Purpose	Amount
Investment in capital assets and intangible assets	The investment in capital assets and intangible assets is a calculated amount consisting of the net book value of capital and intangible assets less any debt relating to them.	$166,673~~564~~,~~690~~ (20~~18~~25 ~~FS~~ year-end amount)
Unrestricted net assets	Unrestricted net assets are maintained to fund the appropriate level of liquid working capital needed to maintain regular operations. Unrestricted net assets are the residual of total net assets less internally restricted and investment in capital and intangible assets.	No less than $1,000,000

Internally restricted net assets

Engineers Canada will establish internally restricted net assets (commonly referred to as 'reserves' or 'reserve funds') for specific operating or capital purposes as allowed under Canadian accounting standards for not-for-profit organizations. Internally restricted net assets are supported by a clear statement of purpose, specific level of funding required, and, as needed, a projected time frame for the accumulation or draw down of the balance. The purpose of internally restricted net assets will be consistent with the objectives of Engineers Canada's strategic initiatives and operating plans, as well as identified risks to the achievement of these objectives.

Engineers Canada has identified three categories of internally restricted net assets that are required, as follows:

a) Legal defense fund

Engineers Canada requires a legal defense fund to be available to use to fund legal expenses related to issues concerning the engineering profession, including protecting the sovereignty of the term

"engineer" and other terms, and to intervene with respect to legal cases that have a significant national interest, or to assist engineering regulators that do not have the financial resources to defend an enforcement action and/or statutory obligation that has a clear and significant impact on other members.

In 2008, Engineers Canada commissioned an actuarial study related to its reserves, which recommended setting up a Legal Defense Fund of $1,000,000 with an annual increase of $40,000. Based on this study, Engineers Canada has established a legal defense fund of $1,500,000.

b) Strategic priorities fund

Based on the 2025-29 Strategic Plan and future technology risks, Engineers Canada has established a strategic priorities fund of $2,000,000.

Funding for Engineers Canada's ~~is entering a period of significant transition with its 2022-24~~ 2025-2029 Strategic Plan will be partially provided by the unrestricted net assets. As a result, a balance of $2,000,000 is considered sufficient to cover any unforeseen strategic initiatives~~, which is calling for specific initiatives to enable the plan, investments in competency-based assessment, and improvements to technology-enabled services~~.

Commented [JB12]: Wording revised to reflect the current strategic plan.

For technology-enabled services, in addition to ~~the planned~~ systems~~projects~~ implemented to improve operations and services to members, Engineers Canada is operating in an environment of rapid technological change and accelerating risks (such as cyber security). Engineers Canada expects that it will need to continue mak~~e~~ing ~~a substantial~~ investments in its information technology and systems over the next five years in order to implement and maintain standard/best practices in performance, accessibility, and security. This Fund is intended to provide funding for both the current systems ~~planned projects~~ and future projects.

~~Based on the 2022~~5-24~~9~~ Strategic Plan and future technology risks, Engineers Canada has established a strategic priorities fund of $2,000,000.~~

Commented [JB13]: Moved above.

c) Contingency reserve fund

Engineers Canada will maintain a contingency reserve fund to mitigate the financial impact of the risk of a significant, negative event caused by changes in their political, economic, and regulatory environment that are outside of its control.

The current, more significant risk factors that could impact significantly and adversely impact revenues include:

- Membership demographics: Regulator assessment revenues are based on the number of members. As with many professional organizations, Engineers Canada's membership is aging, so there is a significant risk of a sustained decline in assessment revenues, with a corollary impact on affinity revenues.
- Affinity programs: Engineers Canada largest revenue stream is affinity and insurance revenues. These revenues would be impacted by either a departure of a province from an affinity program, or a cancellation or non-renewal of a program by the service provider.

- Provincial regulators: With all national membership organizations, there is a risk that a province could exit the national organization.

Based on these and other risks identified in Engineers Canada's assessment of risks, Engineers Canada has established a contingency reserve fund of $2,500,000.

This amount is equivalent to approximately ~~three~~ six months of Engineers Canada's operating costs ~~of Engineers Canada~~, which is a consistent benchmark used by not-for-profit organizations for general contingency reserves.

Commented [JB14]: The Governance Committee suggested that this amount be raised to match approximately six-months of Engineers Canada's operating costs, as noted in the table above.

Investment in capital assets and intangible assets

The investment in capital assets and intangible assets is a calculated amount, in accordance with Canadian Accounting Standards, as defined in the ~~definitions~~ glossary below. Engineers Canada's historical practice is to fund its capital assets and intangible assets with its net assets, other than deferred lease inducements related to its leased premises. This policy supports the creation of separate reserves to fund the acquisition of capital assets and/or information technology (as with the strategic priorities fund above) to provide appropriate funds for future acquisitions.

Unrestricted net assets

Unrestricted net assets are maintained to fund the appropriate level of liquid working capital needed to maintain regular operations. Engineer Canada's target unrestricted net asset balance will be determined annually, with consideration for immediate liquidity needs and Engineers Canada's cash flow requirements beyond those addressed in existing internally restricted balances. The target unrestricted net asset balance will be consistent with recommendations made by management to the Board of Directors as part of the annual budgeting process.

Based on an analysis of monthly and annual expenditures and cash flows, Engineers Canada plans to maintain an unrestricted net asset balance of no less than $1,000,000 on an on-going basis.

~~Definitions~~Glossary

This paper references the following ~~definitions~~terms:

- **Net assets**: Total net assets represent a not-for-profit organization's residual interest in its assets after deducting its liabilities.
- **Investment in tangible capital and intangible assets**: The amount of net assets that are funding Engineers Canada's tangible capital and intangible assets. This amount is calculated as:

  Net book value of tangible capital and intangible assets
  Less: long-term debt related to the tangible capital and intangible assets
  Less: deferred lease inducements related to capital assets
  Less: deferred contributions used to acquire tangible capital and intangible assets
  Investment in tangible capital and intangible assets

- **Internally restricted net assets ('reserves'):** Net asset amounts that have been set aside by Engineers Canada for a specified future purpose or specified future contingencies. The two general categories of internally restricted net assets that are commonly used by not-for-profit organizations are:
    - **Strategic reserves** provide funding for, typically one-time, projects, investments or events that support the achievement of the organization's strategic priorities to allow for regular operations to continue in the year of these strategic initiatives. Strategic reserves should be aligned with the not-for-profit organization's strategic plan.
    - **Contingency reserves** mitigate the financial risk of a significant uncontrollable/unexpected negative event that would have an adverse impact on the financial position of a not-for-profit organization. These events typically cause an immediate and/or sustained decline in annual revenues or increase in expenses. A contingency reserve is held to provide funds to cover the cost of the contingency to allow the not-for-profit organization to maintain regular operations while responding to the negative event. The contingency reserve is normally supported by an official risk assessment performed by the not-for-profit organization.
- **Unrestricted net assets**: Net assets amounts that are not internally restricted and are not investments in capital assets and intangible assets. Unrestricted net assets are commonly viewed as the amount of liquid working capital needed for regular operations.

7 Board policies

7.12 Net assets

Date of adoption: October 2, 2020 (Motion 2020-10-3D)	*Review period: Triennial*
Date of latest amendment: March 1, 2024 (Motion 2024-03-6D)	*Date last reviewed: March 1, 2024*

7.12.1 Purpose of policy:

(1) Engineers Canada uses its net assets to progress towards its strategic objectives. The Board approves the net asset levels as described in section 7.12.3, through the annual budgeting process and revisions (if necessary).

(2) Net assets must be actively managed to maintain necessary levels. The proper management of net asset levels supports strategic objectives and planned operations by:
   a) Protecting against unexpected losses;
   b) Providing opportunity for planned new initiatives or strategic priorities;
   c) Providing the opportunity to continue investing in assets, technology, products, and services;
   d) Building Member confidence and creating value for Members; and
   e) Providing general financial stability.

(3) Net asset management considers a number of factors such as:
   a) The level of expected revenue and expenses;
   b) Anticipated growth or planned changes to the purposes, operational imperatives or strategic priorities of Engineers Canada; and
   c) Issues arising through enterprise risk management.

(4) The ability of Engineers Canada to maintain adequate net asset levels is considered an indication of safety, stability and a prudent resistance to adverse business and economic conditions.

7.12.2 Measures

(1) Net assets are normally allocated into internally restricted reserves, unrestricted reserves, and investments in tangible capital and intangible assets.

   a) **Internally restricted reserves** are funds that have been set aside for a specified future purpose or contingency. These funds can only be created, authorized for expenditure, and dissolved by the Board. Examples of uses for internally restricted funds include to:

i. ensure stability for the delivery of ongoing programs, products and services;
ii. fund strategic initiatives;
iii. mitigate the financial impact of risks to operations or achievement of strategic objectives.

b) **Funds invested in tangible and intangible assets** represent the financial resources of Engineers Canada. Tangible assets are physical (such as office equipment), while intangible assets do not exist in physical form and include intellectual property, software, and goodwill, etc.

c) **Unrestricted reserves** are those funds that are neither restricted nor invested. The Board will approve the amount of unrestricted reserves that may be used for operations and to fund the activities under the Strategic Plan.

(2) Engineers Canada net assets are currently categorized with target levels (balances) in Appendix A.

7.12.3 Responsibility and authority

(1) The Engineers Canada Board is responsible for understanding the operational and reserve needs of Engineers Canada and the minimum required level of net assets. Changes to the internally restricted reserves, in Appendix A, must be consistent with Engineers Canada's Strategic and operating plans, and the risk assessment. Accordingly, the following processes represent the governance responsibilities associated with the net assets of Engineers Canada:

a) Annually, as part of the budgeting process, the CEO shall recommend appropriate unrestricted reserve levels to the Board, through the Finance, Audit, and Risk (FAR) Committee, taking into account the budget, immediate liquidity needs, and cash flow requirements.
b) Annually, as part of the annual budgeting process, the Engineers Canada Board shall, on recommendation of the FAR Committee, review and approve the adequacy of the balances in the internally restricted funds.
c) Upon approval of the Strategic Plan, the FAR Committee shall review the net asset structure and targets outlined in Appendix A, and make recommendations to the Board for approval, as needed.
d) A breach of the net asset target levels is not acceptable or consistent with Engineers Canada's risk appetite and the budgeting, planning, monitoring, and reporting processes must be designed to avoid such a breach.
e) It is recognized that net asset levels in some categories will be spent during some years and restored in others. In addition, net asset levels may fall below target due to unforeseen adverse events, in which case the CEO will prepare plans to redress the situation.

7.12.4 Reporting

(1) The Engineers Canada FAR Committee shall annually report net asset levels to the Board through the audited financial statements.

(2) Net asset levels will be reported to the FAR Committee with the quarterly financial statements. Following their review by the FAR Committee, the statements will be made available to the Board through its portal. Anything of significance shall be reported to the Board, including breaches of the net asset target levels.

Appendix A: Net asset structure document

Date of Board approval: February 26, 2020	Effective Date: Year Ended December 31, 2020
Date of latest amendment: [date & motion]	Date last reviewed: [date]

Net assets overview

Engineers Canada aims to effectively use its net assets to maximize its ability to achieve its objectives. The accumulation of net assets in and of itself is not a goal of Engineers Canada. However, prudent financial management dictates that Engineers Canada maintain the necessary net assets to ensure stability for the delivery of on-going programs and services, to fund strategic initiatives and to mitigate the financial impact of risks to its operations and achievement of strategic objectives.

As a best practice of Canadian not-for-profit organizations, Engineers Canada should explicitly establish internally restricted net assets (often called "reserves" or "reserve funds") to demonstrate the intent and purpose for its net assets to its members and interest holders. This practice is in accordance with Canadian Accounting Standards and is supported by the Canada Revenue Agency in demonstrating Engineers Canada's not-for-profit status under the Income Tax Act (Canada).

This paper uses standard definitions of net assets, which are provided in the glossary section.

Summary of net assets

Below is a summary of the internally restricted funds, unrestricted net assets and the investment in capital assets and intangible assets of Engineers Canada. Further rationale is provided later in this appendix.

Internally Restricted Net Assets

Internal restriction	Purpose	Amount
Legal defense fund	The legal defense fund is established by the Board to ensure that funds are available in case of legal challenge, to provide funds to cover deductibles for insurances, and to assist the engineering regulators where it is determined 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 regulators.	$1,500,000
Strategic priorities fund	The strategic priorities fund is established by the Board to provide funds: • For planned strategic initiatives • For information technology projects consistent with the approved strategic plan; • To respond to future risks and investment needs in the performance, accessibility, and security of its information technology assets.	$2,000,000
Contingency reserve fund	The contingency reserve fund is established by the Board to mitigate the financial impact of the risk of future unexpected, negative events that could have a	$5,400,000

	significant, adverse impact on the operations, revenues and expenses of Engineers Canada.	
	Total internally restricted net assets	**$8,900**

Unrestricted net assets and investment in capital assets and intangible assets

Asset category	Purpose	Amount
Investment in capital assets and intangible assets	The investment in capital assets and intangible assets is a calculated amount consisting of the net book value of capital and intangible assets less any debt relating to them.	$166,673, (2025 year-end amount)
Unrestricted net assets	Unrestricted net assets are maintained to fund the appropriate level of liquid working capital needed to maintain regular operations. Unrestricted net assets are the residual of total net assets less internally restricted and investment in capital and intangible assets.	No less than $1,000,000

Internally restricted net assets

Engineers Canada will establish internally restricted net assets (commonly referred to as 'reserves' or 'reserve funds') for specific operating or capital purposes as allowed under Canadian accounting standards for not-for-profit organizations. Internally restricted net assets are supported by a clear statement of purpose, specific level of funding required, and, as needed, a projected time frame for the accumulation or draw down of the balance. The purpose of internally restricted net assets will be consistent with the objectives of Engineers Canada's strategic initiatives and operating plans, as well as identified risks to the achievement of these objectives.

Engineers Canada has identified three categories of internally restricted net assets that are required, as follows:

a) Legal defense fund

Engineers Canada requires a legal defense fund to be available to use to fund legal expenses related to issues concerning the engineering profession, including protecting the sovereignty of the term "engineer" and other terms, and to intervene with respect to legal cases that have a significant national interest, or to assist engineering regulators that do not have the financial resources to defend an enforcement action and/or statutory obligation that has a clear and significant impact on other members.

In 2008, Engineers Canada commissioned an actuarial study related to its reserves, which recommended setting up a Legal Defense Fund of $1,000,000 with an annual increase of $40,000. Based on this study, Engineers Canada has established a legal defense fund of $1,500,000.

b) Strategic priorities fund

Based on the 2025-29 Strategic Plan and future technology risks, Engineers Canada has established a strategic priorities fund of $2,000,000.

Funding for Engineers Canada's 2025-2029 Strategic Plan will be partially provided by the unrestricted net assets. As a result, a balance of $2,000,000 is considered sufficient to cover any unforeseen strategic initiatives.

For technology-enabled services, in addition to systems implemented to improve operations and services to members, Engineers Canada is operating in an environment of rapid technological change and accelerating risks (such as cyber security). Engineers Canada expects that it will need to continue making investments in its information technology and systems over the next five years in order to implement and maintain standard/best practices in performance, accessibility, and security. This Fund is intended to provide funding for both the current systems and future projects.

c) Contingency reserve fund

Engineers Canada will maintain a contingency reserve fund to mitigate the financial impact of the risk of a significant, negative event caused by changes in their political, economic, and regulatory environment that are outside of its control.

The current, more significant risk factors that could impact significantly and adversely impact revenues include:

- Membership demographics: Regulator assessment revenues are based on the number of members. As with many professional organizations, Engineers Canada's membership is aging, so there is a significant risk of a sustained decline in assessment revenues, with a corollary impact on affinity revenues.
- Affinity programs: Engineers Canada largest revenue stream is affinity and insurance revenues. These revenues would be impacted by either a departure of a province from an affinity program, or a cancellation or non-renewal of a program by the service provider.
- Provincial regulators: With all national membership organizations, there is a risk that a province could exit the national organization.

Based on these and other risks identified in Engineers Canada's assessment of risks, Engineers Canada has established a contingency reserve fund of $2,500,000.

This amount is equivalent to approximately six months of Engineers Canada's operating costs, which is a consistent benchmark used by not-for-profit organizations for general contingency reserves.

Investment in capital assets and intangible assets

The investment in capital assets and intangible assets is a calculated amount, in accordance with Canadian Accounting Standards, as defined in the glossary below. Engineers Canada's historical practice is to fund its capital assets and intangible assets with its net assets, other than deferred lease inducements related to its leased premises. This policy supports the creation of separate

reserves to fund the acquisition of capital assets and/or information technology (as with the strategic priorities fund above) to provide appropriate funds for future acquisitions.

Unrestricted net assets

Unrestricted net assets are maintained to fund the appropriate level of liquid working capital needed to maintain regular operations. Engineer Canada's target unrestricted net asset balance will be determined annually, with consideration for immediate liquidity needs and Engineers Canada's cash flow requirements beyond those addressed in existing internally restricted balances. The target unrestricted net asset balance will be consistent with recommendations made by management to the Board of Directors as part of the annual budgeting process.

Based on an analysis of monthly and annual expenditures and cash flows, Engineers Canada plans to maintain an unrestricted net asset balance of no less than $1,000,000 on an on-going basis.

Glossary

This paper references the following terms:

- **Net assets**: Total net assets represent a not-for-profit organization's residual interest in its assets after deducting its liabilities.
- **Investment in tangible capital and intangible assets**: The amount of net assets that are funding Engineers Canada's tangible capital and intangible assets. This amount is calculated as:

  Net book value of tangible capital and intangible assets
  Less: long-term debt related to the tangible capital and intangible assets
  Less: deferred lease inducements related to capital assets
  Less: deferred contributions used to acquire tangible capital and intangible assets
  Investment in tangible capital and intangible assets

- **Internally restricted net assets ('reserves'):** Net asset amounts that have been set aside by Engineers Canada for a specified future purpose or specified future contingencies. The two general categories of internally restricted net assets that are commonly used by not-for-profit organizations are:
  - **Strategic reserves** provide funding for, typically one-time, projects, investments or events that support the achievement of the organization's strategic priorities to allow for regular operations to continue in the year of these strategic initiatives. Strategic reserves should be aligned with the not-for-profit organization's strategic plan.
  - **Contingency reserves** mitigate the financial risk of a significant uncontrollable/unexpected negative event that would have an adverse impact on the financial position of a not-for-profit organization. These events typically cause an immediate and/or sustained decline in annual revenues or increase in expenses. A contingency reserve is held to provide funds to cover the cost of the contingency to allow the not-for-profit organization to maintain regular operations

while responding to the negative event. The contingency reserve is normally supported by an official risk assessment performed by the not-for-profit organization.

- **Unrestricted net assets**: Net assets amounts that are not internally restricted and are not investments in capital assets and intangible assets. Unrestricted net assets are commonly viewed as the amount of liquid working capital needed for regular operations.