

January 30, 2015

STRICTLY CONFIDENTIAL

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Subject: Coaching Mandate of the Ordre des ingénieurs du Québec

Mr. President:

We are pleased to submit our final report in compliance with the coaching mandate entrusted to us by the Office des professions du Québec.

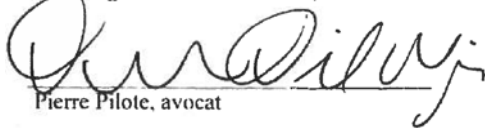
Our report contains recommendations aimed at improving the governance and administrative practices of the Ordre des ingénieurs du Québec.

We thank you for the trust that you have shown in us and remain at your disposal to discuss our findings.

Do not hesitate to contact the undersigned for any other information regarding this report.

Sincerely,

Gowling Lafleur Henderson, s.e.n.c.r.l.


Pierre Pilote, avocat

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PP/kn

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PART I STATUS

1. MANDATE

On June 25, 2014, the Office des professions du Québec (hereinafter the “Office”) entrusted Me Pierre Pilote and Dr. Yves Lamontagne with a coaching mandate for the Ordre des ingénieurs du Québec (hereinafter the “Ordre”).

The mandate¹, which covers governance and internal controls, called for a review of administrative practices in use and rules of internal management. It also provided for an assessment of the ability and willingness of the directors to fully assume their roles and responsibilities in keeping with the spirit and letter of the law.

2. HISTORY OF THE ORDRE

Descended from the Civil Engineers of Canada established in 1887 and the Canadian Engineering Institute founded in 1918, the Ordre officially came into being on February 14, 1920.

In 1964, the Government of Quebec approved the new Engineers Act. The Quebec Corporation of Professional Engineers was renamed the Quebec Corporation of Engineers and its board members increased from eight to 21.

On July 6, 1973, the adoption of the *Professional Code*² and the establishment of the Office des professions du Québec resulted in a major overhaul of Québec’s regulations governing professional orders. In February of 1974, by proclamation of Bill 260, the Quebec Corporation of Engineers officially became the Ordre des ingénieurs du Québec.

The Corporation’s board thereupon became the Ordre’s Board of Directors, consisting of 20 engineers elected by fellow members and four representatives of the public appointed by the Office.

The Ordre is currently the second largest professional order in Québec after the Ordre des infirmières et infirmiers du Québec. The Ordre has more than 60,000 members and 134 employees (FTP).

Given the often critical nature and complexity of the tasks performed by engineers and the high degree of competency required, only individuals who are on the member roll and who hold an engineering licence issued by the Ordre are entitled to perform professional acts reserved for the profession.

3. CRISIS AT THE ORDRE

At the annual general meeting of the Ordre held on June 13, 2013, the Board of Directors presented a motion to increase annual dues by \$100, from \$310 to \$410. In accordance with section 85.1 of the *Professional Code*, this motion required the approval of the members in order to take effect. The motion was rejected by a vote of the majority of members present.

¹ Mandate of 25-6-2014 –
Appendix 1

² *Professional Code*, RSQ, c. C-26

On December 12, 2013, the Board of Directors adopted a resolution providing for supplementary dues of \$90 to enable the Ordre to fulfil its obligations to protect the public. Unlike the case of regular dues, the decision to impose additional dues for fiscal year 2014-2015 to ensure the protection of the public was the Board's prerogative under the *Professional Code*.

This decision gave rise to discontent among a great many engineers. This discontent, fueled by certain disgruntled factions, manifested itself mainly through social media. Some 540 members of the Ordre demanded in writing that an extraordinary general meeting be called. At this meeting, held on May 6, 2014 and attended by 1,830 members, seven motions were adopted:

1. Motion demanding the repeal of the *Regulation respecting professional liability insurance for members of the Ordre des ingénieurs du Québec*³;
2. Motion demanding the suspension of the application of the *Regulation respecting the compulsory professional development of engineers*⁴;
3. Motion demanding that the Board of Directors take steps to allow certain engineers to enrol in the RAMQ's general drug insurance plan;
4. Motion demanding the Board of Directors implement a member consultation process by referendum prior to adopting any new regulation;
5. Motion demanding the Board of Directors hold roll call votes at the Board and make the minutes of Board and Executive Committee meetings available on the Ordre's website;
6. Motion demanding the abolishment of the supplementary dues paid on April 1, 2014;
7. Motion demanding the removal of the Executive Committee and director general;

On April 30, 2014, on the recommendation of its Finance Committee, the Board of Directors set the amount of the regular annual dues to be paid by members for fiscal year 2015-2016 at \$405.

At the general meeting of June 12, 2014, the motion setting the fee at \$405 was rejected by the majority of members present. At this same meeting, some engineers who were openly hostile to the directions and decisions taken by the Ordre were elected, in particular a director who, at the time, was being sued for damages by the Ordre and its former director general.

It should be noted that, on May 27, 2014, the Board of Directors adopted a resolution creating an ad hoc monitoring committee for the extraordinary general meeting.

On June 13, 2014, at its first session after the general meeting of June 12, the Board of Directors named Robert Sauvé as president of the Ordre. A new Executive Committee was also named.

On July 24, 2014, the undersigned took part in the Executive Committee of the Ordre with the purpose of presenting the scope of the mandate entrusted by the Office.

³ *Regulation respecting professional liability insurance for members of the Ordre des ingénieurs du Québec*, RSQ, c 1-9, r.2.1

⁴ *Regulation respecting the compulsory professional development of engineers*, RSQ, c. 1-9, r.9

4. SUMMARY OF MEETINGS AND FINDINGS

We held individual meetings with key members of the various departments and with some directors. We met with more than 20 individuals. Only seven directors accepted our invitation. A meeting was held with each of the three former presidents.

It should be noted that we met with some individuals on two or three occasions. We took part in all the sessions of the Executive Committee and of the Board of Directors and two meetings of the Finance Committee. We were also present at the three-day meeting held at Lac à l'Épaulé. On this occasion, training was given on the role and duties of a director of a professional order.

4.1 Statements collected during individual meetings

We will be summarizing and citing the main points raised by various persons during the individual meetings as reported. The confidential nature of these meetings prevents us from identifying these individuals.

The culture of the Ordre for years was generally reported, as follows:

- Don't turn members off;
- Don't focus on excellence;
- Keep as many members as possible even if they're not all good;
- There is more politicking at the Ordre than in government;
- Two central unions control the Ordre.

Regarding the Board of Directors:

- Some Board members release information during sessions and disparage the Ordre in social media: it's a circus;
- Some Board members are more concerned with defending their own interests and those of members than with the public's interests;
- Some directors could care less about professional development;
- There has been a lack of respect among directors for a long time;
- For years it's been a free-for-all in the decorum and management of Board meetings;
- There haven't been any tangible results coming out of the Ordre's committees for years;
- There is no communication strategy for reaching members.

Regarding the president:

- He is well meaning;
- He puts in 50 hours a week in addition to his regular job;
- He doesn't want to be in the media, at the Charbonneau Commission, etc.;
- He tends to favour consensus among all his directors.

Regarding managers and employees:

- Several have left in recent years because of the toxic climate and pressure from the Board of Directors;
- There is demobilization of employees and management;
- Since the Ordre doesn't pay well, it's difficult to recruit experienced replacements;
- Because budgets have been cut, the various departments can't develop;
- The Board makes little effort to support staff;
- Because of a lack of resources, there are far fewer professional inspection visits than there should be given the number of members.

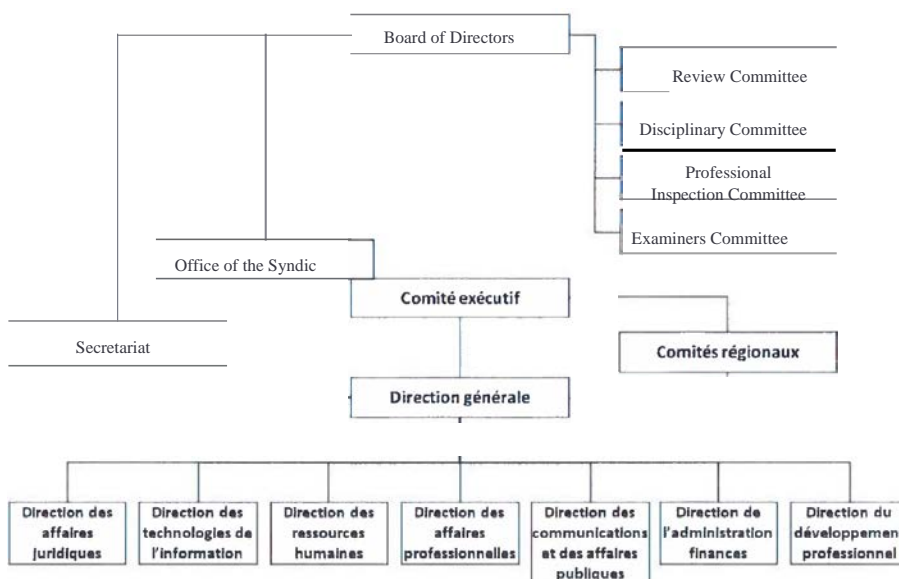
4.2 Findings

4.2.1 Governance and Internal Management

The Board of the Ordre consists of 20 members appointed by the Office. The Executive Committee has five members, including the president and a member appointed by the Office.

Senior management consists of one director general, one secretary, seven managers and one syndic.

There are eight departments reporting to the Office of the **Director General**:



Comment [MC1]: Impossible to access some boxes. Translation for these boxes is as follows:
 Executive Committee
 Regional Committees
 Office of the Director General
 Legal Affairs Department
 Information Technology Department
 Human Resources Department
 Professional Affairs Department
 Communications and Public Affairs Department
 Finance and Administration Department
 Professional Development Department

Finally, there are numerous committees based on the various departments:

- **Statutory Committees:** Disciplinary Committee, Examiners Committee, Professional Inspection Committee, Review Committee and Election Monitoring Committee
- **Secretariat and Legal Affairs:** Governance Committee, Ethics Committee, Professional Conduct Committee and Enforcement Committee
- **Administrative and Financial Affairs:** Finance and Audit Committee
- **Communications and Public Affairs:** Public Affairs Steering Committee and Committee for the Promotion and Enhancement of the Profession and Women in Engineering

- **Joint Agencies:** CODIQ- OIQ-CREIQ Liaison Committee, Assembly of Engineers Liaison Committee
- **Regional Committees:** 8

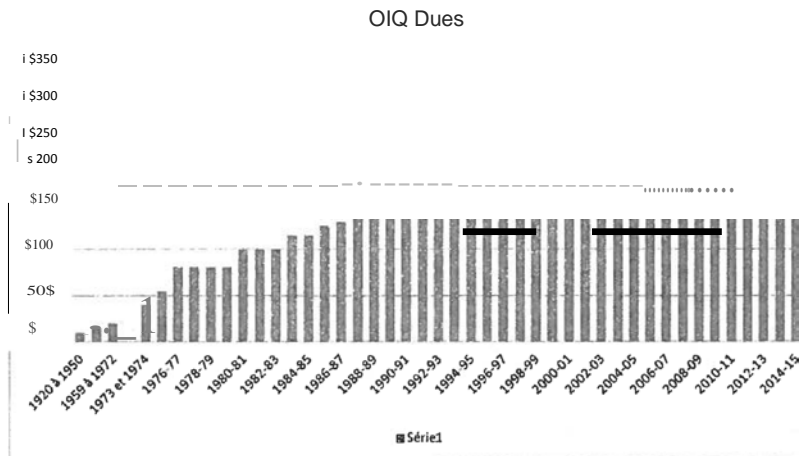
In fiscal year 2013-2014, there were approximately 19 Executive Committee meetings and 16 meetings of the Board of Directors and of the Finance Committee respectively, not counting meetings of the various committees. Holding this many meetings is clearly contrary to best governance practices. This points to a governance problem and clearly illustrates the climate of distrust that currently exists.

4.2.2 Financing

Funding for the professional Ordre comes primarily from members' annual dues. In 2013-2014 and 2014-2015, this amounted to \$310.

Four findings deserve mention:

- 1) For 14 years (1990-2004), there was no increase in dues. Thereafter, depending on the years, dues were increased by \$5 to \$15.



- 2) The Ordre's total expenditures in 2013-2014 were more or less the same as those of the Barreau du Québec, which has far fewer members (see the analysis of the various professional orders below)⁵:

ORDER	ANNUAL DUES	BUDGET	MEMBERS
Lawyers (Barreau)	\$1,143	\$27,217,000	24,458
Physicians	\$1,320	\$29,481,300	21,584
Accountants	\$840	\$28,903,700	35,832
Engineers	\$310	\$27,600,000	61,000

- 3) Expenditures per member were clearly lower than those of some other professional orders.

ORDER	EXPENDITURES PER MEMBER	MEMBERS
Lawyers (Barreau)	\$1,421	24,458
Physicians	\$1,330	21,584
Accountants	\$1,579	35,832
Engineers	\$410	61,000

- 4) Given the number of members, the staff complement (FTP) seems modest compared with other professional orders.

ORDER	STAFF	MEMBERS
Lawyers (Barreau)	222	24,458
Physicians	132	21,584
Accountants	171	35,832
Engineers	134	61,000

⁵ Audit of the management activities of the Ordre des ingénieurs du Québec - Report to the Finance Committee prepared by KPMG-SECOR in 2014.

4.2.3 Human Resources

We were surprised by the high number of senior managers who were no longer in their posts:

- André Rainville, Director General
(term ended January 2015)
- Caroline Simard, the Ordre's secretary
- Christine O'Doherty, Director of Communications & Public Affairs
(term ended January 2015)
- Martin Lefort, Director of Strategy / (resigned October 2014)
- Patrick Paré, Director of Information Technology
- Annie Lessard, Director of Human Resources
(left in 2013 and the position remained vacant for several months)
- Genevieve Terreault, Communications Manager

It should be noted that 8.33% of the employees left and 5.04% were on sick leave in 2013-2014.

These numbers indicate the extent to which employee morale was put to a rude test by the climate of crisis, in particular the morale of senior management. We found a difficult work environment. The erosion of the bond of trust between office staff and the Board of Directors became apparent during the course of our meetings. There is obviously a problem attracting and retaining staff.

As a result of this situation, the Executive Committee has been performing more and more management tasks in recent months, which is not a desirable situation and one that creates confusion about the roles of the office staff and the Board of Directors.

4.2.4 Protection of the public

Section 23 of the *Professional Code* stipulates that the mission and primary role of a professional order is to ensure the protection of the public. The importance of regulating the competency and monitoring the conduct of professionals is explained by the level of trust that the public has in them.

All the directors recognize that protecting the public is the primary mission of the Ordre. However, the scope and extent of this mission and the means to be put in place to achieve it remain a major issue with diverging visions. Setting the amount of dues to be paid has also monopolized the Board of Directors and office staff for several years now.

More recently, greater efforts put toward professional inspection and the syndic have been essentially in reaction to an intervention by the president of the Office who requested an increase in the number of inspections. Regarding the financial resources allocated to the syndic, it is easy to believe that these resources would not have been increased were it not for the facts surrounding the creation of the Charbonneau Commission. Future budgetary hypotheses are already counting on lower amounts needing to be allocated to the syndic once the current inquiries are over. We will return to this point in our recommendations.

a) Professional Inspection

Professional inspection plays a central role in the system established under the *Professional Code* whose main goal is to ensure professional competency. To some extent, it is a preventative mechanism that guarantees the competency and knowledge of a professional. Based on our observations, the level of staff (FTP) assigned to professional inspection has been at a status quo for at least five years.

According to an IPSOS survey conducted in 2014 to gauge members' needs⁶, only 67% of members believe that the Ordre's mission is to protect the public, which seems quite low to us. As well, fewer than 10% of members perceive competency and compliance with the code of professional conduct as priorities. This survey illustrates a lack of knowledge about the regulatory framework of the Ordre and of its code of professional conduct.

As for the number of inspections carried out in 2013-2014, the rate of coverage appears limited, barely 2.5% of members or 1,500 out of some 60,000 members. According to KPMG-SECOR in its report to the Ordre in December 2014⁷, this shows a poor understanding of the need for inspections and a lack of measures to ensure competency following inspections.

This target was revised upward in 2014-2015 to 1,700 inspections. We should note in passing that the professional development department is responsible for the Ordre's membership roll. In the case of most other professional orders, this responsibility falls to the order's secretary.

b) Syndic

In the past five years, the staff of the Office of the Syndic has grown significantly. The Office has approximately 30 employees (FTP), in addition to outside resources provided by a private inquiry firm.

⁶ Omnibus Report – Trends in the Image of Engineers – IPSOS, May 2014

⁷ See note 5.

The arrival of a new syndic in 2013 resulted in a shift in the mode of operations, to enable the Office to handle increasingly complex files, especially files involving corruption. The departure of two assistant syndics and the arrival of a new assistant syndic helped change the culture in the department and improve efficacy.

Notwithstanding these changes, the volume of open and closed files in the Office of the Syndic is lower than that of comparable orders.

According to our information, the syndic has the necessary financial resources to fulfill his or her mandate. It is worth mentioning that these resources should be maintained and even increased to permit the speedy handling of inquiry files, especially backlogged files. The syndic should continue to have the staff and financial resources needed to ensure files are handled within the timeframes of other professional orders in Québec.

4.2.5 Information Technologies

IT are a source of concern. Based on the information we received, the systems that support the Ordre's membership roll are outdated and require major investments that cannot be delayed for very long without putting the Ordre at significant risk.

As well, some departments deplore shortfalls in the software and technical support needed to effectively manage member services.

To conclude this status report on a positive note, the training given to directors during the weekend at Lac à l'Épaulé in October 2014 helped ensure a better understanding of the role and duties of a director and the concept of protection of the public.

We have noticed that the climate at Board meetings is now calm and respectful. The directors have shown an ability to perform their role with integrity and commitment. This achievement deserves to be pointed out since, according to the information we received, this type of climate has not existed in Board meetings for several years.

PART II RECOMMENDATIONS

1. PREAMBLE

We began our mandate in June 2014 at a time when the Ordre was facing a major crisis. Our coaching allowed us to witness positive changes in the governance of the Ordre. Firstly, the directors demonstrated respect and openness during Board meetings. The new president of the Ordre has earned the trust of his Board with an approach that is guided by listening and transparency.

While still weakened by departures and sick leaves, the Ordre has been managed since December 2014 by Chantal Michaud, an experienced engineer who headed the Ordre's Office of the Syndic prior to being named to the post of director general. The leadership she showed at the helm of the Office of the Syndic is reassuring. Succeeding her as syndic is Jacques Fillion, an experienced engineer who has held several senior positions.

As well, the arrival of Me Louise Jolicoeur in the post of interim secretary of the Ordre has enabled the secretariat to establish stringent controls and provide all the support needed to properly manage the meetings of the Executive Committee and the Board of Directors.

That being said, the necessary bond of trust between the office staff and the Board of Directors remains fragile. It is of the utmost importance that every effort be made within the Ordre to establish a culture of respect and cooperation.

2. GOVERNANCE

2.1 Presidency of the Ordre

The Ordre is the second largest professional order in Quebec and yet the post of president is still a part-time one. Several professional orders with far fewer members have full-time presidents who act as spokespersons with the government and the media and are present to their members throughout Québec. The full-time presence of a president fosters greater cohesion and closer ties between an order and its members when he or she is able to devote himself or herself fully to the interests of members.

Several individuals reported that the Ordre seemed out of touch with its membership base. A full-time president would be more present with members and bring depth and stability to an organization in need of both.

As regards remuneration of a full-time president, we believe that it should be the same as the director general, with an additional \$20,000 bonus. The Ordre must be able to attract qualified candidates without putting them in a precarious situation if they accept the post. Since the president is elected for two years and his or her mandate can be renewed for a second two-year term, the individual in that position should receive a transitional allowance.

If the person is not re-elected after two years, a severance pay equivalent to six months' salary should be allocated. After four years, the severance pay would be equal to a year's salary.

RECOMMENDATION 1

Make the presidency of the Order a full-time position.

2.2 Board of Directors

We believe that it is time for the Ordre to review the size of its Board of Directors. In our opinion, a board consisting of 24 directors seems oversized and onerous to manage, without taking into account the related costs. It is generally acknowledged that a board comprised of a large number of directors adds to the difficulty of establishing the cohesion and solidarity that its members require. We therefore recommend that the number of directors be reduced to 18, including the four members named by the Office.

RECOMMENDATION 2

Reduce the size of the Board of Directors to 18 directors, including those named by the Office based on the regional distribution below and amend the *Regulation dividing the territory of Québec into regions for purposes of elections to the Board of Directors of the Ordre des ingénieurs du Québec*⁸ accordingly:

Electoral Region	Number of Directors
Montréal	6
Québec City	2
South Shore-Montérégie	1
North Shore-Laval	1
Estrie-Eastern Québec	1
Outaouais-Abitibi	1
Saguenay-Lac-Saint-Jean	1
Mauricie-Bois-Francs	1

*Plus four directors named by the Office.

⁸ *Règlement divisant le territoire du Québec en régions aux fins des élections au Conseil d'administration de l'Ordre des ingénieurs du Québec*, RSQ c.1-9, r.14 (French only).

2.3 Statutory and Advisory Committees

The Ordre currently has 14 committees, in addition to eight regional committees, as follows:

- Disciplinary Council
- Examiners Committee
- Professional Inspection Committee
- Review Committee
- Election Monitoring Committee
- Finance and Audit Committee
- Committee for the Promotion and Enhancement of the Profession and Women in Engineering
- Governance Committee
- Public Affairs Steering Committee
- Regional Committees (8)
- OIQ Networking Committee
- Ad hoc Committee (for Special Meeting of Members follow-up)
- Ethics Committee
- AGM Organizing Committee.

Most of the nine committees have 11 members. The literature reports that a committee of more than six members is ineffective. There is a valid reason, therefore, to reduce the number of committees and the number of members on each committee. Each committee should also be chaired by a Board member who should present the results of the committee's work to the Board of Directors at the first opportunity.

It is also our opinion that there is a valid reason for abolishing committees whose mandate already falls under the Ordre's senior management, which in turn reports to both the Executive Committee and the Board of Directors. The Board's initiatives or priorities should not necessarily lead to the creation of a committee for dealing with them.

In this regard, we believe that the recognition of the place of women in the profession is a noble and important objective, but it can be a priority without the need to create a committee. The Ordre can establish its credibility on the place of women through its actions. If the Ordre is active and serious about the issue, it will work toward that goal. Furthermore, both the Public Affairs Steering Committee and the AGM Organizing Committee appear to report to the Ordre's senior management, which in turn reports directly to the president, as well as the Executive Committee and the Board of Directors.

RECOMMENDATION 3

In an effort to improve the governance of the Ordre, we propose that the following committees be abolished:

- Committee for Promoting and Increasing the Status of the Profession and Women in Engineering
- Public Affairs Steering Committee
- AGM Organizing Committee

We also suggest abolishing the Election Monitoring Committee since this falls under the responsibility of the Ordre's secretary. In our opinion, it is useless and contrary to the practices observed in most of the professional orders in Quebec, especially since the Ordre's secretary is a person of authority under the terms of the *Professional Code*.

RECOMMENDATION 4

Abolish the Election Monitoring Committee and amend the *Règlement sur les élections au conseil d'administration de l'Ordre* accordingly.⁹

We believe that it is time to review the mandate of some committees and to create new ones. We suggest beginning by creating a professional development committee. The mandate of this new committee would be primarily to deal with the requirements set out in the *Règlement sur la formation continue obligatoire des ingénieurs* (French only)¹⁰ and the training offered to engineers to meet the requirements of the profession.

RECOMMENDATION 5

Create a Professional Development Committee.

The mandate and composition of the Ethics Committee should also be revised to add a professional integrity component. This is a crucial issue since recent events and surveys illustrate serious shortcomings among a high number of members on this issue. This committee should deal especially with ethical issues involving members of the Ordre and make integrity a priority.

RECOMMENDATION 6

Revise the mandate of the Ethics Committee to add a professional integrity component.

⁹ *Règlement sur les élections au conseil d'administration de l'Ordre*, RSQ, c. 1-9, r. 8 (French only)

¹⁰ *Règlement sur la formation continue obligatoire des ingénieures*, RSQ, c. 1-9, r.9 (French only)

Renaming the Examiners Committee would certainly be appropriate to better reflect its mandate. This committee is responsible for admission to the practice. The name change will require an amendment to the *Regulation respecting the standards for equivalence of diplomas and training for the issue of a permit by the Ordre des ingénieurs du Québec*.¹¹

RECOMMENDATION 7

Change the name of the Examiners Committee to the Committee of Admission to the Practice.

Based on our findings, there does not appear to be any consensus about the continuing professional development of engineers in Québec. We believe that, on the initiative of the Ordre, a Québec council for the continuing professional development of engineers could be established, which representatives of Québec professional engineers associations could join, especially engineering faculties. This association would have the specific mission of receiving proposals for continued training and identifying needs.

RECOMMENDATION 8

Create the Québec Council for Continuing Professional Development of Engineers.

We believe that the mandate of the CODIQ-OIQ-CREIQ Liaison Committee should be reviewed. Beyond fostering collaboration between the Ordre and those in charge of Québec institutions that teach engineering, this committee's priority should be to examine issues related to the quality of the initial engineering training, as is done by other professional orders in Québec. The composition of this committee should be revised to include a representative of the Ministère de l'Enseignement supérieur, de la recherche et de la science. We also suggest changing the committee's name to the Engineer Training and CODIQ-OIQ-CREIQ Liaison Committee to correspond to its new mandate.

RECOMMENDATION 9

Revise the role of the CODIQ-OIQ-CREIQ Liaison Committee to include the mandate to look into the quality of the initial training of engineers, add a representative from the Ministère de l'Enseignement supérieur, de la recherche et de la science and change the name to the Engineer Training and CODIQ-OIQ-CREIQ Liaison Committee.

¹¹ *Regulation respecting the standards for equivalence of diplomas and training for the issue of a permit by the Ordre des ingénieurs du Québec*, RSQ, c. 1-9, r.10

2.4 Regional Committees

Some years ago, at the end of an overhaul of membership representation in the various regions of Québec, the Ordre revised the regional representation structure and abolished regional committees made up of engineers elected by their peers. In their place, the Ordre established regional committees made up of engineers appointed by the Ordre's senior management following a call for nominations. We do not pretend to have the answer as to which is the best way for the Ordre to provide regional representation. However, we have heard several dissenting voices about the merit or lack of same for having regional committees and the form that they should take, as well as their method of nominating committee members.

Our findings show that the Ordre devotes significant sums and resources to these regional committees. The Board of Directors is already made up of representatives from the various regions of Québec. Beyond this issue, is the mandate of these committees truly in line with the mission of the Ordre or do they instead have a social purpose of bringing together Québec's engineers.

We invite the Ordre to begin reflecting on the value of keeping these regional committees in their current form and mandates. In the age of virtual communications, is it still necessary to maintain these committees? There are other umbrella groups that exist to meet the promotional needs of the engineering profession. Finally, inasmuch as the Ordre decides to maintain these committees, it should stop funding them, follow the approach taken by the Barreau du Québec and have the members of these regions fund the committees or departments, as need be.

RECOMMENDATION 10

Have the Ordre review the role, mandate and operational mode of the regional committees and stop funding them.

2.5 Improved Governance Practices

Over time, shortcomings have appeared in the governance of the Ordre. These shortcomings are not necessarily foreign to the difficulties experienced by the Ordre. The primary mission of the Ordre, which is to protect the public, must remain at the heart of its priorities.

In this regard, the training of directors needs to be improved. Whether this concerns the *Professional Code* or the role and duties of a director, the Ordre should ensure that Board members are adequately trained. This training should also present the administrative policies in force at the Ordre. For example, we found that very few directors seemed to be knowledgeable about the code of ethics for directors of the Ordre, which stipulates in section 3.6 in particular that:

[TRANSLATION] *“The director is bound to complete discretion regarding the knowledge gained in the performance of his or her duties.*

Without limiting the generality of the foregoing, the director must maintain the confidentiality of deliberations, exchanges and discussions, even after the end of his or her term.

The director shall not fail to maintain his or her duty of discretion unless authorized to do so by a court of justice or a person in authority at a professional order.”

This regulation seems at odds with the communication on social media of issues discussed by the Board. This practice is incompatible with the Ordre's Code of Ethics and should be prohibited. Existing regulations to this effect appear to be ignored. In a similar vein, we would advise the Ordre to take a prudent and careful approach to considering whether to publish the minutes of Board meetings.

We also found that a great number of items discussed at the Board have already been delegated to the Executive Committee by a resolution of the Board.

Very few directors appear to be familiar with the fact that certain Board powers have been delegated to the Executive Committee. In our opinion, these delegated powers should be increased to enable the Executive Committee to take greater charge of current affairs and thereby reduce the length of meetings, which is never less than a day, and especially the number of meetings.

Currently there are 12 Board meetings planned annually. We believe that this number is too high, given that there are also meetings of the Executive Committee and of Board committees. The number of Board meetings should be reduced to five annually in the interests of efficiency and savings in costs and staff time spent preparing for the meetings.

In our opinion, holding a dozen meetings of the Executive Committee annually (monthly meetings with a break in July and August) would be more efficient and less time-constraining for Board and Executive Committee members and staff. This does not factor in the savings in related costs.

The training given to directors should also include an administrative component to enable Board members to better understand the administrative duties entrusted to the Ordre's senior management.

Obviously, all this requires the existence beforehand of a climate of trust between the Board of Directors and the Executive Committee, along with a good understanding by the directors of their role. Finally, the presence of a full-time president should foster more efficient management of the Board.

RECOMMENDATION 11

Have the Ordre put in place an annual plan to train directors, focusing mainly on the *Professional Code* and the role and duties of a member of the Board of Directors of a professional order.

2.6 Classification of Members

We were amazed to discover that a sizable number of engineers are not members of the Ordre on the pretext that they are not directly involved in the design of an engineering project or, conversely, are members of the Ordre but are not concerned at all with ethical obligations or training because they are managers.

It is evident to us that being a member of the Ordre and holding the title of engineer carry with them obligations for the member regardless of the position that he or she holds. The mere fact of bearing the title of engineer sets in motion mechanisms in the *Professional Code* to ensure the protection of the public.

We found that the Ordre's membership role only has junior engineers and engineers. The dues schedule sets out a specific amount for engineers who are retired and another amount for engineers who are on permanent disability.

Section 94 of the *Professional Code* stipulates that the Ordre may define the different classes of specialization within the profession and, where applicable, the conditions of practice. We believe that the Ordre is now ripe for modernizing its membership roll in order to adopt a new classification more in keeping with the composition of the roll.

A new classification is likely to increase the protection of the public and ensure the viability of the Ordre. It would also be a good time for the Ordre to use this occasion to establish conditions for exemption from dues for its members. One need only think of the following situations:

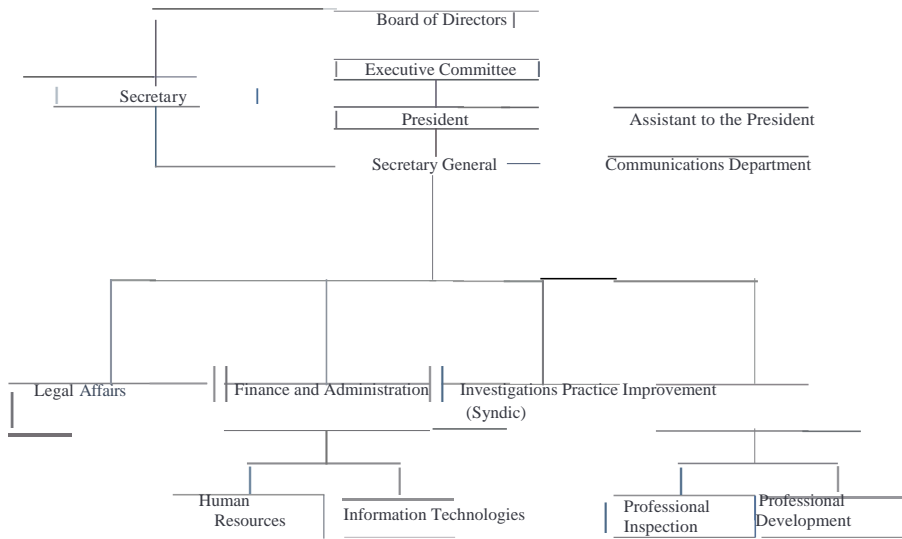
- Sick leave;
- Unemployment;
- Maternity leave/paternal leave/paternity.

RECOMMENDATION 12

Review the classification of its members and adopt a classification appropriate to their expertise, where required. Develop exemption conditions for specific situations.

2.7 Office Staff of the Ordre

The Ordre's current organizational chart includes nine departments, five of which are not directly tied into the mission of the Ordre. In light of our first recommendation aimed at providing a full-time president for the Ordre, and in the interests of revising the Ordre's organizational chart to be in line with a vision that is more focused on the protection of the public, we suggest adopting a new administrative structure:



This administrative reorganization will result in the abolishment of the Professional Affairs Department whose responsibilities will be entrusted to the Practice Improvement Department, which will now include professional inspection and professional development. The Communications and Public Affairs Department will become the Communications Department reporting to the Office of the Director General. The Finance and Administration Department will now house human resources, information technologies and strategies and projects.

RECOMMENDATION 13

Review the structure of the Ordre to integrate the position of full-time president, create the new position of secretary-general integrating the duties of the CEO and refocus the directions on the mission of protecting the public.

In regards to the human resources component, we observed a workplace severely tested by the crises of recent years. One need only mention the revolving door of four presidents in three years to illustrate the changes of direction with which the Ordre's staff have had to cope.

As well, the many departures and difficulties filling vacant positions, especially in the Office of the Syndic, are signs of a problem with respect to attracting and retaining staff. At this stage, it is vital that the Ordre act quickly to deal with the issue.

On the one hand, the Ordre needs to implement a human resources strategy and mobilization plan that clearly communicates to its employees its vision of the future and the methods it intends to put in place to reach this vision. It is obvious that the only issue in recent years has been the dues, an issue that has caused a great deal of negativity on the part of members toward office staff. The Ordre must now move on to other things.

RECOMMENDATION 14

Have the Ordre draft a plan to mobilize and support its employees.

Regarding the problem of attracting staff, mainly to the Office of the Syndic, the Ordre needs to identify the causes. Other than the organizational problems of the Ordre that could have contributed to this situation, a review of salaries conditions offered should be undertaken. Based on our observations, the suggested salary scales make it difficult to attract new talent, which is an obstacle to implementing a succession plan.

RECOMMENDATION 15

Undertake a compensation review toward adopting a salary structure to attract and retain the talent and expertise needed to fulfill its mission.

The communications department has 13 employees and an outside consultant. Based on our observations, these resources are greater than most professional orders in Québec.

This obviously calls for restructuring to make the department more forward-looking. In the short term, the Ordre will need to adopt a communication strategy aimed at improving relations and the bond of trust with the public and its own members.

Let's not fool ourselves. Restoring the bond of trust will take a long time, especially since the majority of individuals and businesses tarnished by the Charbonneau Commission represent a professional elite and industry flagship in Québec. Although these were the actions of only a handful of individuals, the damage done is enormous, especially for the Ordre.

In our opinion, the president of the Ordre needs to play a leading role as spokesperson. The Ordre is a major player when it comes to important societal issues. For this reason, it must not hesitate to assume its rightful place. We should point out that the tour of Québec that the president and director general have begun is a step in the right direction.

RECOMMENDATION 16

Draft and implement a communication strategy to re-establish the bond of trust between the public and the Ordre's members.

The information technologies currently in place at the Ordre are out of date and could potentially put the Ordre at risk. They need to be updated.

RECOMMENDATION 17

Proceed quickly to make the necessary investments to update the systems and information technology required for the proper functioning of the Ordre.

3. PROFESSIONAL INSPECTION

Professional inspection is one of the most important mechanisms put in place by the *Professional Code* to enable an order to ensure the competency of its members. At the risk of repeating ourselves, a professional order's primary mission is to protect the public. An order is able to fulfill its mission by implementing the means to monitor the competency of its members. Professional inspection makes it possible to take preventative measures to intervene with members on matters of competency or professional conduct.

In the case of the Ordre, we noted several shortcomings, beginning with the low number of inspections in relation to the number of members. The resources and means at the disposal of the professional inspection department also appear insufficient, given its poor ability to evaluate the competencies of members based on their field of expertise. This seems to point to the need to upgrade the department's intervention processes and assess the means required to do this. While major resources have been allocated to the Office of the Syndic in reaction to the crisis in the construction industry, there does not appear to have been any prioritizing of professional inspections.

Shortcomings in professional inspections over several years clearly appear to be a contributing factor to the avalanche of files in the Office of the Syndic.

RECOMMENDATION 18

Have the Ordre modernize its inspection procedures to increase the number of annual inspections to 4,000 and avail itself of the necessary tools to evaluate competencies based on its members' field of practice. The Ordre must commit the funds needed to achieve this modernization.

4. SYNDIC

The means put at the disposal of the syndic appear sufficient to enable the office to conduct its investigations. Nonetheless, it is important to ensure that these human and financial resources are maintained in the future as the syndic will continue to face a large number of files for several years to come, even supposing that the number decreases in the next few years.

The Ordre should provide the syndic with the human and financial resources to handle all complaint files that are open speedily and efficiently, within a reasonable timeframe.

RECOMMENDATION 19

Have the Ordre provide the Syndic with the resources that the latter deems necessary to handle complaints promptly and diligently, within a reasonable timeframe.

5. DUES

At the Board of Directors' meeting of December 11, 2014, the Ordre adopted a resolution setting the dues to be paid for the fiscal year beginning April 1, 2015 at \$325. That same day, by resolution, the Ordre decided not to set supplementary dues for the fiscal year starting April 1, 2016. A resolution regarding members' dues for 2017-2018 and subsequent years was adopted at this time by the Board. This resolution follows the budgetary principle that the annual increase in members' dues for 2017-2018 and subsequent years for the regular operations of the Ordre would correspond to the previous year's general consumer price index in Québec, increased by 1%.

Following the work of the Finance Committee and its recommendations, the Board of Directors chose a scenario that would allow the Ordre, after a streamlining exercise, to carry an anticipated deficit of approximately \$2 million in order to fulfill its mission for the fiscal year ending March 31, 2016.

To cover this shortfall, the Board of Directors decided against increasing dues, choosing instead to use \$1 million in supplementary revenues for the year 2015 resulting from the enrolment of a higher than anticipated number of members and \$2.9 million in unallocated operating funds.

It should be noted that this budgetary scenario was the subject of a report produced by the firm KPMG-SECOR in December 2014.¹² In spite of growing financial needs, the chosen scenario will necessarily lead the Ordre to streamline expenditures and posts, which could affect approximately 14 positions. In this sense, the Ordre is in an unenviable position since it cannot significantly reduce expenditures without affecting its ability to adequately fulfill its mission. In our opinion, the chosen scenario of increasing fees over the next few years seems to be based on shaky hypotheses that leave no room for manoeuvring. Since our mandate and competencies are not to conduct a financial audit, we will limit our comments here to pointing out that the Ordre is facing ever growing financial needs while the adopted scenario only allows for a limited increase in revenues.

Upon reflection, this scenario of a minimum increase over the next few years is not all that surprising. It is in direct line with the approach adopted by the Ordre for decades, i.e. to keep the resources that the Ordre must devote to its mission to a minimum.

The question needs to be asked. Is this an approach that will enable the Ordre to take its place among the best orders in protecting the public? In our opinion, the Ordre deserves a major modernization of its practices, whereas the projected budgetary vision for the next few years seems intended more to calm the discontent of certain members rather than to raise the Ordre to a higher level to ensure the protection of the public.

It is interesting to note that, at the height of the 2013 crisis, the president of the Ordre at the time informed the Office that the Ordre's financial situation for the year 2014-2015 was likely to place it in a precarious state. Once again, the question has to be asked. Without any significant increase in dues, is this situation a thing of the past?

Be that as it may, the needs especially in the areas of professional inspection, information technologies, the syndic and fixed assets in anticipation of a move will likely put the financial scenario projected by the Ordre at risk. And this does not take into account the fact that the recommendations contained in this report will require investments yet to be assessed.

For these reasons, we have some concern that the funding scenario and level of dues chosen by the Ordre leave little room for manoeuvring in the face of new or unanticipated needs, especially the implementation of the recommendations contained in this report.

RECOMMENDATION 20

Have the Office ensure that the Ordre has sufficient revenues to fulfill the duties vested in it by the *Professional Code*.

The Ordre has demonstrated its inability to increase the amount of fees to keep pace with the organization's rising costs and needs. In our opinion, the time has come to intervene to amend the *Professional Code* to entrust the setting of dues to the board of directors of a professional order instead of to the annual general meeting. We believe that the board is the best placed authority to assess the funding required to protect the public. Such an amendment is necessary to enable the directors to make decisions with complete independence and without outside interference.

RECOMMENDATION 21

Have the Office suggest an amendment to the *Professional Code* stipulating that the membership dues be set by the Board of Directors of the Ordre.

¹² See note 5.

PART III CONCLUSION

It became evident during the course of our mandate that the Ordre has a great deal of work to do to change mindsets and require engineers to make their professional order more respectable and respected. In light of all the findings described, we have come to the following conclusions.

The diverging visions within the Ordre on how to fulfill its mission of protecting the public and the means that must be dedicated to this lead us to believe that the current situation will persist, in spite of the apparent calm, unless there is a change of vision.

We should highlight the commitment and willingness of several directors and senior managers of the Ordre, including the president, to bring about change. However, the resistance of some members risks becoming an obstacle to implementing the necessary changes and to increasing dues.

Without strict follow-up and the guidance of the Office, we believe that the current unease within the Ordre will persist for a long time.

ACKNOWLEDGMENTS

Our thanks to the directors, staff of the Ordre and all those who collaborated in the completion of this mandate.

APPENDIX 1 – MANDATE

GOVERNANCE AND INTERNAL MANAGEMENT

1. Ensure the collaboration of all the authorities of the Ordre, especially the president, members of the Board of Directors and the Executive Committee of the Ordre, as well as all persons employed by the latter.
2. Ensure that the role, powers and duties vested by the *Professional Code* in the members of the Board of Directors (the directors) and other authorities of the Ordre, such as the president, Executive Committee, General Assembly, Office of the Syndic, standing committees and others, established under the *Professional Code* are known and well accepted by the persons concerned.
3. Review the administrative practices in use and the rules of internal management, from time to time, which apply to the secretariat and senior management of the Ordre in their interactions with the Board of Directors, president and Executive Committee.
4. Propose, establish and implement rules of governance and of internal management consistent and compatible with the role, functions, powers and duties vested by law in the authorities concerned, in particular taking into account the obligations regarding the discretion and confidentiality of the deliberations of the Board of Directors, and their other obligations under the *Civil Code of Québec*, to act with prudence, diligence, loyalty, integrity, independence and in the interest of the Ordre (the legal entity).
5. Ensure the ability and willingness of the directors to fully assume their role and responsibilities according to the spirit and letter of the law and fulfill, in an efficient and orderly manner, the mission that the State has entrusted by express delegation to the professional order with the benefit of self-management.
6. To that end, establish and evaluate the positions of the parties concerned and attempt to bring them closer together with a view to re-establishing the stability, coherence, mutual respect and serenity necessary to the proper functioning of the Board of Directors of the Ordre.
7. The mandatary may:
 - a) require, under the authority set out in Section 15 of the *Professional Code*, that the Ordre provide him, within the timeframe and in the manner that he indicates, all documents, reports or information needed in the performance of this mandate;
 - b) take part in the sessions of the Board of Directors and of the Executive Committee or General Assembly, and intervene as needed according to the

protocol established by the Office;

- c) use all appropriate means to ensure the performance of this mandate within the specified timeframe.

8. The mandatory must:

- a) inform the Office of any fact, situation or event that may impede or threaten in any way the objectives pursued or the consistent progress of this mandate;
- b) submit an initial report on his mandate to the Office on October 31, 2014, and produce a final report on his mandate, work, conclusions and recommendations no later than January 30, 2015.

APPENDIX 2 - SOURCES

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Evolution of fees from 1920 to 2014-15

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LeTarte M.: Pour intégrer les immigrants en génie, CEGEP de Saint-Laurent

Bourdreau L-P: Un ex-ingénieur de la ville radié pour 3 ans. La Presse, July 23, 2014, p.A10

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Comparisons of the OIQ 010 with the orders of nurses, accountants, lawyers, physicians and notaries

Chan M-L: Les ingénieurs sont toujours demandés. La Presse, September 20, 2014, section CV

OIQ: Brief to the Charbonneau Commission

Kellerman B: La fin du leadership. La Presse Plus, August 9, 2014

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OIQ: Evolution de l'image des ingénieurs. Omnibus report, May 2014

OIQ: Post-test of the TV campaign broadcast in March 2012. Research report, April 2012

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OIQ: 2014-2015 supplementary dues

OIQ: Request and titles of voting resolutions during the AGM

OIQ: Meeting with the OPQ, May 30, 2014

OIQ: Formal claim of defamation against the OIQ, its directors, its DG and some of its employees, April 2014

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OIQ: Fier de ses engagements. 2013-2014 Annual Report

Jolin M.: Le système professionnel au Québec, Langlois, Kronstrom, Desjardins, Montréal, October 2014, 59 p.

Jolin M.: Devoirs et obligations des administrateurs d'un ordre professionnel, Langlois, Kronstrom, Desjardins, Montréal, October 2014, 33 p.

APPENDIX 3 – SUMMARY OF RECOMMENDATIONS

- Recommendation 1 Make the presidency of the Order a full-time position.
- Recommendation 2 Reduce the size of the Board of Directors to 18 directors, including those named by the Office based on regional distribution, and amend the *Regulation dividing the territory of Québec into regions for the purposes of elections to the Board of Directors of the Ordre des ingénieurs du Québec* accordingly:

Electoral Region	No. of Directors
Montréal	6
Québec City	2
South Shore - Montérégie	1
North Shore - Laval	1
Estrie – Eastern Québec	1
Outaouais - Abitibi	1
Saguenay-Lac-Saint-Jean	1
Mauricie-Bois-Francis	1

*Plus four directors named by the Office.

- Recommendation 3 In an effort to improve the governance of the Ordre, we propose that the following committees be abolished:
- Committee for Promoting and Increasing the Status of the Profession and Women in Engineering
 - Public Affairs Steering Committee
 - AGM Organizing Committee
- Recommendation 4 Abolish the Election Monitoring Committee and amend the *Regulation governing elections to the Board of Directors of the Ordre* accordingly.
- Recommendation 5 Create a Professional Development Committee.
- Recommendation 6 Revise the mandate of the Ethics Committee to add a professional integrity component.

Recommendation 7	Change the name of the Examiners Committee to the Committee of Admission to the Practice.
Recommendation 8	Create the Québec Council for Continuing Professional Development of Engineers.
Recommendation 9	Revise the role of the CODIQ-QIQ-CREIQ Liaison Committee to include the mandate to look into the quality of the initial training of engineers, add a representative from the Ministère de l'Enseignement supérieur, de la recherche et de la science, and change the name to the Engineer Training and CODIQ-QIQ-CREIQ Liaison Committee.
Recommendation 10	Have the Ordre review the role, mandate and operational mode of the regional committees and stop funding them.
Recommendation 11	Have the Ordre put in place an annual plan to train directors, focusing mainly on the <i>Professional Code</i> and the role and duties of a member of the Board of Directors of a professional order.
Recommendation 12	Review the classification of its members and adopt a classification appropriate to their expertise, where required. Develop exemption conditions for specific situations.
Recommendation 13	Review the structure of the Ordre to integrate the position of full-time president, create the new position of secretary-general integrating the duties of the CEO and refocus the directions on the mission of protecting the public.
Recommendation 14	Have the Ordre draft a plan to mobilize and support its employees.
Recommendation 15	Undertake a compensation review toward adopting a salary structure to attract and retain the talent and expertise needed to to fulfill its mission.
Recommendation 16	Draft and implement a communication strategy to re-establish the bond of trust between the public and its members.
Recommendation 17	Proceed quickly to make the necessary investments to update the systems and information technology required for the proper functioning of the Ordre.

- Recommendation 18 Have the Ordre modernize its inspection procedures to increase the number of annual inspections to 4,000 and avail itself of the necessary tools to evaluate competencies based on on its members' field of practice. The Ordre must commit the funds needed to achieve this modernization.
- Recommendation 19 Have the Ordre provide the Syndic with the resources that the latter deems necessary to handle complaints promptly and diligently, within a reasonable timeframe.
- Recommendation 20 Have the Office ensure that the Ordre has sufficient revenues to fulfill the duties vested in it by the *Professional Code*.
- Recommendation 21 Have the Office suggest an amendment to the *Professional Code* stipulating that the membership dues be set by the Board of Directors of the Ordre.