



Professional Engineers
Ontario

Council Meeting

511th Meeting of Council
of Professional Engineers Ontario

to be held on
Thursday, March 23, 2017
5:30 p.m. – reception
6:00 p.m. – dinner
7:00 – plenary session

Friday, March 24, 2017
7:45 – 8:45 a.m. – breakfast
9:00 a.m. – 4:00 p.m.

PEO Council Chambers
8th Floor
40 Sheppard Avenue West
Toronto, Ontario

Thursday, March 23, 2017

1. Reception – 5:30 p.m. to 6:00 p.m.
Dinner – 6:00 p.m. to 7:00 p.m.
(8th Floor Dining Room)

2. Plenary Session – 7:00 p.m. to 9:00 p.m.
(8th Floor Council Chambers)
 1. Equity and Diversity Committee Report
 2. Enforcement Committee Report
(Presentation Attached)
 3. Regulatory Conflict Protocol
(Presentation Attached)



Enforcement Committee

Presentation to Council

Council Plenary Session
March 23, 2017



History of Committee

- Panel created in June 1999 to examine the need for a standing committee on enforcement
- Established by Council on September 24, 1999
- ACDE Task Force Report was also received by Council at the same meeting
- Committee's initial assignment was to implement ACDE Task Force recommendations relating to enforcement



Findings of ACDE Task Force

- Enforcement activities were working satisfactorily but were poorly understood
- Lack of clarity in what constitutes the practice of professional engineering in emerging disciplines
- Erosion of engineering titles
- Lack of member interest in being part of an effective enforcement process
- Recommended development and implementation of a comprehensive communications plan



Committee Mandate

To advise Council on matters relating to the enforcement of the provisions of the *Professional Engineers Act* dealing with unlicensed and unauthorized practice.



Duties and Responsibilities

1. To prepare and present policy proposals to Council on issues relating to PEO's enforcement activity.
2. To act as an advisory body to the Registrar, PEO committees and task forces and Council on policy matters relating to enforcement.



Committee Membership

- 10 members, all professional engineers
- 2 members are practising lawyers
- A majority of members have:
 - 20+ years practice experience
 - 5+ years on Enforcement Committee
- Human Resources Plan targets:
 - Diversity across disciplines & industries
 - Representation from all regions



Committee Members

Chair

Roger Barker, P.Eng.

Vice-Chair

Stephen Georgas, LLB, P.Eng.

Council Liaison

Gary Houghton, P.Eng.

Bill Jackson, P.Eng.

Solomon Ko, P.Eng.

Don Marston, P.Eng., LLB

Edward Poon, P.Eng.

Ajai Varma, P.Eng.

Peter Broad, P.Eng.

Joe Adams, P.Eng.

Committee Advisor

Linda Latham, P.Eng.

***Deputy Registrar,
Regulatory Compliance***

Staff Support

Cliff Knox, P.Eng.

Manager, Enforcement

Steven Haddock

Enforcement & Advisory Officer

Ashley Gismondi

Enforcement & Outreach Officer

Maria Iannone

Administrative Assistant



Policy vs. Operations

- Committee's role is to advise on policy
 - Meets 6 times per year
 - Primarily research to enhance existing policy
- Staff administers policy and enforcement provisions of the *Professional Engineers Act*
 - Intake and response to stakeholder queries
 - Perform a range of enforcement activities including prosecutions



Past Achievements

- 2001 – Communications Plan for Enforcement
- 2005 – Enforcement Policy document
- 2006 – Proactive Enforcement – initial report
- 2007 – ENF Presentation to Council
- 2008 – Software Engineering position paper
- 2014 – Federal Agencies and Lands opinion



Proactive Enforcement Program

- One year pilot program, extended to 18 months (March 2007 to October 2008)
- Information sessions held with PEO chapters, professional and trade associations, government
- Recommendation to hire an additional full-time enforcement officer
- Development of *Licence Please!* video, distributed to new licensees and other stakeholders



Recent Activity

- Input on content and review of a new guide for enforcement reporting
- Internal report on the enhancement of legislated powers and penalties
- Internal report on counterfeit seals and a proposal for a standard for authenticated digital seals



2017 Work Plan

- Examine the enforcement of engineering terms in business names
- Guidance for enforcement outreach initiatives
- Recommendations for enhanced enforcement within manufacturing
- Policy proposal for performance standard on Pre-Start Health and Safety Reviews



Enforcement Statistics

	2012	2013	2014	2015	2016
Active files at January 1	159	300	338	298	291
Files opened	548	488	392	482	403
Files closed	407	450	432	489	354
% compliance achieved	98%	97%	96%	97%	97%
Active files at December 31	300	338	298	291	340
Court prosecutions	0	0	0	5	5

Enforcement inquiries, investigations and prosecutions conducted by PEO staff



Activities of Other Regulators

	BC	AB	SK	MB	ON	QC ¹	NB	NS	PE ²	NL	YT	NT ³
Policy Advisory Committee					✓	✓		✓		✓		✓
Enforcement by Committee		✓							✓			✓
Public Enforcement Statistics		✓			✓	✓			✓			✓
Enforcement Prosecutions ⁴	✓	✓			✓	✓						

¹ OIQ has an ad hoc Enforcement Committee as issues arise

² EPEI has an Act Enforcement Committee with specific statutory duties

³ NAPEG regulates profession for Northwest Territories and Nunavut

⁴ Most associations report no prosecution activity for 2011-2015 per the Engineers Canada 2015 National Discipline & Enforcement Survey



Summary

- Enforcement activities rely significantly on the diligence of members, chapters, building officials and the public to report violations
- There is a clear need for ongoing communication of enforcement activities to encourage reporting and to maintain awareness among stakeholders



Questions?





Regulatory Conflict Protocol

Council Plenary
March 23, 2017

Ewald Kuczera, P.Eng.,
Chair, Legislation Committee

Jordan Max
Manager, Policy



Background

- 2013: Tribunals & Regulatory Affairs Department reviewed all external statutes and regulations using term “engineer” or “engineering” to identify potential regulatory conflicts for follow-up action
- Under the Legislation Committee (LEC), log updated in late 2016, and entries categorized for level of conflict (list posted on PEO website)
- LEC asked staff to draft a Protocol for Registrar follow-up.
- LEC asked staff to develop prioritization criteria for the follow-up actions.

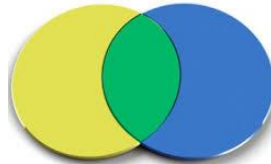


5 Conflict Categories

1. Infringement



2. Overlap



3. Non-alignment



4. Practice Guidance



5. No Apparent Conflict





1. Infringement



Definition:

Containing a clause or clauses which infringe on PEO's authority to regulate the practice of professional engineering in Ontario by duplicating or frustrating provisions of the *Professional Engineers Act*.



1. Infringement



Examples from legislative review:

- requiring a professional engineer to sign and seal a document;
- requiring an engineer to:
 - declare something as safe for the public despite its non-compliance with standards, codes, or rules;
 - supervise a non-engineer or to hold a Certificate of Authorization;
 - certify engineering work;
 - compliance with regulations or requirements
- restricting practice to a specific engineering discipline;
- specifying additional engineering educational or experience requirements or designations beyond those required for licensure by PEO;
- reference to “licensed to practice professional engineering in Ontario”; or
- improper use of term “engineer”

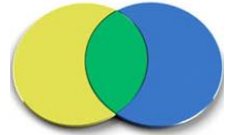


Actions for Infringement

1. Registrar to raise and discuss the issue with the custodial Ministry's staff.
2. Registrar to seek evidence of public interest harm stemming from the infringement.
3. Registrar may seek a legal opinion on the infringement.
4. Legislation Committee to recommend a draft Position Statement for Council approval.
5. Council to decide on the Position Statement, which may include political action and legal action.
6. Registrar to alert the Ministry of the Attorney General.
7. President to write to the appropriate custodial Minister seeking redress.
8. PEO to apply to courts where necessary.



2. Overlap

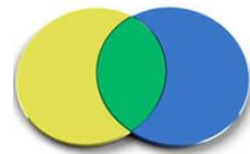


Definition:

Containing clause(s) that may have overlapping jurisdictions with the *Professional Engineers Act*.

Examples from legislative review:

- Professional engineer licensees are included in lists of “qualified persons” to perform certain activities that may or may not be considered the practice of professional engineering



Actions for Overlap

1. Registrar to contact the custodial ministry to seek clarification on the required activity.
2. Registrar to seek evidence of that Ministry's experience with the activity and/or any deficiencies in the work of those carrying out such activities.
3. Registrar to obtain determination whether the activity requires the exclusive practice of professional engineering and to seek evidence of harm to the public;
 - i. If activity for "qualified persons" is exclusive to engineering practice, then the matter is treated as an "infringement" category item as above in 1.
 - ii. If regulatory requirement concerns declaratory statements underwritten through the instrument of a licence for public accountability, but is not the practice of professional engineering, the Registrar will clarify for the custodial Ministry and licence holders the implications of licence holders carrying out this work.
 - iii. if regulatory requirement does not involve the practice of professional engineering, the Registrar may need to instruct licence holders of their obligations under the PEA in carrying out this work.



3. Non-alignment



Definition:

Definitions and uses of the term “engineer”, “professional engineer” or the like that do not match the language found in the *Professional Engineers Act*

Examples from legislative review:

- reference to: “registered under the Professional Engineers Act”; and “member in good standing with the Association of Professional Engineers of Ontario”;
- exclusion of limited licence holders among those permitted to carry out a certain activity;
- reference to title or membership with PEO rather than to a licence instrument.



Actions for Non-alignment

1. Registrar to alert the Ministry of the Attorney General.
2. Registrar to raise the issue with custodial Ministry staff.
3. President to write letters to the custodial Minister to address the problem.
4. For Regulations, Registrar to monitor Environmental Bills of Rights and Regulatory Registry postings to identify opportunities to amend Regulations on our Regulatory Conflict list.
5. For Acts, Registrar to monitor the Legislative Assembly website to identify opportunities to amend introduced Acts on our Regulatory Conflict list, and to make submissions to the Legislature for those amendments at Standing Committee. This may require political action as well.



4. Practice Guidance



Definition:

Qualitative measures or references to non-technical engineering professional practice standards that should instead be defined by PEO

Examples from legislative review:

use of terms “good engineering practice”, “appropriate engineering standards” or certification



Actions for Practice Guidance

1. Registrar to determine whether references are to technical matters or professional practice activity, and to act on the latter. If the former, then treat as “no apparent conflict” category (see below in 5.)
2. Registrar to raise the issue with the custodial ministry staff to determine their understandings and expectations for those standards and practice, along with any perceived deficiencies.
3. Registrar to bring the issue to Professional Standards Committee for review and consideration through its criteria.
4. Professional Standards Committee may develop, issue, and promote Professional Practice Guidelines or Standards to clarify the engineer’s professional responsibilities under the PEA in meeting requirements of external legislation. Consultation with custodial Ministry staff in drafting those guidelines or standards is preferred.
5. If performance standards are required, Registrar to prepare policy intents for Council approval, and following that, alert the Ministry of the Attorney General and PEO’s Legislation Committee to draft and review Regulation changes, as per Council’s Regulatory Policy Protocol.



5. No apparent conflict



Definition:

References in external legislation are in compliance with definitions and requirements contained in the *Professional Engineers Act*.

Examples from legislative review:

- inclusion of licence, limited licence and temporary licence (“licensed engineering practitioner” term);
- activities required to be performed are not specifically involving the practice of professional engineering.



Actions for no apparent conflict

1. Issue letter signed by the President to thank the custodial ministry for its compliance.
2. Use these examples for future work with same or other custodial ministries.



Prioritization Criteria



1. **Impact on Public Interest**
2. **Level of offense to the PEA/Regulations:** (Regulatory category – infringement is top; overlap 2nd, alignment 3rd)
3. **Volume of impact:** # of practitioners involved in referenced activity
4. **Occurrence:** legislation/regulation with the largest number of infractions of any regulatory conflict category
5. **Intensity of impact:** degree of interference with practitioners
6. **Ease of amendment:** Regulations before Legislation
7. **Current PEO Relationship with Ministry:** MOECC, MTO, MMA, MOL, etc.
8. **Incidence:** by Ministry with largest number of regulatory conflicts (all categories)
9. **First Come, first served/Opportunity:** Wait for ministries to propose amending regulations or legislation on our list
10. **Activity:** Engineering-related activity before non-engineering activity (including some QP references)



Selected Log Stats

By Top Category:

Infringement 40

Overlap 8

Non-Alignment 24

Guidance 7

No conflict 13

Acts: 21

Regulations: 72

By Act:

Environmental Protection 12

Occupational Health & Safety 11

Technical Standards and Safety Authority 9

Safe Drinking Water 4

By Custodial Ministry:

Environment and Climate Change: 23

Government & Consumer Services: 15

Labour: 12

Natural Resources & Forestry: 6

Northern Development and Mining: 5

Agriculture & Rural Affairs: 5

Health and Long-Term Care: 4

Municipal Affairs: 4

Housing: 4

Transportation: 3

Energy: 3

Attorney General: 3

Community & Social Services: 2

Education: 2

Finance: 1

Adult Education & Skills Development: 1

Community Safety & Correctional Services: 1

Economic Development & Growth: 1

Tourism, Culture & Sport: 1



Questions/comments

Briefing Note - Decision

C-511-1.1

APPROVAL OF AGENDA

Purpose: To approve the agenda for the meeting.

Motion(s) to consider: (requires a simple majority of votes cast to carry)

That:

- a) the agenda, as presented to the meeting at C-511-1.1, Appendix A be approved; and*
- b) the Chair be authorized to suspend the regular order of business.*

Prepared by: Dale Power, Secretariat Administrator

Appendices:

- Appendix A – 511th Council meeting agenda



C-511-1.1
Appendix A
REVISED

Agenda

511th Meeting of the Council Professional Engineers Ontario

Date: Thursday, March 23 and Friday, March 24, 2017
Time: Thursday - 5:30 p.m. – reception; 6:00 p.m. – dinner;
 7:00 p.m. – 9:00 p.m. – meeting
 Friday – 9:00 a.m. – 4:00 p.m.
Place: PEO Offices – 8th Floor Council Chambers OR Dial-in: 1-888-866-3653
 40 Sheppard Avenue West Participant Code: 9394319#
 Toronto, Ontario

Thursday, March 23rd – 7:00 p.m. – 9:00 p.m.

	Spokesperson
PLENARY SESSION	
1. Equity and Diversity Committee Report	Marta Ecsedi
2. Enforcement Committee Report	Roger Barker
3. Regulatory Conflict Protocol	Councillor Kuczera/Jordan Max

Friday, March 24th – 9:00 a.m. – 4:00 p.m.

CALL TO ORDER			
		Spokesperson/ Moved by	Type
1. APPROVAL OF AGENDA AND LEADERSHIP REPORTS			
1.1	APPROVAL OF AGENDA	Chair	Decision
1.2	PRESIDENT/REGISTRAR'S REPORT	Chair/Registrar	Information
2. PRIORITY ITEMS			
2.1	COUNCIL TERM LIMITS TASK FORCE REPORT	Councillor Wesa	Decision
2.2	2016 AUDITED FINANCIAL STATEMENTS	Councillor Chui	Decision
2.3	RECOMMENDATION OF AN AUDITOR FOR 2017	Councillor Chui	Decision
2.4	REGULATORY CONFLICT PROTOCOL	Councillor Kuczera	Decision
2.5	LICENSING COMMITTEE – RESCINDING AND REPLACING COUNCIL RESOLUTIONS REGARDING LICENSING PROCESS TASK FORCE (LPTF) RECOMMENDATIONS THAT REQUIRED	President Comrie	Decision

	REGULATION CHANGES		
2.6	UPDATING PEO SYLLABI	President-elect Dony	Decision
2.7	RECOMMENDATIONS ON FRAMEWORK FOR REGULATION ELEMENTS	Councillor Fraser	Decision
2.8	COMMITTEES/TASK FORCES TERMS OF REFERENCE, HR AND WORK PLANS	Councillor Bellini	Decision
2.9	CHANGES TO COMMITTEES/TASK FORCES ROSTER	Councillor Bellini	Decision
2.10	APPOINTMENT OF PEO DIRECTORS TO ENGINEERS CANADA BOARD	Vice-President Brown	Decision
3.	<u>CONSENT AGENDA</u>	Spokesperson/ Moved by	Type
3.1	OPEN SESSION MINUTES – 510 TH COUNCIL MEETING – FEBRUARY 3, 2017	Chair	Decision
3.2	APPROVAL OF CEDC APPLICATIONS	Councillor Bellini	Decision
4.	<u>IN-CAMERA</u>	Spokesperson/ Moved by	Type
4.1	IN-CAMERA MINUTES – 510 TH COUNCIL MEETING – FEBRUARY 3, 2017	Chair	Decision
4.2	ONTARIO PROFESSIONAL ENGINEERS AWARD NOMINATIONS	Councillor Bellini	Decision
4.3	HRC UPDATE	President Comrie	Information
4.4	DISCIPLINE COMMITTEE – DECISIONS AND REASONS	Linda Latham	Information
4.5	REPEAL OF THE INDUSTRIAL EXCEPTION	President Comrie	Information
4.6	PEO'S ANTI-WORKPLACE HARASSMENT AND VIOLENCE POLICIES – COUNCILLOR VIOLATIONS, IF ANY	Chair	Information
4.7	LEGAL UPDATE	Linda Latham	Information
4.8	POLICY RESPECTING PEO'S APPEAL OF DISCIPLINE DECISIONS	Councillor Fraser	Decision
5.	<u>INFORMATION ITEMS</u>	Spokesperson/ Moved by	Type
ONGOING ITEMS			
5.1	STRATEGIC PLAN UPDATE	Registrar McDonald	Information
5.2	LEGISLATION COMMITTEE UPDATE	Councillor Kuczera	Information
5.3	REGIONAL COUNCILLORS COMMITTEE UPDATE	Councillor Sadr	Information
5.4	ENGINEERS CANADA UPDATE	Chris Roney	Information

5.5	REPORT ON FEE REDUCTION	Councillor Jones	Information
5.6	OSPE-PEO JOINT RELATIONS COMMITTEE (JRC) UPDATE	President Comrie	Information
5.7	OSPE BYLAW CHANGES	President Comrie	Information
5.8	STATUS UPDATE FOR THE STRUCTURAL CONDITION ASSESSMENT PERFORMANCE STANDARD	Councillor Jones	Information
5.9	CP ² TASK FORCE UPDATE	Councillor Turnbull	Information
5.10	CONTINUING PROFESSIONAL COMPETENCE PROGRAM TASK FORCE FINAL REPORT AND RECOMMENDATIONS	Vice-President Brown	Decision
5.11	GOVERNMENT LIAISON PROGRAM UPDATE	Councillor Chan	Information
5.12	STATISTICS – COMPLAINTS, DISCIPLINE, LICENSING AND REGISTRATION UPDATE	Latham/Price/ Zuccon	Information
5.13	COUNCILLOR ITEMS	Chair	Information
CONCLUSION			

Councillors Code of Conduct

Council expects of itself and its members ethical, business-like and lawful conduct. This includes fiduciary responsibility, proper use of authority and appropriate decorum when acting as Council members or as external representatives of the association. Council expects its members to treat one another and staff members with respect, cooperation and a willingness to deal openly on all matters.

PEO is committed that its operations and business will be conducted in an ethical and legal manner. Each participant (volunteer) is expected to be familiar with, and to adhere to, this code as a condition of their involvement in PEO business. Each participant shall conduct PEO business with honesty, integrity and fairness and in accordance with the applicable laws. The Code of Conduct is intended to provide the terms and/or spirit upon which acceptable/unacceptable conduct is determined and addressed.

At its September 2006 meeting, Council determined that PEO volunteers should meet the same obligations and standards regarding conduct when engaged in PEO activities as they are when engaged in business activities as professional engineers.

[s. 2.4 of the Council Manual]

2017 Council Committee Meeting/Mailing Schedule

2017 Council Mailing Schedule

Meeting Date	Meeting Type	Initial BN Due Date – Members at Large	Initial BN Due Date – Councillors/Staff	Initial Agenda Mailing Date	Supp. Agenda ¹ Due Date	Supp. Agenda Mailing Date
2017						
Jan. 17	Executive	Dec. 27	Dec. 30	Jan. 3	Jan. 5	Jan. 10
Feb. 2-3	Council	Jan. 13	Jan. 17	Jan. 20	Jan. 24	Jan. 27
March 23-24	Council	Mar 3	March 7	March 10	March 14	March 17
April 22 ²	Council	Mar 31	April 4	April 7	April 11	April 14

¹ - requires the approval of the Chair or Registrar

² - new Councillors to be invited as soon as information is available

Briefing Note – Information

C-511-1.2

PRESIDENT’S/REGISTRAR’S REPORT

Purpose: To inform Council of the recent activities of the President and the Registrar.

Motion(s) to consider:

none required

President Comrie and Registrar McDonald will provide a verbal report on their recent PEO activities.

COUNCIL TERM LIMITS TASK FORCE REPORT AND RECOMMENDATIONS

Purpose: To approve recommendations outlined in the Council Term Limits Task Force report.

Motion(s) to consider: (requires a simple majority of votes cast to carry)

1. That Council receives the Council Term Limits Task Force (CTLTF) Report and Recommendations as presented to the meeting at C-511-2.1, Appendix A.
2. That Council approves term limits recommendations 1 – 7 as outlined in section 5.1 of the Council Term Limits Task Force (CTLTF) Report and Recommendations as presented to the meeting at C-511-2.1, Appendix A.
3. That Council directs the Registrar to develop the draft terms of reference and proposed list of members for a Succession Planning Implementation Task Force as outlined in Section 5.3 of the Council Term Limits Task Force (CTLTF) Report and Recommendations with an annual budget of \$30,000.
4. That Council approves in principle succession planning recommendations 1 – 13 as outlined in section 5.2 of the Council Term Limits Task Force (CTLTF) Report and Recommendations as presented to the meeting at C-511-2.1, Appendix A.
5. That the Council Term Limits Task Force be stood down with thanks.

Prepared by: Rob Willson, P.Eng., Chair, Council Term Limits Task Force

Moved by: Councillor Wesa, P.Eng.

1. Need for PEO Action

The Council Term Limits Task Force (CTLTF) was created by PEO Council at its February 2016 meeting, pursuant to its November 2015 approval in principle of establishing term limits and succession planning for Council positions. Per its Terms of Reference, the Task Force was to analyze the practices at other self-regulating organizations and engineering associations in Canada, and to provide a report to Council before the 2017 AGM.

In fulfilling its mandate, the Task Force analyzed the membership of PEO Council for the previous 20 years, which covers the period since the last major review of election procedures in 1997. In addition to surveying the practices of other regulators, it also surveyed the literature on the governance of non-profit boards, and consulted with two experts in the field to obtain additional background information. The results of this research were reviewed in an “If...Then” exercise and subsequently summarized in a conclusions and rationales matrix to ensure that conclusions were logically based.

The Task Force conducted a series of meetings starting in March 2016 and finishing in February 2017. Its draft Report was issued in December 2016 and peer reviewed by three PEO committees, Legislation Committee (LEC), Human Resources Committee (HRC) and Central Election and Search Committee (CESC), before being finalized and presented to Council for deliberation. In addition, the Task Force provided a presentation of its preliminary results to the Council plenary meeting in February 2017.

2. Proposed Action / Recommendation

The Task Force recommends that Council approves the recommendations for term limits and succession planning as outlined in section 5 of the Council Term Limits Task Force (CTLTF) Report and Recommendations (Appendix A).

3. Next Steps (if motion approved)

- The term limit recommendations along with the policy direction outlined in the Council Term Limits Task Force (CTLTF) Report and Recommendations would be sent to the Legislation Committee for development into Regulations.
- Council would establish a task force to implement the succession planning recommendations at an annual budget of \$30,000. For 2017, this budget would be drawn from the Council reserve.

4. Peer Review & Process Followed

Process Followed	The Council Term Limits Task Force was established by the PEO Council at the February 2016 meeting. The Task Force met starting in March 2016 and completed a draft report in December 2016. A final report from the Task Force was completed in March 2017.
Council Identified Review	As set out in the Council Term Limits Task Force, Terms of Reference, a draft report from the Task Force was reviewed by the Legislation Committee, Human Resources Committee and the Central Election and Search Committee
Actual Motion Review	That Council approve the Terms of Reference for the Council Term Limits Task Force as presented at C-504 2.3, Appendix A. That Council approve a budget of \$7,500 for the Council Term Limits Task Force. That Council approve the appointment of members to the Council Term Limits Task Force as presented at C-504 2.3, Appendix B.

5. Appendices

- Appendix A – Council Term Limits Task Force Report and Recommendations
- Appendix B – LEC Peer Review Comments and CTLTF Response
- Appendix C – HRC Peer Review Comments and CTLTF Response
- Appendix D – CESC Peer Review Comments and CTLTF Response
- Appendix E – President Comrie Peer Review Comments and CTLTF Response

PROFESSIONAL ENGINEERS ONTARIO

COUNCIL TERM LIMITS TASK FORCE (CTLTF)

REPORT AND RECOMMENDATIONS

Prepared By

Task Force

Rob Willson (Chair)
Nancy Hill (Vice Chair)
Paul Ballantyne
Michael Wesa
Martha Stauch

Staff Support

Scott Clark
Ralph Martin
Dale Power
Eric Chor
Jordan Max

Research Consultants

Jane Garthson
Paula Vinette

The Task Force acknowledges the contribution of Len King in developing this report.

March 10, 2017

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1. EXECUTIVE SUMMARY

The Council Term Limits Task Force was created by PEO Council at its February 2016 meeting, pursuant to its November 2015 approval in principle of establishing term limits and succession planning for Council positions. Per its Terms of Reference, the Task Force (TF) was to analyze the practices at other self-regulating organizations and engineering associations in Canada, and to provide a report to Council before the 2017 AGM.

In fulfilling its mandate, the TF analyzed the membership of PEO Council for the previous 20 years since the last major review of election procedures in 1997. In addition to surveying the practices of other regulators, it also surveyed the literature on the governance of non-profit boards, and consulted with two experts in the field to obtain additional background information. The results of this research were reviewed in an “If...Then” exercise and subsequently summarized in a conclusions and rationales matrix to ensure that conclusions were logically based. The draft Report was peer reviewed by three PEO committees, LEC, HRC and CESC.

Based on the 1997 task force report, in 1999 PEO shifted its election preparations from nominating qualified candidates to searching for and encouraging sufficient candidates to run for positions on Council. The rationale was to increase democracy and to ensure competition for positions. This, it was felt, would encourage more engagement by the membership in elections and on Council. The experience since then has not entirely borne out these hopes as participation rates by the electorate have stagnated. The low percentage turnout at elections continues to vex PEO and stimulate corrective efforts. These include removing editorial control on candidate statements in 2011, adding webcasts and e-blasts to enhance campaigning, and inserting a time out period before a sitting president can run again for president.

Analysis of the past 20 years of Council turnover statistics indicates that most, although certainly not all, regional councillors and councillors at large limit themselves to two or three terms. Turnover in these positions has depended on the incumbents stepping aside. However, officers such as Elected Vice-President and President have tended to return to these positions, often several times. Due to the large number of acclamations for the 2015 elections and the re-election of two former presidents to officer positions, at the 2015 AGM members approved by large margins two resolutions recommending that term limits and succession planning be implemented. Subsequently Council approved these in principle and created the TF to propose the best way to do this.

The use of term limits by regulators and non-profit boards is not consistent. However; as shown in governance literature, it is considered a best practice, especially when paired with

a robust performance evaluation system. This applies to both elected and appointed boards. The TF considered three options for PEO: retain the status quo with no limitations on terms, develop and implement a system of individual performance evaluations for councillors and publish the results to the electorate, or implement hard term limits for all Council positions. These were evaluated as follows:

- The status quo presents challenges for new candidates running against incumbents, limiting Council renewal. This has also resulted in a Council that is not representative of the membership's diversity from age, gender or ethnicity perspectives. The TF does not consider that this is acceptable.
- Although a performance evaluation based system could be effective, it would take many years and a substantial change in the attitude of many councillors to make it work. The first steps to create such a system have begun and the TF supports continuing in this direction. However, a more immediate solution is required.
- Term limits, i.e. a lifetime limit to the number of terms an elected councillor can serve in any given position and in total, will result in renewal of Council and prevent incumbent or former elected councillors from using their name recognition to dominate elections. They are clear and unambiguous, and have none of the potential negative impact of publicized poor performance evaluations. They can be implemented immediately and evaluated based on their results.

Some reviewers of the draft report suggested allowing term limited councillors to return after a short break (or a cooling off period), rather than a lifetime limit. The TF considered this as a potential fallback option if Council cannot bring itself to implement the lifetime limits, but would agree only if the hiatus period were significant, e.g. ten plus years. However, this approach does not accomplish the aim of Council renewal because the incumbent advantage does not vanish over time, as demonstrated by recent elections of former presidents to various positions. A shorter cooling off period equates to no term limits and would have a similar result to the status quo.

The TF recommends the following term limits be implemented, excluding interim or special appointments:

General Member of Council

1. Members may serve a lifetime maximum of three two-year terms as a Regional Councillor or Councillor at Large, or any combination. Former LGA councillors may serve two elected terms if they have one term as an LGA, and cannot serve if they have more than one term as an LGA.

2. PEO should influence the government not to appoint LGAs to more than two terms as a lifetime maximum, and one term if they have previously served on Council as a Regional Councillor or Councillor at Large.

Executive Member of Council

(Term limits are in addition to the General Member term limits.)

3. Members may serve one term as Elected Vice-President
4. Members may serve one term as President-Elect, followed by terms as President and Past-President.
5. A member having served as President may not serve in any subsequent position on Council.

Term limit requirements should be entrenched in our governing legislation before the next election. If this is not possible, they should be communicated to the electorate and prospective candidates by email and in the Elections Guide. Although voluntary until enshrined, it should be made clear that candidates are expected to abide by the term limits as part of their candidacy for Council positions.

Once term limits are implemented, in order for them to be successful, a succession planning process is essential. Succession planning is supported by all governance experts and is used by many public regulators. PEO relies on its election process to select councillors, and mainly committee and chapter volunteers step up for its elections. There is some leadership training for volunteer members, but this is focused on their volunteer roles, rather than preparing them to run and serve in Council positions. Candidates are essentially self selected based on their own drive and interests. PEO's lack of involvement in succession planning has resulted in the rise of external groups that recommend candidates that push their own agenda, an agenda that may not serve the best interests of the public that PEO has the mandate to serve.

For elected boards, governance experts recommend a robust succession planning process. This avoids elections becoming a popularity contest, where candidates' public statements are designed to gain votes rather than to address real issues. Succession planning increases the likelihood of councillors having the skill set and knowledge to do their job successfully. For PEO Council, succession planning is about creating a transparent process and an informed electorate. Prospective candidates need to be better informed about the demands and the required knowledge base of being a councillor.

Succession planning for PEO will be a twofold process: identifying suitable candidates and

preparing them for their role on Council. Identifying candidates will require a full time nominating committee, independent from Council, that can identify the best candidates in both the volunteer base and the general membership. This implies going beyond the current pool of candidates and approaching other groups such as the employers of engineers and other engineering associations to solicit potential candidates.

The committee will select the candidates that it believes best support PEO's agenda to safeguard the public. It will employ a gap analysis to identify skills required on Council and to promote those who have those skills. This information should be part of the election information package provided to the PEO membership. Candidates will still be able to self nominate and contest for Council positions, but their platforms will be evaluated by voters from the information provided by PEO.

It is essential that the committee works continuously to nurture and develop the best talent. Specific efforts will need to be made to reach out to under-represented groups such as young engineers, women and new Canadians. Budgets will need to be established to support these efforts.

Candidates must be fully informed of what they will be doing on Council, building on current efforts. Once candidates are nominated, a boot camp should be organized to provide training on how to campaign and how to be a good councillor. Once new councillors are elected, a buddy system would see established councillors mentor them as they climb the steep learning curve.

To implement effective succession planning requires ongoing work by a successor task force whose mandate may run for several years until a system is working well, including monitoring of the performance of the nominating committee. The governance conditions within which succession planning will operate may require adjustments to the plan. What is important now is to establish a direction and a structure that can work to make succession planning a successful reality for PEO.

The CTLTF does not make any claims as to whether implementing its recommendations will improve member engagement. Rather, its recommendations are aimed at ensuring Council membership renewal, particularly at the officer level, and at better preparing candidates to become successful councillors once elected.

2. INTRODUCTION

2.1 General

On November 25, 2015, PEO Council approved, in principle, implementing term limits and succession planning for Council positions. A task force would be established to look into the best way to accomplish this. At its meeting in February 2016, Terms of Reference for the Council Term Limits Task Force were passed, the members were approved, and the budget was established. The Task Force (TF) has subsequently held a series of meetings and done substantial research on the two topics. The literature on these topics is diverse and no clear set of rules to fit all situations is available. The TF has therefore prepared its recommendations based on the best solution for PEO's specific circumstances.

This introduction provides a history of term limits and succession planning in PEO, and also outlines how the TF proceeded with its work. The remainder of the report is broken down into the two topic areas. Each topic is discussed at length and the TF's conclusions based on this are provided. The final section provides a list of recommendations for each of the topics.

2.2 Term Limits and Succession Planning at PEO

Professional Engineers Ontario has revised its governance many times during its almost 100 years of existence. As the association evolved from a small group of consulting engineers to the 80,000 plus member organization it is today, how it is governed has had to change to meet new challenges. Governance improvements are not a panacea to correct all ills in an organization, but used properly, can greatly contribute to its effectiveness. Some would argue that, optimally, governance changes should be made as part of a comprehensive package, but practical considerations often require that specific changes be made in response to specific situations. PEO's changes to its election procedures have typically been made independent of major governance updates. A review of recent changes to election procedures is important to provide the context of this report.

Up to the AGM of 1999, PEO used a Central Nominating Committee (for province wide positions) and Regional Nominating Committees (for regional positions) to prepare a slate of candidates for each election. Early in 1999, Council passed a motion that the nomination committees would be replaced by Central and Regional Election and Search Committees (CESC and RESC respectively) as of the AGM that year. This change was intended to open up the nomination process and reduce the control Council had over who was running for office by ensuring the committees had no "powers to by-pass the due nomination process".

(See Appendix 5) Subsequently the CESC has continued to manage elections, having responsibility to ensure fair and equal treatment for all candidates and, in concert with the RESCs, works to encourage candidates to run for office.

As part of its responsibilities, the CESC, with staff support, reviewed and edited candidate statements published with election material and in Dimensions magazine. Candidates were required to meet specific standards for writing their statements, including the number of words used. Editing was performed to eliminate objectionable or personal remarks and to ensure the word count was respected. At its meeting of September 23, 2011, Council removed all restrictions on candidate statements other than size. (See Appendix 5) As long as the statements were no larger than half a page in Dimensions, they were acceptable. It also added three e-blasts from candidates to voters and a webcast debate for each of the contested positions. These changes were made to remove any restrictions on what candidates could say to attract votes. It was believed this would make the election process more “democratic” and increase its credibility with the membership, with the intent of increasing the percentage of members voting. Unfortunately, the latter effect was not observed and voting levels have remained around 10% for the past few years.

Term limits have not been a major consideration for PEO Council until recently. Up to the year 2000, there was a reasonable level of turnover on Council, with most councillors opting for two to three terms on a lifetime basis and with most officers serving one year as Vice President and a single term as president. Thus, there was little reason to place restrictions on terms served. However, the pattern of councillors self-limiting their terms on Council has gradually changed over the past two decades. More elected and appointed councillors, especially the latter, have been holding their seats for longer periods and several presidents have returned to Council as either as President, Vice-President or Councillor at Large, as detailed in Appendix 4.

In response to this, at the 2009 AGM members of the association debated and passed a resolution to prevent councillors from serving two consecutive terms. (See Appendix 5) Subsequently the resolution was given to the Executive Committee, which included it in a package of governance reforms introduced at the February 2010 Council meeting. At that meeting, the resolution was debated and ultimately defeated. It was considered “undemocratic” and “too restrictive”. Council “concluded that it should be up to the voters to decide when a councillor has served long enough in a given position”. Subsequently Council in 2015 approved a change to the PEO's regulations that put a term limit in place. (See Appendix 5) This stipulates a gap of four years between a president's terms of office, accomplished by preventing a sitting president from running for President-Elect until two years after her/his term as President. There is no restriction on a former president seeking any other position on Council, or on the number of times someone could be president.

In the 2015 elections, four out of five regional councillors were acclaimed for two-year terms and the positions of elected Vice President and President-Elect were filled by former presidents. This was seen by some members as impacting the relevance of Council to the membership and limiting the opportunity to develop new leadership for PEO. Two resolutions to deal with this situation were debated at the 2015 AGM. The first of these resolutions (see Appendix 5) proposed limiting all council positions to a specific number of terms, and proposed some specific limits. The second resolution (see Appendix 5) recommended that PEO institute a structured succession planning process to ensure a good choice of candidates for elections. Succession planning would operate in concert with term limits for all Council positions. Both resolutions passed with a large majority of AGM attendees in favour.

PEO's 2015-2017 Strategic Plan identified for the Goal Area of Council, Staff and Volunteers three different strategic objectives that relate to term limits and succession planning:

- Strategic Objective 19 - PEO has a sustainable organization-wide, continuous improvement culture.
- Strategic Objective 20 - PEO's governance approach is robust, transparent and trusted.
- Strategic Objective 23 - Organizational renewal is ensured through succession plans and talent management strategies.

These objectives indicate a strong desire to improve PEO's governance and the importance of this issue to its members.

At the September 25, 2015 meeting of Council, the movers of the two AGM resolutions met with Council to present the rationales for their motions and to request that Council act on them. In response to these requests, Council offered to work with the movers to draft a motion to establish a Council Term Limits Task Force. At its November 20, 2015 meeting, Council confirmed its support in principle for term limits and succession planning and directed the Registrar to develop terms of reference for the Task Force for approval by Council in February 2016. The Task Force would be required to report to Council before the 2017 AGM. At its February 5, 2016 meeting, Council approved the Terms of Reference for the task force (see Appendix 5), the task force budget, and the appointment of the members of the task force. With all in place, the Council Term Limits Task Force held its first meeting on March 17, 2016 and has met on a regular basis since then.

2.3 Task Force Operation

After organizing itself, the Task Force undertook to obtain information from internal and external sources. As a first step, the Task Force prepared a statistical analysis of the president and councillor service records. This analysis is found in Appendix 4. In addition, the Task Force determined that it needed background information on current best practices for term limits and succession planning on not-for-profit boards. To this end, the Task Force reviewed the credentials of various consultants and settled on two well-respected individuals with a broad experience in governance for government and not-for-profit boards. The consultants, Jane Garthson, President, Garthson Leadership Centre and Paulette Vinette, Principal, the Solution Studio, met with the Task Force on May 13. The two experts shared their knowledge on term limits and succession planning and answered many of the task force's questions. The presentations by the consultants served as a starting point for in depth research and analysis that was conducted thereafter by the TF. Both consultants discussed the need for a skills matrix or alternatively a targeted approach to ensure that Council includes people with a wide variety of skills needed for the work of Council. The reasons that term limits are desirable were discussed. The consultants reviewed the PEO election processes and had some observations. One observed that the platforms of many of the people running seem to be disconnected from the work of PEO; that generally the Board President is chosen by the board rather than by being elected directly to the position and that the nomination committee or governance committee that is charged with the election and nomination process works year round. More information regarding the results of this session are included in the Best Practice Review section of this report.

As part of our review of industry and best practice, the TF has reviewed the application of term limits in the governance of boards of directors including many provincial regulatory associations across Canada and Ontario.

On July 28, the Task Force, led by Jordan Max, participated in an “If...Then” exercise during which the Task Force analysed the assumptions underlying its proposed recommendations for term limits and succession planning. The top assumptions were summarized and provided to the TF after the meeting. In addition, the TF listed good governance attributes that could result from improving board governance. The results of this exercise can be found in Appendix 4.

Subsequently the TF has prepared a conclusions and rationales matrix, summarizing its thoughts in preparation for its report to Council (See Appendix 4). The following sections have been prepared based on the results of these meetings. Reference should be made to the appendices for detailed source material and references.

3. BACKGROUND

3.1 General

Council must have an understanding of different governance models in order to evaluate the rationale for the Task Force's conclusions. Most literature deals with boards that fall under two major categories- corporate boards and not-for-profit boards. Under each of these categories, boards can be modeled on one of a number of theoretical basic governance models (See Appendix 6), e.g., operational, collective, management, constituent representative, traditional results based, policy (Carver), advisory, etc. Current studies show that "not-for-profit" boards, in particular, do not follow a single governance model but employ "hybrid" practices, a mixture of practices that uniquely suits their organization.

This becomes very important when analyzing the governance structure for PEO. Like most organizations, whether private or public, and whether for profit or not, PEO consists of a board of directors (the Council), a chief executive officer (the Registrar) and paid staff. Since PEO is a self-regulating body, the membership (volunteers) contributes to both its governance and its operation. Some volunteers serve on Council as councillors elected from the membership, charged with overseeing organizational governance and strategic planning while other volunteers work on committees, task forces, and in chapters carrying out the actual work of the organization with the help of staff. To complicate matters even more, PEO Council also has a number of appointed councillors, both engineers and non-engineers (public representation), appointed by the provincial government.

The unique complexity of the PEO governance model became very important to the Task Force as it analyzed the best practices of term limits and succession planning. It was through this lens that the Task Force discussed and arrived at its conclusions.

3.2 Term Limits

3.2.1 *General*

When considering the issue of Council renewal, the Task Force, with the help of staff, carried out a review of the Acts and By-Laws for each of the engineering constituent associations across Canada and several sister organizations in Ontario, including engineering organizations and other regulators. For details related to term limits and nomination committees for their elected Councillors or Directors. See Appendices 1 and 2 for details of these. The review also included term limit information from the Not-for-Profit Corporation Acts of both Ontario and Canada.

Of the ten provincial associations, five (B.C., Alberta, P.E.I., Yukon and NWT & Nunavut) have no restrictions or specifications related to term limits or re-election. The remaining five have some restriction or limits. Two have restriction directed only for appointed councillors. New Brunswick (NB) and Newfoundland Labrador (NL) restrict appointed councillors: NB limit is three times 2-years for a total of six years while NL is three times 3-year terms for a total of nine years – both with a 2-year lapse before reappointment. Nova Scotia elects the president and vice-president annually, while councillors (4 each year) have 2-year terms and are not eligible for re-election for two years to the same position. (Presumably they can run for other positions.)

Ontario Society Professional Engineers (OSPE) allows two consecutive 2-year terms with a 2-year hiatus before running again. Note, for OSPE, the directors are elected to the board and the board appoints them to specific positions, including President.

Ontario nurses and teachers are elected for up to two 3-year terms for a total of six years. Nurses require a 2-year hiatus before being nominated again while teachers are restricted to a total of seven years.

Most provincial engineering associations use nominating committees to identify candidates for their council elections. Some of these endorse qualified candidates to assist members in making their decisions. Other regulators in Ontario use either the Governance Committee or the Executive Director to manage nominations, which in some cases are self nominating.

The TF also reviewed governance literature relevant to its mandate. It should be noted that much of the literature related to boards, specifically to corporate boards and Not-for-Profit Boards and thus the Task Force had some concerns about the direct relevancy of some of this information to an elected Council. In the case of PEO, the members of the “board” (Council) are primarily appointed (that is elected) by the members of the Association. The comparison is not simple, since in for-profit and not-for profit boards, directors are primarily appointed to the Board by the board members under the direction of the chairman. The References (Section 6) lists the articles (with Internet link) supporting a review of the topic. These articles are provided in full in Appendix 7.6 for ease of review now and access in the future. In reviewing this material, one gains a better understanding of the general application of board term limits and board member performance evaluation.

In addition, as described above, the Task Force met with two experts in the area of board governance and were provided with some publications^{TI}. Specific questions were provided to them as listed in Appendix 7.4.4 to initiate the discussion.

In considering term limits, the TF focused on providing Council with information and advice on best practices in this area. The debate as to whether to implement term limits is

not clear, however, those that take the position that there is no need for implementing term limits typically say that there is a need for a robust performance management system. Our investigation of good governance practice and requirements for Canadian non-profit organizations included considering their application and appropriateness to PEO's process of electing members to Council. It is hoped implementing the TF's recommendations will lead to a more open, inclusive, energized, relevant and democratic Council. PEO should have a Council that welcomes and encourages new ideas, with diversity in councillor opinion and experience.

3.2.2 *Option Analysis*

Based on our review, experts considering the issue of board governance agree that all boards need a renewal process and that the renewal process needs to be transparent. Very broadly the strategies to accomplish this fall into two different camps: term limits and a robust performance management based system.

Many boards have implemented term limits, but some have not. Those that have not implemented mandatory term limits may have chosen a performance management based system for selection and renewal for their board. However even where there is a performance management based system there should be an upper limit on how long an individual should serve on a board [T3](#), [T7](#). In corporate boards, shareholders can become skeptical when directors are on the board too long. The concerns seem to be triggered if directors remain on the board longer than a specific amount of time. The experts vary on how long is too long. Some say as little as 5 years. Others suggest nine years [T11](#), [T13](#). Additionally, some boards have instituted age limits for directors [T7](#). The perception is that if the directors are too old then they have lost touch with the developing issues and solutions. Also, some boards that have term limits allow for a cooling off period before a person can serve again on the board.

Based on the TF research effective boards adopt some level of performance evaluation to support board renewal and director appointment or selection. Because of that finding, the TF has decided to integrate this additional aspect into our investigation, analysis and recommendations, as part of term limits and related practices.

Considering board renewal, in our case Council renewal, there are a minimum of three options:

- Do nothing and maintain the current status quo,
- Establish mandatory term limits, or

- Introduce a robust performance management system.

The following paragraphs discuss these options, which are then analyzed in the next section.

3.2.2.1 Status Quo

Currently there are no limits to the number of terms a councillor can serve. Councillors can run for any position on Council regardless of their previous positions. For most positions, no hiatus period is mandated, with the exception of a two-year gap between completing a term as Past-President and running as President-Elect. Lieutenant Governor Appointed (LGA) councillors have generally been limited to two or three 3-year terms by the government.

3.2.2.2 Term Limits

Before considering the issue of term limits it is important to clarify what is meant by "term limits". In this report the Task Force uses the number of terms (since Council positions already have duration limits: e.g. Regional Councillor- two years, Vice president – one year etc.). Thus, the Task Force is tasked to determine the appropriate number of terms (limits on terms), which then limits the total length of time that individuals should remain in a position and in fact on Council.

The Task Force also solicited feedback from other organizations regarding how they manage board renewal, which is presented in the summary table in Appendix 1.

During its research, the Task Force identified numerous articles that provided arguments for and against term limits. These broadened our understanding of the potential benefits of and problems with implementing term limits. For further reading articles are listed in the References Section 6 and 7.6 (Appendix 6). A summary of these arguments follows:

- Term limits provide a chance to retire (in fact get rid of) nonperforming or misbehaving board members. Potential new board members may be more willing to agree to be on the board since, with prescribed time limits for the role, they are not committing for life and there is no prejudice when incumbents are removed from the selection process.
- A limit to the number of terms avoids board members becoming too comfortable with other board members and senior management.
- Term limits lead to a healthier board with a periodic infusion of “fresh blood”, new energy and fresh points of view that challenge opinions, reducing or avoiding “group think”, going down the same path with no challenge to the thinking.

- New directors bring a new insight and updated skill sets.
- New members support each other and provide an element of collegiality when the wave of new members start their term.
- Particularly if there is no measurement of actual performance, board members will determine their tenure based on their self-interest and complacency can develop. Term limits counter this effect.
- Term limits provide a painless way for people who aren't happy with their own performance to retire gracefully and automatically (i.e. they don't need to justify not seeking re-appointment or "running again").
- Term limits reduce the likelihood that the same individuals will dominate board discussions and decisions for an extended period of time.
- Term limits grow the base of board alumni and groom a growing field of advocates for the organizational.
- Good board members will be more interested in volunteering on an active, energetic board rather than one that is mired in the same discussions year after year.
- Retiring Board members are not put out to pasture. They are still valuable to the organization and can be encouraged to continue to participate on committees or as advocates outside the organization raising the organization's profile. Especially valuable retirees can be appointed to advisory positions.
- Term limits cause the loss of strong board members along with their experience, knowhow, connections and expertise, and reduces the board's institutional memory and historical perspectives. This is a myth since individual do not totally retain the total organization history, the board can rely on effective evaluation to support new proposal and the new directors if effectively selected bring new and updated knowledge, skills and experience.
- Term limits result in the loss and stability provided by capable, dedicated members who have a proven track record of board. Another myth, since change is inevitable and changes and re-evaluation healthy.

- Term limits force members to step down with the loss of their passion and interest. As stated earlier, if there is a great passion there are other ways to support the organization.
- The loss of a seasoned member results in the loss of the relationships held by that particular member, with their networks of associates, [donors], with elected officials or government workers. As stated above if there is a great passion there are other ways to support the organization.
- Some members don't look forward to leaving and parting with long-time members and relationships. However, the strictly social aspect of board member relation is not seen as necessarily supportive of the board objectives.
- Term limits cause the loss of the investment in training a member in your governing process and the strategic issues of your organization. As stated above if there is a great passion there are other ways to support the organization.
- Removal of members changes the coherence of the team, which consequently needs to recalibrate after every shakeup. This really means that the board gets a great opportunity to reset their effectiveness.
- Elected boards' effectiveness is regularly tested by voters, and annual elections are a sufficient mechanism for board renewal. This is the current status quo for PEO Council and felt to be not supportive of effective board renewal.
- Some term limit regimes include a cooling off period. However, there is no consensus regarding the best length of the time for a cooling off period. In addition, there is no consensus on a rationale for the cooling off period. [In many ways it seems like a cooling off period is included as a compromise, with a hope that it will not be used.]

3.2.2.3 Performance Management Based Systems

The Institute of Corporate Directors (ICD) recommends that boards have a performance management based system "including effective board evaluations set within a performance culture.' In other words, boards and individual board members should be subjected to review in the same way the board reviews their management team. This means instituting regular and substantive evaluations of board composition and board member performance, and following through, when necessary, by having "tough conversations" with underperforming members or directors whose skills do not align with the organization's strategy. This will help create a culture of accountability, and foster high performing boards"^{T17}. However, for this system to be effective there needs to be willingness and an ability to have the "tough conversation" and a mechanism to remove non-performing board members.

One example of a board that has taken on the challenge of implementing a performance management based system is described in *Continuous Improvement in the Boardroom* by Tamara Paton and Shona McGlashan, The Corporate Board, March/April 2016 ^{T19}. This article describes how the Mountain Equipment Co-op (MEC) board strives for continuous improvement within a performance management based system and without the use of term limits. The MEC board has some strong parallels to PEO Council in that the board members are directly elected from and by the membership. MEC allows members other than those identified by the nominating committee to run for election. MEC has an on-line voting system and MEC does not provide for proxy votes where the default proxy is a board member.

MEC has made board development and feedback an ongoing part of the individual members work in their board. Before the beginning of each election cycle the MEC board provides updated nominations criteria that set out "the expertise and attributes that best align with MEC's strategy and environment"^{T17}. Once all of the nominations are received an external advisor interviews all the nominees and the board recommends certain candidates who best align with the organization's needs.

MEC is committed to developing their board members and accordingly after the election their governance committee reviews the board against an updated skills matrix and determines the major development needs of the board. New directors attend a two-day training session that includes a review of the board culture, an administration overview and a discussion of senior management portfolios. They also have the opportunity of having a "board buddy" or board mentor. After six months, there is a new director check-in to determine if there are any additional needs.

MEC's board is subject to a robust peer evaluation. There is an annual formal peer evaluation where each director completes a formal peer evaluation the results of which are anonymously collated and the chair discusses the results annually with each board member. In addition, there is face-to-face feedback wherein each director spends ten minutes with each of the other directors to provide specific feedback on their performance. Further, when a director chooses to seek re-election the nominations committee reviews the director's peer evaluations, which includes whether their colleagues on the board would support their re-election and based on this information make a recommendation to the board which if accepted gets communicated to the membership during the election process.

In addition to having a rigorous nominations and recommendation process, a comprehensive training process and continuous evaluation of board members, the MEC board seeks external evaluation every three to five years. The external consultant provides a thorough evaluation of board practices and dynamics and offers recommendations to the board.

MEC also has a term limit for each board position. Once a board member has reached their term limit they cannot run again until they have been off the board for a specified period of time. However, notwithstanding that the MEC allows for a person to return to the board in practice, board members have not returned.

3.2.3 *Analysis*

The TF reviewed the proposed three options in support of renewal and evolution of Council's effectiveness in light of industries best practice and provides the following:

3.2.3.1 *Status Quo*

The current situation has led in some cases to a lack of turnover on Council (See Appendix 4). Although most regional councillors limit themselves to two or three terms due to the demands of this position, Councillors at Large and Officers (Vice President and Presidents) have recently tended to serve multiple terms beyond what is considered best practice. LGA councillors have also been staying longer than a desirable time. This situation has resulted in some frustration on the part of those who would want to be on Council, but do not want to run against a strong incumbent. The results of some elections can easily be predicted when a well-known candidate runs against someone with little or no profile.

Despite turnover at the regional level, there is a perception that Council does not change its membership often enough, likely due to the lack of turnover at the more senior levels. This has led to the current dissatisfaction that initiated the 2015 AGM resolutions and Council's decision to establish this TF. The TF terms of reference state that Council has approved in principle some form of term limits.

3.2.3.2 Performance Management

In 2016 PEO Council undertook a Council evaluation survey. The survey was conducted on the basis that the results would stay confidential, and were not made available to the TF. However, it is understood that these evaluations would not result in councillors being asked to leave Council, and the confidentiality of the results means that it will not affect voting for elected councillors or the government appointment of LGAs. If a comprehensive and public performance evaluation system were to be implemented, it would have to be administered by a third party to be considered valid. The results would be available to voters and greater turnover of councillors could be expected, as long as the electorate spent the time needed to read and understand the information. However, third party administration would not conform to the current system of open and free elections.

The Task Force is of the opinion that a comprehensive performance based system would be too large a cultural change in view of the system that is currently in place. However, many of the features of a performance management system should be considered over time.

3.2.3.3 Mandatory Term Limits

Term limits provide a guarantee of Council renewal as members are forced to leave after a certain period of time. They cannot return and make use of their name recognition to gain election to other positions. In order to fill the resultant vacancies, a succession planning process becomes mandatory. This will serve to increase participation by the membership as people become confident that positions will be available for them to contest. Term limits for elected positions will also set an example for the government to follow in LGA appointments.

The TF does not recommend including a cooling off period. A short cooling off period would effectively be like not having a term limit. Based on the evidence it appears that even a long cooling off period does not reduce the incumbent advantage in PEO elections. A mandatory term limit will also help to show that PEO is instituting systemic changes that

move away from an appearance of an “old boys club.”

Governance best practice strongly supports the implementation of mandatory term limits to support board renewal.

3.2.3.4 Summary

The use of term limits by regulators and non-profit boards is not consistent. However, it is considered a best practice, especially when paired with a robust performance evaluation system, in governance literature. This applies to both elected and appointed boards. The TF considered three options for PEO: retain the status quo with no limitations on terms, develop and implement a system of individual performance evaluations for councillors and publish the results to the electorate, or implement hard term limits for all Council positions. These were evaluated as follows:

- The status quo presents challenges for new candidates running against incumbents, limiting Council renewal. This has also resulted in a Council that is not representative of the membership’s diversity from age, gender or ethnicity perspectives. The TF does not consider that this is acceptable.
- Although a performance evaluation based system could be effective, it would take many years and a substantial change in the attitude of many councillors to make it work. The first steps to create such a system have begun and the TF supports continuing in this direction. However, a more immediate solution is required.
- Term limits, i.e. a lifetime limit to the number of terms an elected councillor can serve in any given position and in total, will result in renewal of Council and prevent incumbent or former elected councillors from using their name recognition to dominate elections. They are clear and unambiguous, and have none of the potential negative impact of publicized poor performance evaluations. They can be implemented immediately and evaluated based on their results.

While term limits may be viewed as being not required when replaced with a robust performance evaluation process, the TF is recommending mandatory term limits. Some would say that is really what the election process provides. In reality, there is little in the way of performance data provided to the people making the election evaluation decision. Successful candidate selection is based on limited data and primarily on name recognition and/or popularity. In contrast, providing mandatory term limits ensures that there is PEO Council renewal.

The TF is strongly in favour of mandatory lifetime term limits.

3.3 Succession Planning

The Council Term Limit Task Force was also assigned a second purpose that dovetailed with term limits, namely to consider “Succession Planning” for the PEO Council. This step is appropriately undertaken in anticipation of adoption of a term limits strategy. Although either initiative could be adopted independently, the two are indeed complimentary. PEO must be active in taking steps to prepare more (in both numbers and skill) candidates to stand for elected positions on Council.

3.3.1 Best Practice Review

In recent years forward thinking boards have started to look seriously at the issue of succession planning. These boards have realized that new directors will help shape their future. Organizations that want “to be more visionary, strategic, accountable and action oriented rather than risk adverse can look to succession planning to establish a foundation for long term change.” (S6, p.7).

Succession planning provides a structure and a process to address the challenges that may occur when key members of an organization leave. Succession planning should be used at all levels of the organization -- staff, CEO, and board.

Diverse literature on board succession planning mentions the following basic criteria for the process to be successful [S6, S8](#):

- A strategic committee, charged with the task of developing a recruitment strategy, is needed. The Committee must utilize a continuous process looking at both current and future vacancies.
- Board Assessment: A list of skills, competencies and experiences needed for effective board governance should be established by the committee. Then there should be a board member assessment done annually that studies personal competency and skills assessment and board efficacy needs. A director competency matrix can then be developed to describe the competencies, skills and experiences of the current directors and the key ones required for new directors. In developing the matrix, existing needs should be listed alongside the competencies each current director has. From this the skills gaps are determined.
- Board Orientation Manual: It is very important that prospective candidates/ new board

members have an up-to date board manual with the following information:

- a. The organization's mission statement of the organization
 - b. A history of the organization
 - c. A description of the organization's governance structure and operations
 - d. Board Code of Conduct
 - e. Meeting frequency and format
 - f. Board member job descriptions and time commitments
 - g. Other committee expectations
 - h. Bylaws
 - i. Policies and procedures, especially related to board meetings and directors
 - j. The most recent strategic plan
 - k. The most recent budget and other financial information
 - l. A list of the organization's committees and task forces, and their respective terms of reference
 - m. Minutes of recent meetings and the last AGM
 - n. Contact information of each director
 - o. Forms related to board members including expense forms and guidelines
- Board Training: This should be provided for all Board members, not just for new members. It is important to think outside the box with new innovative methods: online courses, podcasts, conferences, workshops, mentoring, etc. Sharing experiences and knowledge not only helps members but produces a sense of collegiality on the board.

Composition of Board

Professional skills by themselves do not ensure governance effectiveness. There are other key criteria such as diversity and culture to name just two. It is also important to choose candidates for directors who are a good fit with the Board's core values and aren't oblivious to its mission. Boards often recruit for skills that will aid the board in decision-making, such as finance, accounting, legal and public relations. Academic qualifications, relevant

experience, demonstrated ability, and understanding of how a board operates are core skills when looking for a board member. It is also important to consider interpersonal skills. (see [S6](#), p.12)

If there are external appointments to the board (LGA's in the case of PEO), a succession planning program should be conducted in concert with the external body (the Attorney-General) that makes these appointments. This is also an opportunity to fill possible gaps in board diversity. The primary purpose of this program is to ensure that the composition of the board is systematically refreshed to ensure that the board contains directors with:

- Skills and experience relevant to the organization's strategic direction and operating environment
- Knowledge and ability to work with colleagues to deliver the high standard of governance performance expected by stakeholders
- It is important to note that for a well-balanced board, there should be some directors with generic governance qualifications, and board content specialists that bring a special capability to the board and board leadership roles.

Ideally recruitment specifications would also become the basis of position descriptions within the board's governance documentation. Recruitment specifications and position descriptions should be reviewed on a regular basis.

3.3.2 Succession Planning for Elected Boards

Board Works International states that "There is a tendency for boards whose members are elected to be somewhat fatalistic about succession planning. They seem to think that it is a waste of time because matters are beyond their influence. Alternatively, they feel that it would be inappropriate to attempt to influence an electoral process because that might be perceived as 'manipulation'. Our view ... is that succession planning is even more important when boards are elected. In organizations where board elections tend to be a popularity contest it is easy to end up with a board that lacks the wherewithal to do the job.

"To minimize the risk, the board's approach to succession planning should be about creating a transparent process an informed electorate.... The equivalent of the 'recruitment specification' becomes an information memorandum that is made available to potential candidates and to the board's electors."^{S9}

Some organizations add another dimension called an independent pre-election assessment process. An independent panel would assess each candidate against the desired director

profile and succession planning criteria, including an interview. The panel would then rank the candidates in order of their fit with succession planning criteria. Members can still vote how they want, but ultimately the improved information will help them make better decisions.

If the size of the PEO Council were to be reduced in the future, then the demand for more skilled councillors would be even greater than before. PEO must adopt the best practices for succession planning, and increase their efforts on leadership development.

3.3.3 Current State of Succession Planning at PEO

Succession Planning is a three-fold process:

- i) *identifying* suitable candidates,
- ii) *preparing* them for their potential future role on the Council, and
- iii) *mentoring* elected new councillors:

3.3.3.1 Identifying Candidates

As stated in the introduction, prior to 1999, PEO had a nominating committee that specifically nominated candidates. Candidates put forth by the nominating committee were so recognized, and this was perceived as an unfair advantage, an endorsement of sorts. To level the playing field, the *nominating* committee was changed to a *search* committee to eliminate the perceived endorsement of a few chosen candidates. The result of this decision was that the nominated candidates were typically volunteers in the Chapter and/or Committee system. Very few external candidates outside of the PEO volunteer system, that is business leaders and general membership, came forward.

The current PEO process for identifying candidates is minimal. The Central Election and Search Committee(CESC), including both penultimate past, past, and current presidents, meets to identify potential candidates for the President-Elect, Vice-President, and Councillor-At-Large positions. The active effort of this committee is limited to perhaps four or five months preceding the closing date of nominations. Committee members contact identified individuals to encourage them to consider running for office. It is important to note that this committee is a search committee, not a nomination committee, and pursuant to its mandate, cannot endorse candidates. Ironically, this is in direct contrast to certain external special interest groups which have been formed to endorse their candidates.

Each of the five Regions has a Regional Election and Search Committee (RESC) that is led by the Junior Regional Councillor who seeks input from the Region's Chapter Chairs for names of individuals that might consider running as a Regional Councillor. Depending upon the Junior Councillor, this activity may start at the June Regional Congress, but more likely, after the September Congress, only ten weeks before nominations close. As with CESC, the RESC cannot endorse any candidate.

Some dedicated members of the Association (who may or may not be part of the CESC and RESC structure) are always on the lookout for promising individuals, through contact with the Committee, Chapter, and business worlds. PEO should develop a recruitment strategy that includes the strengths of this informal process.

3.3.3.2 Training Candidates

The second aspect of succession planning is the training of prospective candidates. To a minor extent, PEO addresses this succession plan of sorts. The Chapters Department conducts annual training of Chapter volunteers (Chapter Leaders Conference), but the focus is on how these volunteers can serve the Chapter system, not Council. Chapter service is one of the first steps down a longer road towards service on Council.

Likewise, PEO's Advisory Committee on Volunteers (ACV), also hosts a one-day conference entitled the Committee Chairs Workshop. As the name implies, this event brings together all of the Committee Chairs for a training session, and focuses on the training needs of the Committee Chairs.

Recently a third conference, the Volunteers Leaders Conference (VLC), was developed to bring PEO's volunteers from both the Chapter and the Committees together to discuss common interests, and raise awareness of one another's roles and responsibilities. The VLC Planning Committee is spearheaded by Corporate Services with participation by the Regional Councillors Committee (RCC), the ACV, and PEO staff.

It is fair to say that this amount of preparation is insufficient. A candidate may realize there is a significant amount of time and effort required of a good Councillor, but undoubtedly, the actual amount is understated unless they have had a serious conversation with an incumbent. Regardless, there is currently no formal assistance to better prepare a candidate to understand the knowledge and skills necessary to be an effective Councillor.

The current Council Manual provides background on each specific elected position, but it understates the true time commitment required of a councillor. The best source of

information for potential board member is consultation with incumbent board members.

3.3.3.3 Mentoring

The process of succession planning must not end when the newly elected Councillor takes office. Before the first meeting of the new Council, experienced Councillors should mentor new councillors, one on one, to assist them in understanding their role and responsibilities within the Council and organization. This would also be done for LGA Councillors immediately after their appointment. This is to compliment the current Council Orientation being done by staff. Personal mentoring of new councillors by the experienced councillors is considered a best practice, and makes the new councillor more comfortable in their new role. Historically, the Council Workshop in June does provide an opportunity for some mentoring to occur.

3.3.3.4 Analysis

It is more likely that a driven individual with aspirations for higher office or longevity on council is the one who will adopt his/her own personal succession plan. Due to the present electoral process, being visible to the electorate is currently more critical to being elected than enhancing the required skill sets.

Effective succession planning is not a one-time effort; “it is a marathon, not a sprint” (S7, p.1). Executed properly, it must be a continuous and permanent activity. It can be likened to gardening – to quote the Bible, “you reap what you sow”. The agricultural comparison is an excellent one. However, the growing season may be in terms of years rather than months.

To reiterate, succession planning is not a three or four-month effort preceding an election. Rather, it takes many PEO volunteers to be continually diligent in recruitment, knowing full well that many candidates must be approached, and nurtured, to result in successful outcomes. Only a few of the original identified volunteers may eventually stand for election, and be successfully elected to serve on Council.

Finally, once elected to Council, a new representative should be mentored by one of the more experienced Councillors who can answer questions about board procedures, expectations, and committee structures (to name just a few areas). This is an example of best practice in succession planning.

4. CONCLUSIONS

4.1 General

The TF concludes that for successful implementation of improved board renewal governance, it is essential that both term limits and succession planning be in place. Term limits on its own can result in a situation where qualified candidates may not be available and board renewal may not take place. Outside groups with their own agendas can take over the function of finding candidates, leaving PEO not in control of its own destiny. Succession planning on its own will result in situations where qualified individuals are not able to get elected to Council due to intransigence on the part of incumbents who refuse to give up their seats. Incumbency is strongly correlated with electoral success. The following sections provide details of the TF's conclusions specific to term limits and succession planning, and assume that these will both be implemented in a complementary manner.

4.2 Term Limits

All elected and appointed positions on council should have a term limit (a limit on the number of terms). Specific limits are proposed for both general and executive members of Council. The TF is also proposing a lifetime term limit (total years of service).

The Task Force concluded that six to seven combined years of service was optimal regarding the general council positions of LGA, Councillor at Large and/or Regional Councillor. This translates to a term limit of three two-year terms for elected Councillors. LGAs would be limited to two terms, based on three-year terms (or six years total as an LGA). If a Councillor has a mix of LGA-member and elected terms, only one three-year term could be as an LGA. The total service could then be seven years otherwise the six-year limit would apply with a combination of shorter terms as an LGA. Note that these terms can be continuous with no gaps required.

If a councillor wishes to run for further leadership roles at the executive level following the above described limits, the limits should be one term (one year) as Vice-President and one three-year term as President- elect, President and Past-President. It was felt that former presidents should not run for any Councillor positions after serving as president.

By way of example, someone could serve a total of six or seven years in the positions of LGA, Councillor at Large and/or Regional Councillor followed by Vice President and then President-elect, President and Past President for a total of ten or eleven years.

It is important that PEO be perceived as an organization that not only welcomes but encourages participation and encourages a wide range of ideas. By instituting term limits for every position on Council, PEO will be taking steps to show that it is looking for new people and trying to increase its relevance by increasing engagement with its membership.

As described above, term limits are considered by many as a best practice for non-profit boards. There are numerous benefits for implementing term limits for all positions. For example, it has been observed that after six years on a board, members typically lose focus and or enthusiasm. As well, after six years some members will have developed entrenched positions which may be problematic for a board that wants to move forward and institute new ideas with regards to developing (evolving) practice situations. Best practices suggest that by limiting terms there is a sharpened focus so that a member can move their issue forward within their term.

Over the years there has been much discussion regarding the need for a PEO elected Vice-President. The CTLTF had similar discussions but as long as this position exists it concluded that there is the opportunity of serving only one term in this office. From a succession planning point of view, this position actually plays an important function in preparing potential candidates for President-elect.

The TF acknowledges the need for some flexibility in applying the years-of-service term limits to accommodate in cases of interim and special appointments. In certain cases, a qualified member may be appointed to fill a position on Council vacated for health, business or personal reasons, or which cannot be filled during an election. The TF feels that an interim appointment, while likely rare, and should not contribute to an individual's future term limit year eligibility count. Additionally, following completions of their years of service term limits, a qualified individual could be appointed to fill a Council vacancy where no candidate has been nominated. Also, being appointed as the ``Appointed Vice-President`` does not affect the one year limit for the Vice-President position.

In regards to next steps or implementation, the CTLTF concluded that it would be best if these recommended term limits are entrenched in our governing legislation.

Since changing the Engineering Act or the Regulations is a time consuming and intense process the CTLTF concludes that in the short term the need for term limits should be effectively communicated to the membership. This would be an opportunity for Council to communicate to the membership that they are being responsive to the numerous motions that have come to Council in regards to term limits and succession planning. It would also be an opportunity to provide basic, factual, information on each candidate in regards to at least previous time served on Council. It would also potentially be an opportunity to

communicate that role of Council within the organization to provide an opportunity to evaluate candidates in the context of the role of Council.

4.3 Succession Planning

4.3.1 Skills and Attributes

For a successful succession planning process, PEO needs to develop a definition of the skills and attributes a valued future Councillor must have. This is important in two ways. First, it becomes the tool used to assist prospective candidates to ready themselves for Council service. Second, it will assist PEO to measure the effectiveness of a current Council composition, and to provide guidance for improving it.

The following is a suggested starting point for further development:

- Academic and professional qualifications
- Board experience – service on other volunteer or paid boards for community groups, businesses, etc.
- Engineering experience – preferably worked in the engineering field for at least 10 years
- Managerial skills
- Understanding of PEO, its role as a regulator and applicable legislation
- Understanding of PEO Council’s role and responsibilities
- Understanding of the PEO Chapter system
- Experience in accounting, law, government relationships, public and media relations
- Personality and likely boardroom behaviour
- Knowledge of sister associations (OSPE, OAA, OACETT)
- Financial acumen – understanding financial statements, employment practices,
- Good judgement
- Strong communication skills
- Impartiality
- Compassion and respect for others
- Willingness to learn
- Ability to devote the time required

This list becomes PEO's starting point for both defining who might be approached to run in the future (say one to five years from now) as well as a basis for developing learning modules to upgrade those candidates that may need strengthening in some capacity or experience.

4.3.2 *Improving the Search for Candidates*

Currently, the two primary sources of candidates are the chapter system and committees. A third source is other engineering associations such as OSPE and CEO. Recruiting from the membership at large and outside engineering related companies is minimal.

One avenue that has not recently been tapped is the private professional world. At present, there is no established link between PEO and the major engineering firms other than through CEO. In addition to consulting engineers, PEO should tap into the engineering community in manufacturing, industry, transportation, public infrastructure, etc.

4.3.3 *Upgrading Candidate Qualifications*

PEO needs to develop a comprehensive leadership training program. This should be based on the skills and competencies needed to be an effective councillor. These courses should be readily available to all Members, whether to prepare for Council, or just to broaden their own knowledge base.

Some material is already available on SharePoint, such as information on PEO, its committees and chapters, its publications and Council. This material should be regularly updated, and easily accessible to all members.

An initial step would be an updating, and expansion of the Council Briefing Manual, including all relevant information as suggested in the Best Practices section. It may also be advantageous to prepare video modules of council meetings.

Any skill and knowledge courses could be developed and delivered electronically and through podcasts.

As previously mentioned, PEO currently hosts three, one day conferences (Committee Chairs Workshop, Volunteers Leadership Conference, Chapter Leaders Conference) to enhance the skills of their volunteers. The first one focuses on the Committee delegates, the second brings together both the Committee and Chapter volunteers for interaction, and the

third is focused on the Chapter volunteers. Typically, each involves the Chairs, and Vice-Chairs of their respective Chapters and Committees. Junior volunteers in these respective groups do not attend these events. If PEO is serious about succession planning, then it needs to develop training that reaches out to all of PEOs membership.

It is important to have an annual Future Leaders Symposium to bring in some of the best and brightest of PEO's young volunteers to introduce them to PEO beyond the Chapter system. This could encourage these volunteers to join PEO committees, take some of the leadership modules, and eventually assume leadership roles on Committees and/or Council.

There is also the risk of discouraging potential candidates if the wealth of information becomes overwhelming. Ideally the material could be structured as course work; then perhaps it could count towards a professional development credit though it is not technical in nature.

4.3.4 *Barriers to Overcome to Attract New Candidates*

To achieve a better response from individual members, PEO must also understand the barriers to service facing the engineering membership, particularly those issues that discourage certain demographic categories. PEO can then take steps to minimize their impact.

The job description and time commitment for an elected Councillor best fits someone who is not professionally active, i.e. a recently retired engineer. For a working engineer, the demand upon their time during the work day is such that few companies are prepared to allow an individual to be absent from work to such an extent. When a volunteer uses their vacation time, or lieu time, for PEO service, this only shortchanges their family life. Those with young children would be particularly disadvantaged. It is important that steps be taken to encourage employers to understand the value of PEO service to minimize the impact on personal time.

There is no personal financial impediment to Council service since all expenses directly incurred due to Council activities are reimbursable. However, with respect to finances, if a company is not prepared to allow an employee to be out of the office for approximately fifteen business days each year, then PEO may have to compensate employers for their absence. It is most easily accomplished with consulting engineering firms that have established per diem rates. It will be more challenging to establish that with an industrial, institutional, or manufacturing firm.

Releasing an employee for approximately fifteen business days is more than just a financial concern for business. The employer must be convinced that this board experience is of benefit to both the individual, and the firm as well.

One only needs to examine the OSPE Board to realize that they have made advances in the areas that this task force is recommending. Gender parity, younger (mid-career) representation, and a less onerous time commitment are the obvious examples of how they have succeeded.

4.3.5 *Council Self-Assessment*

As detailed in Section 3.2.2.3, PEO should examine the make-up of PEO Council annually with a GAP analysis. It should define the attributes of a strong, dynamic, diverse Council according to an established list of skills.

Recently Council has undertaken a self assessment of Council by councillors. The Task Force was not able to review the findings of this report, but understand it is an initial step in this regard. This assessment could be enhanced with input from recently retired Councillors. Exit interviews for departing councillors would be a good initial step.

4.3.6 *Educating the Electorate*

Improving the slate of candidates might not be sufficient to achieve the desired effect without also educating the voting members as to what attributes are most important to have in an elected Councillor. An information campaign to educate the electorate as to the skills and the knowledge of engineering issues required for a Councillor position is very important and would minimize the impact of the simple “name recognition” advantage. Voting is important, but an educated vote is most important.

With appropriate election articles in Engineering Dimensions, the election package and the gap analysis for the upcoming Council, the electorate will have the necessary information to make an informed vote. Whether the members use this information is another matter. It is important that the electorate understand they play an important role in the governance of the profession through the electoral process.

Beyond just electing a candidate, the electorate must understand that they have a hand in creating a Council that works as a team, a Council focused on the future of the profession. The electorate must be aware of this responsibility to not just elect a Councillor, but to ensure the entire Council is properly constituted.

4.3.7 Corporate Support of Council Service

To most of our Members, PEO is merely a licensing body. Those Members pay their annual fees, which they consider to be “just a tax”. They do not see the fees as a professional obligation to support the mechanism that protects the public. Many members do attend the occasional Chapter function, and also read the bimonthly journal, *Engineering Dimensions*.

A few members contribute to service on Chapter Executives, and various Committees, though the percentage is small. Many also provide feedback to newly developed standards and guidelines. Volunteering for other PEO programs such as National Engineering Month activities, educational outreach, mentoring, etc. invariably come from Chapter volunteers since the “average” member isn’t familiar with these programs’ existence.

PEO needs to improve its’ public image as the regulator of professional engineering within the province. Engineering typically captures the public’s attention when there is a serious failure of some sort.

Coincidentally, PEO must also convince corporations to value the regulating of the profession of engineering. PEO needs to reach out to leaders in the engineering community to get feedback on how the two can work together to create partnerships to strengthen their relations with PEO.

It may be necessary to develop ways of recognizing companies that allow their employees to serve PEO. This may include acknowledging their support in national newspapers, at the awards dinners, the Annual General Meeting, etc.

The engineering world has changed over the years, and even if companies like the exposure for supporting PEO, they still may not be prepared to release employees for service since it becomes a financial burden as well. Future PEO budgets could allow for compensation to companies to ensure all efforts taken to improve council representation by younger members, etc. This aspect of the succession planning strategy is left for a future task force.

5. *RECOMMENDATIONS*

5.1 Term Limits

Further to Council's in principle approval of implementing term limits, the Task Force recommends the following specific term limits, excluding interim or special appointments as described in Section 4.2:

General Member of Council

1. Members may serve a lifetime maximum of three two-year terms as a Regional Councillor or Councillor at Large, or a combination of both positions. Former LGA councillors may serve two elected terms if they have one term as an LGA, and cannot serve if they have more than one term as an LGA.
2. PEO should influence the government not to appoint LGAs to more than two terms as a lifetime maximum, and one term if they have previously served on Council as a Regional Councillor or Councillor at Large.

Executive Member of Council

(Term Limits are in addition to the General Member term limits)

3. Members may serve one term as Elected Vice-President
4. Members may serve one term as President-Elect, followed by terms as President and Past-President
5. A member having served as President may not hold any subsequent position on Council.

The TF recommends the following next steps for implementation of term limits:

6. Immediately, include in the election material information on recommended term limits for each position and provide information on all candidates' service on Council to date.
7. Entrench in our governing legislation the recommend term limits as specified above.

5.2 Succession Planning

In addition to a Council decision to adopt term limits for service on Council, even more important is that a new, or renewed, task force must be constituted to focus specifically on succession planning as identified herein.

While PEO works on legislative changes to institute term limits through the by-law structure, a more immediate exercise is to develop a solid succession plan to begin producing qualified candidates for Council.

The Council Term Limit Task Force strongly endorses succession planning activities to improve the calibre of all candidates standing for election. Several strategies are necessary for the best electoral outcome:

- 1) Council must identify the skills and experience that the best Councillors would exhibit
- 2) The search committee/ employs the defined skills list to find suitable candidates in the engineering community.
- 3) PEO must develop a leadership program and provide training opportunities for interested candidates to upgrade their skill sets in the areas that are deemed of value
- 4) A Future Leaders Symposium should be held yearly or bi-annually to introduce PEO, the organization and leadership possibilities within the organization, to young volunteers.
- 5) The electorate must be educated on the necessary skills and competencies to look for in Council candidates
- 6) Council undertakes a gap analysis on an annual basis to identify weaknesses in current council make-up, and identifies appropriate criteria for strengthening the team
- 7) The engineering public must be educated in the importance of Council's role in regulating the profession., This may increase the interest of suitable candidates to aspire for service to their profession.
- 8) PEO must work with engineering companies to encourage ways to facilitate their employees to consider service to the profession
- 9) Determine if it is possible to remove barriers that impede certain volunteers of a specific demographic (specifically age and family status) from serving on Council
- 10) PEO must set aside money for training and possibly employer compensation
- 11) The Council Manual should be updated and made more complete so that it can be used for information and training
- 12) A mentorship program should be set up for new councillors.

- 13) HRC must communicate to the Public Appointments Secretariat our skills/competencies guideline for Lieutenant-Governor Appointed Councillors. These appointments (if staggered in time) may also assist in fulfilling our gap analysis.

5.3 **Future Work**

The CTLTF recommends that Council implements term limits as soon as possible to have them in place before the next election. The Legislation Committee has advised that the best approach would be to make changes to Regulation 941, and that these could be done in a reasonable time frame. Regardless, the Election Guide should be revised to include term limits and although these will not have the authority of Regulation, it can be made very clear what is expected of candidates. The new term limits should also be conveyed to members via email and with their election package.

Implementation of succession planning will require the creation of a successor task force, which may need to operate for some years until succession planning is working properly. Because of the importance of succession planning once term limits are in place, this task force should begin its work early in the next Council year. This will allow time to prepare its terms of reference and solicit members, with approval at the first Council meeting. It should be kept in mind that governance is a specialized area of study and not one that engineers have much experience in. Because of this, the CTLTF recommends that sufficient budget be made available to the new task force so it can hire governance specialists to advise it on the best way to proceed. A business plan covering all reasonable costs for the task force should be prepared as part of creating the terms of reference. Funding will be reviewed annually if the task force continues to work beyond one year.

The succession planning implementation task force will also be well positioned to monitor the impact of term limits and to recommend any adjustments that may be required. Experience will be the best way to judge their effectiveness. Ongoing attention to governance issues benefits any organization, and many of our sister organizations have governance committees that do this. The impact of the 1994 and 1997 task force recommendations on elections were not reviewed for nearly 20 years, and it is likely that regular reviews would have had a positive impact.

The CTLTF has been advised that other potential changes to PEO's governance are being discussed. Council has embarked on a process of implementing performance evaluation for Councillors and Council and the Task Force supports the continuation and enhancement of these initiatives. The composition of Council is also under study by another task force. These initiatives could be complementary to the implementation of term limits and

succession planning, but would not be alternative to it. Robust renewal is essential to improve the relevance and performance of Council and this is best served by term limits and succession planning.

6. REFERENCES

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7. APPENDICES

7.1 APPENDIX 1: A Summary of Information on Term Limits by other Regulators

Association	Act or By-Law Excerpts
APEGBC (B.C.)	No
APEGA (Alberta)	No
APEGS (Saskatchewan)	<p>Yes, only for appointed councillors.</p> <p>1 term = 3 years</p> <p>Max. 2 consecutive terms / 6 years</p> <p><i>Engineering and Geoscience Professions Act</i></p> <p>Public Appointees</p> <p>10 (3) Subject to subsection (4), a councillor appointed pursuant to subsection (1) holds office until that person’s successor is appointed and is eligible for reappointment, but is not eligible to hold office for more than two consecutive terms.</p>
APEGM	Yes

<p>(Manitoba)</p>	<p>1 term = 2 years</p> <p>Max. 3 consecutive terms / 6 years</p> <p><i>Engineering and Geoscientific Professions Act</i></p> <p>Elected councillors</p> <p>8(1) Each elected councillor shall be a resident of Manitoba elected from among the members for a term of two years, or portion thereof as prescribed by the by-laws, and any councillor may be re-elected for a second and third term, but is not eligible for election for a fourth or subsequent term until at least one term has elapsed after the expiry of the last previous term of office as councillor.</p>
<p>APEGNB (New Brunswick)</p>	<p>Yes, only for appointed councillors.</p> <p>1 term = 2 years</p> <p>Max. 3 consecutive terms / 6 years</p> <p><i>By-Laws</i></p> <p>Public Appointees</p> <p>8.2.15 Councillors appointed pursuant to Section 8.2.12 may be reappointed for a second and third term but are not eligible to be appointed to a further term of office until at least two years has elapsed since the expiry of the previous term of office as an appointed councillor.</p>

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ENGPEI (P.E.I.)	No
ENGNS (Nova Scotia)	<p>Yes</p> <p>1 term = 2 years</p> <p>No consecutive terms for President, Vice-President, and Councillors.</p> <p><i>Engineering Profession Act</i></p> <p>Terms of Office</p> <p>5 (1) The President and the Vice-President shall be elected annually. Four Councillors shall be elected annually for a term of two years.</p> <p>(2) The retiring President, Vice-President and Councillors shall not be eligible for re-election to the same office for the following year.</p>
PEGNL (Newfoundland and Labrador)	<p>Yes</p> <p>1 term = 3 years</p> <p>Max. 3 consecutive terms / 9 years</p> <p><i>Engineering and Geoscientists Act</i></p>

	<p>Board</p> <p>4. (5) A member may be elected for a term set by the by-laws which shall not exceed 3 years and is eligible to be re-elected, but shall not serve as a member for more than 9 consecutive years.</p>
APEY (Yukon)	No
NAPEG (NWT & Nunavut)	No
LSUC (Lawyers)	No
CNO (Nurses)	<p>Yes</p> <p>1 term = 3 years</p> <p>Max. 2 consecutive terms / 6 years</p> <p><i>By-Law</i></p> <p>Election of Council Officers</p> <p>9.02 A councillor is not eligible for nomination or election if the councillor held that elected position during the previous two consecutive terms.</p>

<p>OCT (Teachers)</p>	<p>Yes</p> <p>1 term = 3 years</p> <p>Max. 2 consecutive terms / 6 years + 1 year</p> <p><i>Ontario College of Teachers Act</i></p> <p>Composition of Council</p> <p>4. (2) The Council shall be composed of,</p> <p>(a) 23 persons who are members of the College and who are elected by the members of the College in accordance with the regulations;</p> <p>Term of office</p> <p>5. (1) No term of a Council member shall exceed three years, except as permitted by regulation. (see Reg. 225/00)</p> <p>Multiple terms</p> <p>5 (2) A person may be a Council member for more than one term but no person may be a Council member for more than seven consecutive years.</p> <p><i>Regulation 225/00 – Extension of Term of Office of Elected Member of Council</i></p> <p>1. This Regulation applies to persons who,</p>
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	<p>(a) are members of the Council on the day Ontario Regulation 611/05 is filed; and</p> <p>(b) were elected as members of the Council under clause 4 (2) (a) of the Act. O. Reg. 225/00, s. 1; O. Reg. 611/05, s. 1.</p> <p>2. The terms of office of persons to whom this Regulation applies are extended to the earlier of November 8, 2006, or the day before the first regular meeting of the Council held after the 2006 election of Council members at which a quorum is present. O. Reg. 611/05, s. 2.</p>
CPSO (Physicians)	No
CPO (Physiotherapists)	No

7.2 APPENDIX 2: A Summary of Information on Nomination and Governance Committees in other Regulators

Nomination Committees in Constituent Associations

Association	Nomination Committee (NC)	Rules for Board/Council Nomination Process	Page(s)
Provincial Engineers			
APEGBC (British Columbia)	Bylaw 3 (a.1)	Bylaw 3(b-e)	2-3
APEGA (Alberta)	Bylaw 2	Bylaw 3, 4, 5	4
APEGS (Saskatchewan)	Bylaw 3(1)	Bylaw 3(3-6)	5
APEGM (Manitoba)	GP-8.1	Bylaw 3.1.2-4	6-7
APEGNB (New Brunswick)	Bylaw 9.1	Bylaw 8.2	8-9
ENGPEI (Prince Edward Island)	Bylaw 9.1	Bylaw 8.1	10
ENGNS (Nova Scotia)	Bylaw 6(1)	Bylaw 6(2-6)	11-12

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PEGNL (Newfoundland/Labrador)	Bylaw 5.2	Bylaw 5.4	13
APEY (Yukon)	Bylaw 7	Bylaw 8	14
NAPEG (NW Territories/Nunavut)	Bylaw 3(a)	Bylaw 3(b-f)	15
Ontario Regulators			
LSUC (Lawyers)	No NC	No NC	16
CNO (Nurses)	No NC	No NC	
OCT (Teachers)	Bylaw 6.05	Bylaw 6.06	
CPSO (Physicians)	Bylaw 44	Bylaw 15	
CPO (Physiotherapists)	No NC	No NC	

Governance Committees in Constituent Associations

Association	Governance Committee
Provincial Engineers	
APEGBC (British Columbia)	Yes
APEGA (Alberta)	Yes
APEGGS (Saskatchewan)	No
APEGM (Manitoba)	No
APEGNB (New Brunswick)	No
ENGPEI (Prince Edward Island)	No
ENGNS (Nova Scotia)	No
PEGNL (Newfoundland/Labrador)	No

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APEY (Yukon)	No
NAPEG (NW Territories/Nunavut)	No
Ontario Regulators	
LSUC (Lawyers)	No
CNO (Nurses)	No
OCT (Teachers)	Yes
CPSO (Physicians)	Yes
CPO (Physiotherapists)	No

7.3 APPENDIX 3 A Summary of Information on Succession Planning by other Regulators

As part of PEO’s research into succession planning for Council, a scan request was sent to other provincial engineering organizations and Ontario regulators asking for general information about succession planning for their Council/Board and/or Committees. Below are responses from those who participated.

<p>APEGBC</p> <p>British Columbia</p>	<p>Council (REFER TO BYLAW 3 – ELECTION OF COUNCIL https://www.apeg.bc.ca/getmedia/e0c7d14c-ed74-4872-9a58-0a4bb2cd59b7/APEGBC-Bylaws.pdf.aspx)</p> <ul style="list-style-type: none"> • there are 2 ways by which members can run for election: 1) Nomination by the Nominating Committee or 2) Nomination by 25 members • The eligible voters elect those that will serve on Council (elect 1 President, 1 Vice President and 5 Councillors). The provincial government appoints 4 public members to serve on Council. • APEGBC’s Nominating Committee must nominate 3 or more candidates than there are vacancies for the role of Councillor, two candidates for the role of Vice President, and one or more candidates for the role of President • The Nominating Committee gives consideration to four forms of diversity with respect to its selection of candidates: disciplinary diversity, gender, regional representation and ethnicity. • An analysis is undertaken of the disciplinary balance, regional representation and gender diversity amongst (i) continuing Councillors (including government appointees), (ii) the membership as a whole, and (iii) the candidate pool that is developed. This analysis informs the committee’s deliberations with respect to the selection of candidates. • The Nominating Committee has developed a desired skills and experience candidate profile which is used to select candidates (advanced skills in leadership, governance, strategy, and financial management) • The Nominating Committee advertises the opportunity to run as a nominee for Council under the Nominating Committee slate • Committee members are asked to recommend potential nominees, particularly those in their own regional area, which meet the skills outlined in the matrix • For the office of President, the committee may only nominate one or more candidates who have served two or more years on Council. • For the office of Vice-President, the committee may only nominate candidates who have served one or more years on Council
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	<ul style="list-style-type: none"> • the Nominating Committee reviews the potential candidates and selects the final slate and submits the names to the Registrar at least 90 days prior to the AGM • Once the nominees are published, nominations for candidates may also be made in writing by any 25 or more members or licenses who are in good standing. These nominations must be received by the Registrar no later than 30 days after the publication of the list of candidates nominated by the Nominating Committee • Those candidates that are nominated by 25 members do not require previous Council experience (as is required for Nominating Committee nominees for the positions of VP and President) <p>Committees</p> <ul style="list-style-type: none"> • Succession planning on committees is encouraged • Generally, members are appointed to committees by Council for a 2-year term • appointments are tracked by our HR department • the staff support for the committee is notified generally 6 months in advance of terms expiring • members can only serve a 6-year maximum on each committee (Council can extend for special circumstances) – this is to ensure that we continually have new people joining the committee (new perspectives) • diversity on committee’s is encouraged (gender, age, ethnicity, discipline) • all volunteer positions are posted on our website to provide all members with an equal opportunity to apply • committee members review applicants and choose volunteers based on the current needs of the committee
<p>APEGS Saskatchewan</p>	<p>Our Council / Committees function on a bit of what I could describe as a down / up and up / down basis. It is best that I provide you with a link to our organization chart, as it will make more sense.</p> <p>http://www.apegs.ca/Portal/Pages/Boards-Committees</p> <p>What I mean by this is that we have 19 councillors in total, including our four executive committee members and two public appointees (appointed by provincial order-in-council). Each of our boards are chaired by a member of Executive Committee:</p> <ul style="list-style-type: none"> - Education Board by vice-president; - Image & Identity Board by president-elect; and - Governance Board by president.

By the time that our vice-president rises to the position of president, he or she has had the opportunity to chair each of the Education Board and the Image & Identity Board on the way up the ladder.

Each of the councillors are a liaison to one of the committees, but also a working member of that committee, with the responsibility to communicate from Council to their respective committee, and from the committee through the respective board back to Council. Each board consists of the chair of each committee reporting to that board, and the liaison councillors, as well as a couple of "add-ins" such as the APEGS representatives on the U of S and U of R Senate attend the education board meeting.

Council meets five times per year, and the boards typically meet a couple of weeks prior to a Council meeting so that minutes of the meeting are available for Council. The committees meet as required to fulfill their terms of reference and provide minutes to each board meeting. Our two public appointees serve on either the investigation committee or the discipline committee as required by our Act / bylaws, and no elected councillor can serve on either of those committees.

APEGS seeks members who are interested in serving as volunteers, including the particular committees they are interested in serving on. We also have a "committee fair" at some of our events to provide further information to potential volunteers. In most cases, committee chairs start as committee members and work their way to being committee chair; however, in some cases, there is a bit of selection of a committee chair for a specific purpose among some volunteers who have demonstrated good leadership skills and who have some special knowledge in an aspect of our association - particularly in the regulatory area, such as academic review or experience review.

As for Council, our bylaws require that we have some discipline-specific as well as geographic-specific representation. Our councillors serve three-year terms with one-third of our councillors being elected each year to provide some carry-over. Our vice-president is elected annually; the president-elect is typically the previous year's vice-president, but that person can be challenged. The president-elect becomes the incoming president. The immediate past-president chairs the nominating committee and our nominating committee will consist of one representative from each of the discipline-specific or geographic-specific groups up for election, and one former executive committee member. So, typically, the nominating committee consists of 5 - 6 members, including the Chair.

The nominating committee members usually are selected on their basis of their knowledge of the affairs of APEGS and of members who would perform well on Council. Each member of the nominating committee then receives a listing of eligible candidates for each of the positions being contested, and everyone provides potential candidates for each position to create a "long list" for each position. Staff will consolidate the names into the "long list" and then the nominating committee members and staff will research and provide information to the committee to develop a prioritized "short list" for each position. The chair of the nominating committee or director supporting the committee will contact potential candidates from the short list in order of priority to see if they are interested in serving on Council, and contesting the position. Our bylaws suggest that the nominating committee identify at least two candidates for each position, except that of president-elect. Before the Council elections, the registrar notifies every member of the results from the nominating committee and advises that further nominations for each position being contested can be made upon the signatures of five APEGS members. Incumbent Councillors are invited to serve a second term by the nominating committee, if re-elected by the membership, and there is an understanding that Councillors who have served two consecutive three-year terms will not be nominated by the nominating committee. There is nothing preventing them from seeking a nomination by five members, but it has not happened at least since I came in 1999. There have been Councillors elected that served many years prior. After serving two terms, some Councillors go on to become candidates for the vice-president position. In recent history, we have not had anyone serve as president who has previously served as president. We did have one circumstance where a president-elect moved up to serve as president when the president became ineligible to continue due to relocation outside of Saskatchewan, and then served his normal term as president.

Essentially, many of our Council nominees come from our committee chairs and members, or from external liaisons such as ACEC-SK or the constituent societies such as Regina Engineering Society, Saskatchewan Geological Society, etc. In some cases, our vice-president nominees have not had APEGS Council experience, but have been past chairs of ACEC-SK or APEGS committees.

We use a volunteer database to recruit members of committees. Members are asked to identify areas where they are interested in volunteering (through their online profile member portal) and we try to source volunteers on first-in, first-called basis, however, we also try to populate committees with demographics in consideration (i.e. representation from various industries, geographic areas, disciplines, gender, etc.), so that "rule" doesn't always work.

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<p>APEGNB New Brunswick</p>	<p>We do not have a succession plan but make every effort to ensure Council and committees are current and diverse.</p>
<p>Engineers Nova Scotia</p>	<p>We do not have any formal succession planning for our Committee's or Council, but we generally identify individuals who would be a good fit through their volunteer work on our Committees. As well, we started a Young Professionals Committee, which has had a lot of younger members become involved with the association over the last 6 or so years. These members start on the YP Committee and then work their way onto more senior Committees, and in some cases, they have run for a position on Council. It has been very successful for us in engaging younger members.</p>
<p>LSUC Law Society of Upper Canada</p>	<p>The short answer is we don't have a process for succession planning as it would typically be understood, as we have an election process every four years for board members (benchers) and an election every year for the chair of our board (the Treasurer). The fact is with such a large board (a core elected and appointed complement of 53), we aren't faced with the situation some smaller boards might be. We have built in a type of process for renewal in that benchers have a 12-year term limit and then are unable to run for election, but many serve for 8 to 12 years with large numbers of incumbents re-elected. Treasurers typically serve two one year terms, and we usually have between 2 and 4 candidates for that election. We don't have a 'ladder' to the Treasurer position (vice-Treasurer for example). For committees, they are populated based on a combination of expression of interest, the Treasurer's assessment and availability. While there is usually continuity among some members of the committees from year to year, the chairs of committees can chair from year to year.</p>

<p>CNO</p> <p>College of Nurses of Ontario</p>	<p>The nurse members of our Council are elected, which limits the ability to have a succession plan. Council member terms are 3 years and members are able to serve a maximum of 2 full terms. But – they need to be re-elected and there are no guarantees. We once had a great President lose the Council election by 3 votes! She was not able to serve a second term as President.</p> <p>Our term limits for nurses are:</p> <ul style="list-style-type: none"> - 3 years on Council, 2 full term maximum - 3 years as an appointed committee member, 2 full term maximum - 3 term maximum as both a Council member and non-Council committee member (some members have served as both) - 1 year as President, VP or Statutory Committee Chair, 2 term maximum in any role <p>Vice-President <i>may</i> run for election as President (depending on term on Council) but that also depends on their term of office</p> <p>Elections rotate around the province on a three-year cycle – this means we have some new and a majority of ongoing members each year. Public members are usually appointed for 3 years. In the past the government limited them to 1 reappointment but that seems to have changed some. We encourage that they keep the 2 term maximum so that the public members are truly reflective of society.</p> <p>With the appointed committee members, we have more of an ability to sift out the leaders and encourage them to take on the leadership roles (e.g. panel chair). While they have the same term limits – if they apply for reappointment and the feedback we get from the Chair and staff resource is that they are strong contributors – they will be reappointed.</p> <p>As you may know we are currently undergoing a governance review. One of the changes our Task Force is recommending – among many – is that Council members be appointed based on competencies and that reappointment be based on merit. They are recommending the above term limits with the addition that if an officer’s full term of office has expired and they are eligible to serve in the officer position again and have been doing a good job.</p> <p>You may know that we are currently undergoing a very extensive governance review and looking at quite a new paradigm for regulatory governance. One of the things our Task Force will be recommending is that Council members be appointed based on meeting the needed competencies and that reappointment be based on merit (there will be an evaluation process). One of the advantages of appointments over elections is that it supports the capacity to do some succession planning.</p>
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7.4 APPENDIX 4: Studies by Task Force

7.4.1 Council Terms Data Analysis

The following analysis is based on twenty-one (21) years of data collected for Councils during the 1995-2015 period. A few comments are in order to clarify the observations:

- 1) An individual who appears only in 1995 is deemed at the end of their term, and is not included in the analysis since terms are two years.
- 2) Although some individuals previously served on Council prior to 1995, this data was not available, and therefore on their return many years later, were treated as rookie Councillors. Regardless, their break in service (hiatus) was lengthy.
- 3) Regional Councillors, Councillors-At-Large, and Elected Vice-President service were all treated as one category, i.e. Councillors. Presidents were studied separately.
- 4) If term limits are set, there would have to be an exception for Presidential service as many served as a Councillor to gain experience first. Also, being President is a three-year term which would negate many qualified individuals.
- 5) There are several instances of “odd years” of Councillor service. I know of two times when this is correct – a Councillor moved, vacated their position (5 years), and the replacement had a subsequent term (3 years). The others may have omissions.
- 6) Surnames of individuals are available, but not shown at this time for anonymity.
- 7) No Engineers Canada or LGA Councillor service is analyzed herein.

Comments on Elected Councillor Service (65 individuals)

- 1) Seven (11%) exceeded 6 years, including three (5%) with consecutive service (no hiatus).
- 2) Sixteen (16, or 25%) exceeded 4 years, six (9%) were consecutive service without a hiatus.
- 3) For comparison, during the 21 years, a “one term limit” would have had 158 individuals serve on Council.

PRESIDENTS’ ANALYSIS OVER 20 YEARS (not including 1995)

Years Served	3	5	6	7	9	10	11	13
# of Presidents	5	3	1	3	1	1	1	1

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- 1) Fifteen (15) different individuals served as President.
- 2) Five (5) Presidents were elected without PEO Council experience, and did not return as a Councillor later. Their service was limited to 3 years.
- 3) Three (3) Presidents had multiple terms (3 + 2 + 2 times), totaling 28 years (13+6+9) of service.
- 4) Four (4) Presidents exceeded four (4) years of Councillor service (three with 6, one with 8).
- 5) Four (4) Presidents had four (4) years of Councillor service before their Presidential term(s).

VICE PRESIDENTS (ELECTED) ANALYSIS OVER 20 YEARS (not including 1995)

Years Served	4	5	6	8	9	10	12	13
# of Vice Presidents	2	1	3	1	1	2	2	1

- 1) Thirteen (13) different individuals served as Vice-President.
- 2) Six (6) went on to become President elect immediately after serving as Vice-President. One has done this twice.
- 3) Five (5) Vice-Presidents had multiple terms (3X2, 3, 4).
- 4) Two (2) Vice-Presidents had previously served as President prior to returning to Council as Vice-President for two (2) and three (3) terms as Vice-President

GOVERNMENT APPOINTED LGA COUNCILLORS ANALYSIS OVER 20 YEARS

Analyzing the LGA Councillor’s service records is somewhat different than the elected Councillors for the simple reason that the LGA’s appointments are nominally three years per term. However, when a LGA resigns, they may extend their service longer until a replacement is found (i.e. an extra year). For this reason, and to simplify the data presentation, the chart is in nominal 3 year terms rather than number of years.

# of Three Year Terms Served	1	2	3	4
# of LGA's	18	12	5	5

Notes:

- 1) Prior to 2005, LGA's typically served two terms (6 or 7 years maximum).
- 2) Since 2005, numerous individuals were extended to a third and fourth term.
- 3) This analysis does not differentiate Member LGAs

7.4.2 Literature Review on Term Limits in Non-Profit Boards

A. Term Limits Impacts

Pros of Term Limits (enable)

Provides members with choice that are not just occasional retirees

Avoids the governance by “grey hair or no hair” to attract younger member involvement and interest.

No one is indispensable

Simple way to retire (get rid of) nonperforming board members

Provides an infusion of “fresh blood”^{T4} – fresh ideas, eyes and energy^{T1}

From T10:

- Renew boards
- Fresh point of view that challenges opinion
- Good board members will be more interested in volunteering on an active board, energetic board rather than one that's mired in the same discussion year after year

Provides and constantly evolving board of directors.

Avoid directors becoming too comfortable with other board members and senior management^{T1}

Provides new opinions and questions related to the same pattern of proposals.

Reduces or Avoids “group think” going down the same path with no challenge of the thinking.

Prevent the board member group from steering the organization down a “wrong” path.

Long tenure is viewed with suspicion ^{T3}

Directors who have sat on a board in conjunction with same management team may reasonably be expected to support the management team decision more willing ^{T3}

Longer term directors may lose interest, reduce contribution in discussion and miss meetings ^{T3}

From T4:

- They provide a structure to get rid of nonperforming members when courage is lacking.
- They in the nominating committee which might otherwise drag its feet on recruiting new members.
- Create a sense of urgency knowing that vacancies will occur.
- They enable of the ideal board composition, including opportunities to increase the diversity of board perspectives.
- They grow the base of board alumni and groom a growing field of organizational advocates. It’s easier to enter as a new member when you aren’t the only one.
- They enable a graceful to exit for members who would like to leave.
- They light a fire under existing members to complete what they’d like to accomplish during the length of their service. T
- Promote a willingness to capture potential new board members when they know they are not committing to a life sentence.

From T5:

- It opens board seats and organizational opportunity to people with new perspectives and skill sets who also bring new energy to the boardroom.
- It introduces new members who can ask naive questions and force us to reflect on why we do what we do. In some cases, that reflection will affirm that we are on the right track. In others, it may prompt an opportunity to correct assumptions that no longer are completely accurate. Either way, the opportunity exists to articulate, affirm and change course where they make sense. It gives us a chance to challenge board complacency.

- It creates opportunities to build a next generation of leaders who are committed and passionate about your work and your mission. (Because let's be honest, those "irreplaceable" board members didn't start out that way.)
- It facilitates new connections to incoming members' personal and professional networks.

Avoids drop in production ^{T6}

“Term limits can be a tool for looking at board composition and attracting fresh minds to help increase board effectiveness.”^{T7}

Ongoing reconfiguration or renewal of the board capabilities based on future needs

Board “retirees” can support organization inside as committee members and outside as advocates.

New members are supported by other new members – not the only one struggling to learn

Recent board tenure concerns center around ^{T8}:

- a director’s ability to remain independent after extended service,
- lack of industry expertise and technological familiarity, and
- poor diversity on corporate boards.

From T11:

- Resistance to performing adequate performance assessment
- Lack of term limits causes some directors to hang on too long blocking board renewal, up-skilling and diversification.
- There is resistance to an expert third-party board evaluation by underperforming directors for fear of being found out.
- The fact of the matter is that boards, as self-policing bodies, may be incapable of solving the renewal issue on their own because of entrenchment and self-interest.
- If there is no policy or, better yet, no measurement of actual performance and follow up accordingly, self-interest is perpetuated and complacency is allowed continue, by the very people who should be leading by example. Directors need to know when it is time to go. And if they do not, regulators will. [Term limits can counter this]

Two terms or 6 years’ maximum before ^{T12}

Those who argue for term limits typically cite the need to bring “new blood” onto the board. New directors bring a freshness of insight, and changes in the operating climate may require

new skill sets. A systematic rotation on and off the board lessens the likelihood that a board becomes tired and loses vitality.^{T13} [good discussion in paper]

From T14:

- There are pros and cons on the usefulness of this policy. It can infuse the board with innovative ideas and new skills. T14
- It can sever important ties and damage institutional memory. A regular process for assessing individual board members is good practice but is especially important for a board without term limits.T14

From T15:

- Dealing with a disengaged or misbehaving board chair for a year or two is far less daunting, complicated, and demoralizing for an executive director than having a problem board chair for the foreseeable future.
- See above. Term limits provide a painless way for people who aren't doing a good job to retire gracefully and automatically. Admittedly, this is a pragmatic argument—and the downside is that a chair who is doing a fantastic job may get forced out early. But I've never heard a real-life complaint about term limits. And I've heard many complaints about their absence.
- Term limits help with recruitment. Serving as a board chair requires an intensive commitment of time and energy. Prospective chairs are more likely to agree to serve if they know the office has an expiration date.
- Term limits force organizations to develop new leaders. Boards that know they'll need a new chair every few years are more likely to recruit new members with an eye toward future leadership roles. And board candidates who want to build their own leadership skills will be more likely to say yes if they know there are opportunities to lead.
- Term limits help with fund raising. A board chair is potentially one of an organization's most powerful volunteer fund raisers. But chairs who serve for many years may exhaust their Rolodexes and grow tired of making the ask. Leadership transitions provide an opportunity to engage new prospects who have relationships with the new leader.
- Term limits lead to healthier boards. Admittedly, this is a catch-all intended to cover three or four other good arguments—because five is a nice round number. Board chair term limits reduce the likelihood that a few individuals will dominate board discussions

and decisions. They provide periodic injections of new energy and ideas. And they help prevent board-chair burnout.

Cons of Term Limits (cause)

Loss of a strong board member ^{T2}

If the group is small, getting along is important since establish relationships may be beneficial (providing they are working)

From T4:

- Loss of experience and expertise of outgoing members is lost
- Forcing perfectly capable members to step down.
- Experienced directors add value.
- The expertise of that particular board member
- Hard to replace knowhow or connections that some members may hold
- The passion and interest of that particular board member
- The coherence of the team, which needs to recalibrate after every shakeup
- The commitment and work of a tested member, exchanged for a newer and thus riskier one
- Money, as often a higher level of giving comes with board service, including family foundation or corporate giving tied to service on the board
- Your investment in training a member in your governing process and the strategic issues of your organization
- Lost Wisdom
- Knowledge, not only institutional memory, but also the intricate knowledge of community connections and the history of issues
- Relationships held by that particular member, with donors, with elected officials or government workers
- Interest, which may fall off as terms are reaching their end

Loss of established networks of associates ^{T5}.

- Some members don't look forward to leaving and parting with long-time members and relationships.

Perception that ^{T5}:

- You'll never find someone with this person's professional expertise.
- You'll lose the institutional history that he/she carries.
- You'll never find someone as dedicated to your organization and your mission.
- You'll never replace that kind of leadership that you so desperately need.
- You'll lose stability in a time of transition.

Long-tenured directors can be beneficial because of ^{T8}:

- their deep knowledge of the company acquired through service,
- the continuity and stability they offer, and
- their grasp of the historical perspectives that can inform current company strategy

An increase in the number of former board members can also raise the non-profit's profile in the community, because former board members know the non-profit well and can sing its praises. ^{T10}

From ^{T9}:

- The most commonly disclosed mechanism for board renewal was board assessments
- The most frequently cited reason for not adopting term limits is the belief that they reduce continuity or experience on the board.
- Other reasons include the belief that director term limits are arbitrary and
- That they force valuable, experienced and knowledgeable directors to leave the issuer's board.

Reasons for not adopting term limits or other mechanisms include ^{T9}:

- that the boards' effectiveness is regularly assessed,
- that the issuer's industry is unique and retaining knowledge of the board is desired, and
- the belief that annual elections are a sufficient mechanism for board renewal.

Those who argue against term limits cite the need for institutional memory and worry about the loss of dedicated volunteers who have a proven track record of board participation. ^{T13}

From (4) we see that Board and board member evaluation is vital to challenge the performance of the group and individuals.

New and evolving issues need people who understand the issues. This requires new experience to deal properly rather than old experience

B. Length and Number of Terms ^{T13}

Most organizations select two (2) or three (3) year terms.

“Two-year terms are still short, but some non-profits adopt two-year terms because they fear that a three-year commitment is daunting for potential board members.”

“[We] usually recommend three-year terms because they allow a new board member a bit of space to get acclimated to Board involvement before the term is over. A board that adopts a staggered board rotation then will be re-electing or retiring one-third of the board each year.”

“If term limits are desired, this office prefers that non-profits provide a longer service to the organization by adopting a limit of three (3) 3-year terms. This allows for a full nine (9) years of board involvement before a director retires, during which the organization can reap the benefits of an individual’s mature judgment and deep knowledge of the organization’s programs, history, and ethos. However, we realize that this is not possible in many cases, and that a shorter term of service is often preferred.”

- Kathryn Vanden Berk, of Bea & VanDenberk Attorneys at Law

C. Options for Longer Service ^{T13}

- Eliminate term limits but provide strong periodic evaluation systems.
- Allow a time-limited board member to be re-elected to the board after a one-year hiatus.
- Appoint the board member to a key committee such as the finance or nominating committee as a non-director.
- If there is a supporting foundation, allow the retired board member to serve on its board.
- Create an “Advisory Board” or committee for continued informal involvement with

the board or chief executive.

- Find other ways to include the individual in volunteer activities.

Any of these techniques must be paired with a rigorous evaluation system to ensure that the board remains viable as a governing body. Nothing does more to kill enthusiasm of energetic volunteers than finding that board meetings are peopled with “dead wood” – that is, people who are fatigued by too-long involvement, and thus are disengaged from board work.”

- Kathryn Vanden Berk, of Bea and VanDenberk Attorneys at Law

7.4.3 Regional Councillor Time Commitment

If you are considering the PEO Councillor position, here is an estimate of time requirements to properly fulfill the requirements of the position. The suggested travel allowances are based upon coming from the Northern Region (my home region) which is probably comparable to driving three hours in the South.

Typically, Councillors are also involved in other committee work. This is more difficult to estimate since the number of positions, and the contribution to each, varies greatly.

Another consideration is that 100% attendance is rarely achievable. Occasionally you can participate by teleconference for a portion of a meeting, saving the travel time, etc. However, teleconferences are not the ideal medium. Assume 75 to 80% attendance as a realistic goal.

To save time,

1) Five council Meetings (1.5 days)

Council meetings are typically held on a **Friday** from 9:00 pm to about 4:30 pm (5:00 pm at latest). There is usually a plenary session on the preceding Thursday evening which includes supper, and extends to about 9:00 pm or so. Participation is optional, but the sessions are informal and usually very educational on specific issues.

Following the November Council Meeting, on the Friday evening is the OPEA awards banquet. Travel would therefore take place on the Saturday, thereby making this Council meeting an extra half day or so.

2) The Annual General Meeting (2.5 days) is a full **Saturday** in late April. It ends by late

afternoon in time to return home. The preceding Friday is the Volunteer Leadership Conference, followed in the evening by the Order of Honour gala. Typically, one travels on the Thursday, and if arriving early enough, can participate in a Welcome Reception that evening.

3) In mid to late June the PEO Council attend a workshop (2.5 days). It takes a full Friday, Saturday morning, and often golf on Saturday afternoon. Arrive Thursday evening for a supper and social time afterwards.

4) Regional Councillors also participate in two Regional Congresses (2 days each), a full Saturday in Northern Ontario. Since we all travel on the Friday, there is a supper for delegates that night, and return travel typically on Sunday since flights are less available up North on Saturday.

5) A third Northern Congress (0.5 days) in February is an evening teleconference.

6) Three Regional Councillor meetings (1.5 days) with all of the RCC members. It typically moves around province on a Saturday with travel on the Friday and Sunday (sometimes Saturday evening).

7) There is also a GLP event annually (1 day). If there is a Regional GLP Congress (training), add another day.

Using the above guide, I estimate about 23 full days, including travel allowance for a Regional Councillor. It splits about 50:50 between weekday, and weekend activities. Important to know for those with young families, careers, etc.

As a councillor, you should probably participate in one or more other committees to contribute, etc. That could be a few teleconferences, three or four one day trips to Toronto each year, etc. It is hard to predict, could be 30 to 40 hours annually reviewing material, preparing briefs, etc. If you serve on Discipline, it will depend upon whether you are assigned to a hearing, etc. (anything from 2 to 6 days per year) plus two 1-day meetings (training) each year.

Finally, preparation time, reading council meeting material in advance, reviewing chapter material for business plans, preparing for Regional Congresses, etc. is at your own discretion. Adding another 60 to 80 hours in the year would not be unreasonable, when you can fit it in to your lifestyle.

Nothing yet is included for attending events at your Region's different chapters. Many Regional Councillors (particularly in East and West Central) will travel to other chapter events to be available for presentations, guest of honour, meet the members, etc. I imagine

another evening every month, possibly two or more is not unreasonable. This doesn't happen so much in the North because of the distances involved.

It is no wonder that the position of a Regional Councillor does not attract young engineers starting out in their career, with young families, etc. Even one were a Councillor-At-Large, the time requirement would still be in the 60% of the above.

7.4.4 Questions for Consultants

Term Limits

1. Is there a preference for an absolute time term limits (i.e. three terms = six years, etc.), or allow a break (hiatus between terms)? Many would see this as "resetting the clock", but not discouraging multiple years of service. What are the merits of each approach?
2. If we implement a term limit, should it be enforced immediately, or gradually over a couple of years? What is your experience? By that I mean to say anyone over eight years' service cannot run again, then the next year or so reduce it to six, then four (if that is the final number).
3. Are term limits non-democratic in that they limit who can run for office?
4. Are there examples of draconian term limits in non-profits, such as not allowing presidents to join a board or council in any position after their term?
5. Are there any compelling reasons (irrefutable evidence) that can be used to convince the few that will resist term limits?
6. How often should term limits be reviewed? Should they be implemented on a trial basis or as permanent change?
7. Should term limits be enshrined in the Act to make it difficult for future councils to reverse the decision or is the potential to reverse term limits a good thing?
8. One way to justify term limits is on basic fairness. Is it fair, given the great difficulty of reaching the electorate during elections, for those with high profiles due to their previous positions in PEO to run against neophytes? This must be balanced against the need to retain a level of experience on Council. Where should the line be drawn?

9. When a vote is taken to approve term limits, everyone is conflicted to some degree, but no one will abstain from the vote. Is there anything to reduce bias?

Succession Planning

1. Succession planning is a wonderful principle, but PEO will struggle to get the diversity (age, gender) of candidates that it would like to have. Would the consultants have experience with other associations that have addressed this issue?
2. Currently council positions are open to anyone who wants to run. Will succession encourage only certain members to run if we look at a process where individuals are publicly recommended by a committee?
3. Is there a need for a skills matrix to help in succession planning?
4. Implementing term limits is "easily done", succession planning not so easy. Presumably both should happen concurrently to be ready with candidates when some retire?
5. What techniques are best for succession planning? Are there universal approaches or are these organizations specific?
6. Provide examples of and reasons for succession planning successes and failures.
7. In your practice, do you know if most regulatory bodies have term limits for their board/council? Is PEO unique in looking at this problem?
8. I believe succession planning will have a cost associated with it, and perhaps more than people realize. Any experience to report on that? Presumably any decision must be aware of the potential budget?

General Questions

1. How does PEO's governance structure i.e. an elected council rather than an appointed board, affect both term limits and succession planning. There are other examples of our governance structure and these should be examined for comparison.
2. PEO Council is composed of both elected, and government appointed, representatives. On a percentage basis, it currently appears that the more serious term limit challenge resides with the appointees. Is leading by example sufficient to influence the government process?

3. Democracy -- I too can hear the cries of it being undemocratic from a few. How do we best respond to that?
4. On examination of our service records, I wonder if there is a formula, or guideline, that can be used to determine whether our "refreshing rate" is already reasonable?
5. Do you see the election process influencing term limits and succession planning? Do elections make them more or less desirable?
6. Will term limits and succession planning have any effect on election turnout? Are there any examples from other organizations?

7.4.5 Results of IF...THEN Exercise

Good Council Governance Means....

- Objectivity
- Good people
- Good structure
- Effective decisions
- Debate
- Well-defined roles + responsibilities
- Engaged councillors
- Diversity of skills & views
- Relevant skills, knowledge and experience
- Board/governance experience

Council Term Limits – Things We Want to Happen

Outcome – 2 nd level	Outcome- 1 st level	Assumption(s)
	New grey hair	Open spots attract same type of candidates
	High turnover of Councillors	Average Council life drops
Progress on old issues①	Reduce eliminate “old boys” image	Acceptance of new ideas, grey hair on Council, groupie’s cliques formed and sustained
PEO public profile improved (new presidents ①)	New faces on Council	New ideas, new members more open, only around for term limit
	Regeneration of Council④	Some Councillors are on too long – lost objectivity; new blood new energy, new ideas; younger councillors
PEO seen to be following best practices①	LGA appointments will be in line with our practice④	
	Less influence of Political factions OECD	Turnover reduced individual effort to elect
	Non-member LGA influence stronger	LGA experience does not become complacent
	Attract new people to run①	Not running against incumbents
	More open dialogue – fewer biased councillors	Some councillors are influenced in voting by others

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	More sense of time urgency per term ①	
	Small number of engineer LGAs	Number of members on Council – too large, LGA engineers use has diminished

Council Term Limits – Things We Want To Avoid

Outcome	Assumption(s)
Attract young reps	Does not address availability
Loss of political memory	Experience on Council decisions lost/no research on issues
Incumbency advantage ③	
Factions power in a group of members	
Group think	Same old boys or just like me
Work load does not change	Statutory responsibilities on Councillors
Too close to staff (not independent)	

Parking lot: why do councillors continue to serve – control, prestige, free meals?

Succession Planning – Things We Want To Happen

Outcome	Assumption(s)
More diversity (age, gender, backgrounds, views)/attract new blood ^⑤	All candidates look same, took training; Motivated candidates take prescribed skills training; provide more qualified candidates; control of slate before election; leadership development program
Target sector knowledge skills sets/specific regulatory skills	\$ available; identified skills matrix
Knowledgeable councillors /" hit the chamber running" ^③	Skills training modules, (PEO regs, board)
Build skills needed before running ^②	
Employer support for "Councillor time" ^④	PEO will develop relevancy with engineering community; recruitment within industries; open to new ideas; "on job" ` training by getting on other committees; tap on shoulder after working with person; develop enthusiasm
Happy Councillors	
Increased voter turnout ^①	Interest in elections

Succession Planning – Things We Want To Avoid

Outcome	Assumption(s)
Change workload responsibilities of RC, CAL, LGA	Candidates not responsible to electorate
Getting the same type of people	More candidates inspired to run
Councillors resigning or not performing ②	
People not running because `not ready`	
Less Politicking (election and during Council)①	Better informed voters
Confusion on role & responsibility ②	More aware of the “real” expectation; better governance understanding
Been there, done that	Reinvent the wheel; better turnover

7.4.6 CTLTF Final Conclusions Matrix

TERM LIMITS

ITEM	TF CONSENSUS	RATIONALE	EXCEPTIONS	COMMENTS
General Requirement	Hard limit in regs or by-laws, staged implementation – first voluntary (Council recommended practice) until enshrined officially	Best practice for non-profit boards, councillor burn-out, loss of focus/enthusiasm after 6 years, new ideas on Council, eliminate entrenched positions, sharpen focus of councillors	Mid-term appointment, lack of candidates may require re-appointment of councillor	Communicate requirement effectively, election material, gap is OK as limits are lifetime
Regional Councillors	Three full two year terms	See above, especially 6-year loss of focus/enthusiasm	Exclude time served for mid-term appointment, may include one term as LGA with extra year	Lifetime limit
Councillors at Large	Three full two year terms, can't run after five years	As above	Exclude time served for mid-term appointment, may include one term as LGA with extra year	Lifetime limit
Combined Regional and at Large	Three full two year terms, can't run after five years	Maximum time for being a regular councillor, not in any specific	Exclude time served for mid-term appointment,	Lifetime limit

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	total on Council	position.	may include one term as LGA with extra year	
Vice President	One one-year term	Needed only to allow regional councillors to gain province wide exposure before running for president-elect, otherwise no need for second VP	Exclude previous time on Council	Lifetime limit
President	One term, three years	Enhance focus on president representing PEO rather than trying to implement a mandate	Exclude previous time on Council	Lifetime limit, cannot return after gap
LGA	Two three-year terms, limit according to previous elected terms so total does not exceed seven years.	Important to treat all councillors the same, should not be a back door to extend time on Council		
Engineers Canada	One three-year term	Need to provide opportunity to the many worthy councillors	Extend to allow service as EC president	Possibly exclude LGAs from serving

SUCCESSION PLANNING

ITEM	TF CONSENSUS	RATIONALE	EXCEPTIONS	COMMENTS
General Requirement	Essential to develop prepared and informed candidates, structured long term program	PEO not doing enough to find/prepare candidates, get the leaders we want/need, regeneration, revitalization, accountability, transparency	Should not be seen as panacea to deal with voter turnout or member participation issues	“preparing” over “recruiting”, “funnel” to establish candidates, decouple rationale for TL and SP
Extent	All positions, including LGAs	All positions are equally important		Provide govt with info package incl. skills matrix for LGAs, esp. lay.
Type, Tools, Methods	Communication, education – on line tools; scorecard for candidates esp. Councillors; work with employers – focus groups, info package, encourage support, recognize in Dimensions, recruit executives; “boot camp” for candidates post nomination; candidates must affirm they	Need a variety of tools and approaches, not a simple problem, need to reach many stakeholders, must be independent of council, must be even-handed and not favouring or recommending any candidates		Gap analysis/skills matrix: efficacy questioned due to half of Council re-elected annually, generic rather than specific, relate candidates to needs, make public, alternative: require

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ITEM	TF CONSENSUS	RATIONALE	EXCEPTIONS	COMMENTS
	<p>understand role and responsibility of position; managed by committee outside of Council; involve chapters and committees; roles and responsibilities document</p>			<p>minimum experience and soft skills; should affirmation be mandatory?; note sensitivities around voting process</p>
Timing	<p>Continuous, follow annual work plan starting right after elections</p>	<p>Long term solution to long term issue</p>		
Benefits to Program	<p>Candidates: Transferrable skills for employment, CPD credit, understanding level of commitment, prepared for role on Council.</p> <p>PEO – better candidates, voter confidence, effective councillors, prepared for workload</p>	<p>Provides rationale for program</p>		
Sources of candidates	<p>Chapters, committees, OSPE, technical</p>	<p>Need a variety of sources to reach all members</p>		

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ITEM	TF CONSENSUS	RATIONALE	EXCEPTIONS	COMMENTS
	associations, employers, email to members at large			
Barriers to implementation	Lack of perceived problem, democracy model, cost-benefit/budget	Need to anticipate criticism and potential opposition		
Budget	Need to provide as inadequate resources have hampered previous attempts, separate line item	All programs should be budgeted	Existing committee structure may be able to accommodate	Need to provide as inadequate resources have hampered previous attempt

SUCCESSION PLANNING

ITEM	TF MEMBER CONCLUSIONS	TF CONSENSUS, RATIONALE	EXCEPTIONS	COMMENTS
- General Requirement	Essential despite election based system, continual long term candidate recruitment strategy, don't endorse candidates, formal program with staff support, supports term limits, doesn't align easily with			

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ITEM	TF MEMBER CONCLUSIONS	TF CONSENSUS, RATIONALE	EXCEPTIONS	COMMENTS
- Extent	<p>“democracy” and elections</p> <p>All positions, including LGAs,</p>			
- Type, Tools, Methods	<p>Skills matrix, education on roles and responsibilities, involvement leading to greater comfort with and interest in Council, communication strategy, education of voters, workshops for young members, liaison with employers, entice senior executives to run for president, Council HR plan</p>			<p>Standing committee, Council or outside, CESC (?), separate from Council, chapter and committee involvement</p>
- Timing - Benefits to Program	<p>Annual work plan, ongoing</p> <p>Give voters more confidence in candidates, candidates prepared for workload, more effective councillors, experience for employment, skills</p>			

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ITEM	TF MEMBER CONCLUSIONS	TF CONSENSUS, RATIONALE	EXCEPTIONS	COMMENTS
- Sources of candidates	development, CPD hours, Chapters, committees, employers			Members at large

7.5 APPENDIX 5: PEO Minutes and Resolutions

Terms of Reference

Council Term Limits Task Force (CTL)

Issue Date: February 5, 2016 Review Date: N/A

Approved by: Council Review by: N/A

<p>Legislated and other Mandate approved by Council</p>	<ol style="list-style-type: none"> 1. Respecting two 2015 Member AGM Motions, Council affirms in principle that term limits and succession planning should be established for all Council positions. 2. That Council direct the Registrar to develop the draft terms of reference and proposed list of members for a task force to examine the issues of term limits and succession planning for Council positions for approval by Council at its February 2016 meeting. 3. That the terms of reference require the task force to provide a report with recommendations for approval by Council before the 2017 Annual General Meeting. <p><i>[APPROVED BY COUNCIL – November 20, 2015]</i></p>
<p>Key Duties and Responsibilities</p>	<ol style="list-style-type: none"> 1. Examine the issue of term limits for all Council positions including an analysis of practices at other self-regulating associations in Ontario and other engineering associations across the country. 2. Examine the issue of succession planning for all Council positions. 3. Provide a report to Council no later than at its February 2017 meeting, detailing pro’s, con’s, principles and recommendations regarding terms limits and succession planning for all Council

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	<p>positions.</p> <p>4. Circulate the draft report to the CESC, HRC and LEC for peer review prior to submission to Council.</p>
Constituency, Number & Qualifications of Committee/Task Force Members	The task force shall consist of six (6) members, all of whom shall be either current or former PEO Councillors.
Qualifications and election of the Chair	The Chair is to be elected from among the members of the task force in accordance with Wainberg’s Society Meetings and By-Law No. 1, section 25(4).
Qualifications and election of the Vice Chair(s)	The Vice Chair is to be elected from among the members of the task force in accordance with Wainberg’s Society Meetings and By-Law No. 1, section 25(4).
Duties of Vice Chair(s)	To act in the absence of the Chair.
Term Limits for Committee members	The task force is to be stood down following the submission of its final report to Council.
Quorum	In accordance with Wainberg’s Society Meetings and By-Law No. 1, section 25(1), quorum for having the meeting’s decisions be considered binding is at least 50 per cent of the task force’s membership present at the meeting.
Meeting Frequency & Time Commitment	The task force will meet at the call of the Chair.
Operational year	The task force will commence its work upon approval of its Terms of

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time frame	Reference and is to be stood down following the submission of its final report to Council.
Committee advisor	Scott W. Clark, LL.B., Chief Administrative Officer
Committee support	Ralph Martin, Manager, Secretariat

Members' Submission

for

2009 Annual General Meeting of Association of Professional Engineers of Ontario

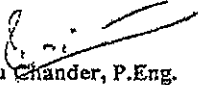
Where as: PEO is a self-regulating body of active Professional Engineers who practice engineering. These Professional Engineers also volunteer their time to manage the self-regulating functions as per the Professional Engineers Act. The regulatory body should be dynamic and needs to embrace new ideas on a regular basis that requires the constant induction of new volunteers.

Where as: Many of the volunteer engineers who have been supporting the regulatory body tend to remain in the same position repetitively for a long time, although this may have some advantages but also deters induction of new volunteers.

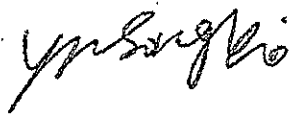
Where as: Professional Engineer Regulation 941 and the By-Law No.1 describe the constitution of the council, their duties and the procedures to function. It is proposed that the By-Law No. 1 be amended to add the following.

Therefore be it submitted that:

PEO elected council members (President, Vice President, Councillors-at-large and the Regional councillors) cannot hold the same position for two consecutive terms.

Moved by:  Raju Chander, P.Eng.

Seconded by: Matthew Xie, P.Eng.

Date: April 24, 2009 

PROFESSIONAL ENGINEERS ONTARIO
ANNUAL GENERAL MEETING – 2015
MEMBER RESOLUTION 1

WHEREAS: PEO has experienced a low level of member engagement as evidenced by poor voter turn-out in elections for Council

WHEREAS: PEO is perceived to not be relevant to its membership particularly the younger members as evidenced by poor participation in elections and at association events

WHEREAS: Term limits help to foster an environment for recruitment to council and for general activities of the association

WHEREAS: Term limits force an organization to develop new leaders and provides a pool of committed people to renew the membership of committees

WHEREAS: Term limits create a sense of urgency as well as opportunity for new people to join into the governance and leadership of the organization

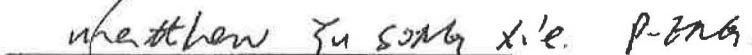
THEREFORE BE IT RESOLVED THAT, PEO institute term limits for all positions on Council for which an individual has already served and going forward will serve. Suggested term limits are:

President:	One term
Vice President:	Two terms
Council at Large:	Three terms
Regional Councillor:	Three terms
Lieutenant Governor Appointees:	Two Terms (to be proposed to the Government)

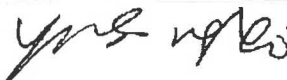
Moved By: Nancy Hill



Seconded By:



Date: April 9, 2015



PROFESSIONAL ENGINEERS ONTARIO

ANNUAL GENERAL MEETING - 2015

MEMBER RESOLUTION 2

WHEREAS: PEO employs an ad-hoc system of encouraging members to run for Council positions, the Central Election and Search Committee's original mandate as a search committee having been downplayed in recent years and the Regional Election and Search Committees having had difficulty recruiting candidates;

WHEREAS: In the recent election, four of five regional councillor positions were filled by acclamation (three by incumbents), both councillor at large positions were filled by incumbents, and former presidents of the association were elected to both officer positions (VP and President Elect);

WHEREAS: PEO needs systems in place to ensure that the PEO electorate has a choice of new and effective candidates running for Council;

THEREFORE BE IT SUBMITTED THAT, PEO institutes a system of identifying potential candidates for all Council positions well in advance of elections, operating in concert with term limits for all Council positions.

MOVED BY: Rob Willson

Rob Willson, P. Eng.

SECONDED:

[Signature]

Date:

April 10, 2015

9152
ELECTION
REFORM

The Chair referred to background on election reform in Appendix H-2 of the agenda. He invited S.R. Carkner to read his motion relating to the material, and to open discussion.

It was moved by S.R. Carkner, seconded by P.M. DeVita, that:

Appropriate Regulations be changed to implement the following:

That beginning with the 1999 AGM, the central Nominating Committee be replaced with a new Central Election and Search Committee.

This committee will be chosen annually at the pleasure of Council, and will:

- ◆ ensure that all members receive equal treatment with respect to nomination and election methods;
- ◆ not have any powers to by-pass the due nomination process;
- ◆ be responsible to find and encourage candidates to run for office for the executive positions and all at-large positions;
- ◆ be responsible to organize all-candidates meetings and generally preside over the election campaign, including the setting of the nominations criteria, election balloting method, candidate publicity/expenditure rules, counting and scrutineering rules; and

That the Regional Nominating Committees become Regional Election and Search Committees, and will:

- ◆ be responsible for finding and encouraging candidates for Regional Councillors;
- ◆ not have the power to by-pass the nomination procedures established by the Central Election and Search Committee; and
- ◆ organize all-candidates meetings for Regional Councillors.

MOTION CARRIED

9153
PROPOSAL
TO CHANGE
BYLAW #15

The Chair referred Council to Appendix item G-1, part A, in the agenda, and invited the mover and seconder to open discussion.

It was moved by P.M. DeVita, seconded by G.P. Wowchuk, that:

Section 15 of By-law No. 1 be repealed and replaced with a clause that would reflect the following: *"All Council meetings are open to the public for observation. Council may at any time close the meeting for a private session. All observers, guests and staff are to be seated in the galleries or at special tables provided. Only Councillors shall sit at the Council table."*

recommended vendor is very familiar with PEO and can handle both paper and electronic (voice and internet) voting, the usual RFP process had not been followed.

Moved by President Adams, seconded by Councillor King:

That Computershare Investor Services Inc. be appointed as PEO's Official Elections Agent for the 2012 Council elections.

Following discussion, it was agreed to defer the appointment of the proposed Official Elections Agent, pending receipt of a formal quotation from the vendor and Executive Committee approval.

Moved by President Adams, seconded by Councillor King:

That the main motion be amended by adding the words "subject to the approval of the Executive Committee at its October 2011 meeting" at the end of the motion.

CARRIED

Moved by Councillor Carlos, seconded by Vice President Quinn:

That the main motion be amended by adding the words "and not exceed 10% of last year's costs, excluding the cost of the secrecy envelope" at the end of the amended motion.

DEFEATED

Council then voted on the main motion.

That Computershare Investor Services Inc. be appointed as PEO's Official Elections Agent for the 2012 Council elections, subject to the approval of the Executive Committee at its October 2011 meeting.

CARRIED

**11011
2012 ELECTION PUBLICITY PROCEDURES**

The Chair stated that Council was being asked to approve the 2012 Election Publicity Procedures for the conduct of the 2012 Council Election.

Council reviewed the proposed 2012 election publicity procedures as agreed upon at the previous evening's plenary session. During the ensuing discussion, it was agreed that three groups eblasts distributions to members of candidate publicity material be offered to candidates.

Moved by Vice President Quinn, seconded by Councillor Shreewastav:

That:

- a) the 2011 Election Publicity Procedures be amended as follows for the 2012 Voting Procedures:
 - i) candidates are to have complete control over their election material and be allotted the equivalent of a one-half page each in *Engineering Dimensions* in which to provide their election material;
 - ii) Communications will retain the candidates' wishes with respect to presentation of their material for publishing purposes, within the above one-half page allotment, including but not limited to font style, size and effects;
 - iii) PEO will provide three group email distributions to members of candidate publicity material beyond distribution of the candidate publicity material with the ballots and publication in *Engineering Dimensions*, such email distribution to be conducted in accordance with the Mass Email Protocol set out in proposed election procedures provided at the plenary session for the meeting, as amended where necessary, and to be conducted on January 24, and February 7 and 14, 2012;
 - iv) All candidate publicity material, whether printed or posted on a website, is to contain a disclaimer that content of material is that of the candidate and that PEO assumes no responsibility for accuracy, content, etc.
- b) the CEO/Registrar be authorized to make the necessary amendments to the 2011 Election Publicity Procedures to reflect the above and that 2011 Election Publicity Procedures, as so amended, be approved as the 2012 Election Publicity Procedures; and
- c) the CEO/Registrar be directed to post the approved 2012 Election Publicity Procedures on the website by September 30, 2011.

CARRIED

**11012
COMPLAINTS AND DISCIPLINE PROCESS
TASK FORCE – FINAL REPORT**

The Chair stated that Council was being asked to receive the Final Report of the Complaints and Discipline Process Task Force presented to the meeting and consider its recommendations. He explained that the recommendations approved by Council would be subject to the consultation process provided to the meeting .

2012 ELECTION PUBLICITY PROCEDURES

Purpose: To approve the 2012 Election Publicity Procedures for the conduct of the 2012 Council Election.

Motion(s) to consider: (requires a simple majority of votes cast to carry)

That Council approve the 2012 Election Publicity Procedures.

Prepared by: Allison Elliot – Secretariat Co-ordinator

1. Need for PEO Action

Members of Council are to be elected annually in accordance with sections 2 through 27 of Regulation 942 under the *Professional Engineers Act*.

2012 Election Publicity Procedures for the 2012 Council elections will be considered at the plenary session for this meeting. Procedures, as an outcome of the plenary session, will be presented at the Friday session of the meeting.

2. Proposed Action / Recommendation

Depending on outcome of plenary session discussion.

3. Next Steps (if motion approved)

Depending on outcome of plenary session discussion.

**Changes to 2011 Election Publicity Procedures
for Election to the Council of the
Association of Professional Engineers Ontario (PEO)
(Council Plenary Discussion)**

[changes to 2011 Election Publicity Procedures]

Note: All times indicated in these procedures are Eastern Time

1. Names of nominated candidates will be published to PEO's website as soon as they are received.
2. Names of all nominated candidates will be forwarded to members of Council, chapter chairs and committee chairs, and published on PEO's website, by [as determined by voting procedures].
3. Candidates will be permitted a total of 600 words in which to inform voters of their biographies and platform, inclusive of their names and employers. The biography section of a candidate's material may contain information as set out in Schedule A.
4. Candidates will be permitted to include a photograph with their biographies and platforms. Photographs must meet the requirements set out in Schedule A. Only photographs taken within the last five years will be accepted.
5. Biographies, platforms and, space permitting, photographs will accompany the ballots and will be published as a separate insert and continuously without breaks in any candidate's material, in the January/February 2011 issue of *Engineering Dimensions* and to PEO's website in January.
6. Candidate material may contain endorsements provided there is a clear disclaimer indicating that the endorsements are personal and do not reflect or represent the endorsement of a PEO chapter or committee or any organization with which an individual providing an endorsement is affiliated.
7. The content of election statements remains at the candidates' discretion.

CESC recommends that candidates should have complete control over their election material, apart from length and format only to the extent of ensuring consistency of presentation in *Engineering Dimensions* [see CESC Report #8] ERTF recommends complete freedom of expression with disclaimer on all publicity material, whether printed or posted on a website, that material is that of the candidate and that PEO assumes no responsibility for accuracy, content, etc. [see #4].

8. PEO will not correct spelling or grammar in candidate publicity material, whether for print publication or posting on PEO's website.

CEC recommends that candidates should have complete control over their election material, apart from length and format only to the extent of ensuring consistency of presentation in *Engineering Dimensions* [see CESC Report #8]. ERTF recommends complete freedom of expression [see ERTF #3 and #4].

9. PEO Communications will use its best efforts to retain the candidates' wishes with respect to presentation of their material in *Engineering Dimensions* but reserves the right to prepare the material to ensure consistency in presentation in the magazine.

Communications should be permitted to use its best efforts to retain the candidates' wishes with respect to presentation of their material in *Engineering Dimensions* but reserves its right to prepare the material to ensure consistency in presentation in the magazine. [CESC

10. Candidate material may contain endorsements provided there is a clear disclaimer indicating that the endorsements are personal and do not reflect or represent the endorsement of a PEO chapter or committee or any organization with which an individual providing an endorsement is affiliated.

CEC recommends that members of the CESC should be prohibited from endorsing candidates in an election in any manner whatsoever [see CESC Report #8]. ERTF recommends personal endorsements only [see ERTF # 3]

11. Biographies, statements and photographs must be received by the Deputy Elections Officer at the association's headquarters by [dependent on dates set in paragraph #1 above] All material is to be emailed to elections@peo.on.ca in the format set out in Schedule A of these procedures.

Title of Deputy Elections Officer to change to Elections Administrative Facilitator if recommended voting procedure to outsource Chief Elections Officer is accepted.

12. The Chief Elections Officer is responsible for ensuring that biographies and statements comply with these procedures. Where it is deemed the material does not satisfy these procedures, the Chief Elections Officer will, within three full business days from receipt of the material by the association, notify the candidate, who is expected to be available during this period by telephone, fax or email. The candidate will have a further

three full business days to advise the Chief Elections Officer of the amendment. The candidate is responsible for meeting this deadline.

If recommended voting procedure to outsource Chief Elections Officer is accepted, the Election Administrative Facilitator will immediately forward the material to the Chief Elections Officer.

13. If biographies (inclusive of a candidate's name and employer when placed at the beginning of the biography) and platforms exceed 600 words, and failing agreement with the candidate, the Chief Elections Officer will direct association staff to remove the appropriate number of words from the end of the text.
14. Candidates' material for all print publication should be forwarded to the Chief Elections Officer or a nominee at the association's offices as soon as possible following the close of nominations but, in any case, not later than [date to be determined by Council.] All candidates and/or their appointed alternates will receive a copy of their submission coded for typesetting for their final review prior to production. Candidates and/or their alternates will have three full business days to sign-off on their coded submission. Candidate material will be considered confidential, and will be restricted to staff members required to arrange for publication until published on PEO's website in January 2012.

If recommended voting procedure to outsource Chief Elections Officer is accepted, the Election Administrative Facilitator will immediately forward the material.

15. Candidates may appoint another person to sign off on their election material, provided the appointment is made in writing to the Elections Administrative Facilitator and that it is accompanied by a letter of consent from the person being appointed. Candidates ultimately bear the responsibility for the content of their material.

If recommended voting procedure to outsource Chief Elections Officer is accepted, the Election Administrative Facilitator will immediately forward the material.

16. All material should be submitted as a Word file or in a Word-compatible format on a CD accompanied by hard copy, or emailed with hard copy to follow. Photographs must be at least 5" x 7" in size if submitted in hard copy form ("snapshots" or passport photos are not suitable). If submitted in digital form, they must be JPEG-format files of at least 300 KB but no more than 2MB.
17. Candidates may utilize space on PEO's website, provided they email to PEO's webmaster an MS Word or Word-compatible file of no more than

1000 words, and no more than three non-animated graphics in JPEG or GIF format, provided there are no embedded multiple or compilation photographs within a single graphic. This material should be received by the webmaster by [date to be determined by Council]. Candidates may submit updates to this material once during the posting period from January until [date to be determined by Council]. Any amendments to a candidate's name/designations are to be considered part of the one-time update permitted to their posting during the posting period from January until the close of balloting. The Chief Elections Officer or a nominee is responsible for ensuring that the website material complies with these procedures. Where it is deemed the material does not satisfy these procedures, the Chief Elections Officer or a nominee will, within three full business days from receipt of the material by the association, notify the candidate or appointed alternate, who is expected to be available during this period by telephone, fax or email. The candidate or appointed alternate will have a further three full business days to advise the association of the amendment. The candidate is ultimately responsible for meeting this deadline.

ERTF recommends that candidates's websites be their sole choice of content [see ERF #3].

18. Candidates may also post additional material on their own websites, to which a link will be provided from PEO's website from January 2011 until [closing date of balloting]. The content of candidate websites to which PEO links must be in keeping with the dignity of the profession. URLs of candidate websites to which a link is desired must be provided to PEO's webmaster by [dependent on paragraph #1] by emailing elections@peo.on.ca.
19. PEO will not mail candidate publicity material (either electronic or hard copy) beyond distribution of the candidate biographies and statements with the ballots and in *Engineering Dimensions*.

ERTF recommends that eblasts be permitted provided there is an "opt-out" provision for members who do not wish to receive candidate material [see ERTF Report #3]. [see Appendix B for historical eblast protocol]

20. Caution is to be exercised in determining the content of issues of membership publications published during the balloting period, including chapter newsletters. Editors are to ensure that no election candidate is given additional publicity or opportunities to express viewpoints in issues of membership publications distributed during the election period from January until the deadline for receipt of ballots on [closing date of balloting] beyond his/her candidate biography and statement published in the January/February issue of *Engineering Dimensions*, and on the PEO website. This includes photos (with or without captions), references to, or

quotes or commentary by, candidates in articles, letters to the editor, and opinion pieces. PEO's communications vehicles should be, and should be seen to be, unpartisan. The above does not preclude chapter newsletters from including photos of candidates taken during normal chapter activities – e.g. licensing ceremonies, school activities, etc. provided there is not expression of viewpoints.

Members of the Central Election and Search Committee members are prohibited from endorsing candidates in an election in any manner whatsoever.

21. All Councillors are prohibited from endorsing candidates during the election period via public statements.

Members of the Central Election and Search Committee members are prohibited from endorsing candidates in an election in any manner whatsoever.

22. Chapters may not endorse candidates in print, on their websites or through their list servers, or at their membership meetings or activities. Links to candidate materials on PEO's website and/or candidates' websites will be provided to Chapter Chairs for use in chapter newsletters and on chapter websites. Where material does not comply with these procedures, the Chief Elections Officer will cause the offending material to be removed if agreement cannot be reached with the chapter within the time available.
23. Candidates may attend chapter Annual General Meetings and present their platforms and network during the informal portion of the meeting, provided they have obtained the prior consent of the Chapter Executive.
24. Candidates are reminded that election publicity material is readily available to the public and should be in keeping with the dignity of the profession.
25. The Central Election and Search Committee is authorized to interpret the election publicity guidelines and procedures, and to rule on questions and concerns of the candidates on matters around the election process.
26. These procedures may be added to or modified for a particular election if approved by Council or the candidates agree in writing to such change(s).
27. The 2012 Election Publicity Procedures are deemed part of the 2012 Voting Procedures.

Additional recommendations by staff – to be consistent with voting procedures

Staff is recommending that, to be consistent with the voting procedures, the election publicity procedures may be added to or modified for a particular election if approved by Council or the candidates agree in writing to such change(s) and that they form part of the voting procedures to connect them to the overall voting process.

Schedule A: Election Publicity Procedures

Specifications for Candidate Publicity Materials 2011 Council Elections

Word Count	<p>Biographies and platforms to accompany the ballots will be permitted to a combined total of 600 words for each candidate. The 600-word limit is inclusive of a candidate's name and employer, which will form part of heading.</p> <p>Biographies may contain 1. Name; 2. Employer and position; 3. Education (e.g. degrees and school(s) attended, year(s) of graduation); 4. Employment history; 5. PEO activities (e.g. Council, committees, chapter(s), including positions held); 6. Years of registration with profession (Ontario, another province); 7. Other professional affiliations, including positions held (e.g. IEEE, EIC, CEO, CSPE, OSPE, EFE); 8. Community service (e.g. name(s) of organization(s), position(s) held, length of service); 9. Technical papers given or published.</p> <p>Candidates' biographies and platforms will be published in the January/February 2011 issue of <i>Engineering Dimensions</i>.</p>
Submission Format	<p>All material must be submitted as a Word file or in a Word-compatible file format on a CD accompanied by hard copy, or emailed with hard copy to follow.</p>
Photographs	<p>Photographs must be at least 5" x 7" in size if submitted in hard copy form; so that they are suitable for scanning ("snapshots" or passport photographs are not suitable).</p> <p>If submitted in digital form, they must be JPEG-format files of at least 300 KB but no more than 2MB.</p> <p>Photographs must not be embedded within candidates' Word or Word-compatible</p>

	<p>biography or platform documents or within another photograph (i.e. no collages will be permitted).</p>
Deadline for print submission	<p>Candidates' material for all print publication should be forwarded to Allison Elliot at the association's offices as soon as possible following the nominations but, in any case, not later than December 5, 2011 at 4:00 p.m.</p>
Website	<p>Candidates may post additional material on their own websites, to which a link will be provided from PEO's website from January 2011 until March 4, 2011.</p> <p>Candidates may also utilize space on PEO's website, provided they email to PEO's webmaster a Word or Word-compatible file of no more than 1000 words, and no more than three non-animated graphics in JPEG or GIF format. Graphics may not contain embedded material.</p>
Deadline for website submissions	<p>URLs of candidate websites to which a link is desired must be provided to the PEO's webmaster by January 10, 2011 by emailing elections@peo.on.ca.</p> <p>Candidates' material for posting to PEO's website should be received by the webmaster by January 10, 2011. Candidates may submit updates to this material once during the posting period from January until March 4, 2011.</p>
Help	<p>Candidates should contact the Director, Communications and Chapters (cmucklestone@peo.on.ca) if they have questions about requirements for publicity materials.</p>

[protocol to be inserted into election publicity procedures if Council approves e-blasts of candidate material]

Schedule B. Mass Email Protocol

Campaign material must be delivered to the [Chief Elections Officer] by email (elections@peo.on.ca) or on a CD at least two business days prior to the desired distribution date. Emailing requests must include the desired date of distribution, email subject line, text of email message, and a working email account to which replies to the email will be sent. Candidates are responsible for responding to replies or questions generated by their email message. Candidates are permitted a maximum of 300 words for email messages and graphics will not be permitted in text messages. Candidates may include a URL link to more comprehensive information published on their own websites or on PEO's election website (see Election Publicity Procedure 16). The Chief Elections Officer is responsible for ensuring that email messages comply with this protocol. Where it is deemed that a message does not satisfy this protocol, the Chief Elections Officer will, within two business days, notify the candidate or his or her appointed designate. The candidate/designate will have a further two business days to advise of any amendment. If HTML format is to be used for email messages, special design and graphic coordination are the candidate's responsibility.

- Guests:
- P. Acchione, P.Eng., Chair and President of the Ontario Society of Professional Engineers
[minutes 11275 to 11298 only, excluding minute 11277]
 - H. Brown, Brown & Cohen Government Relations
[minutes 11275 to 11298 only, excluding minute 11277]
 - G. Comrie, P.Eng., former President of PEO
[Thursday evening only]
 - D.L. Freeman, P.Eng., Chair, Central election and Search Committee
[Thursday evening only]
 - S. Gieury, Ipsos Reid Public Affairs
[Thursday evening only]
 - M. Howell, Ipsos Reid Public Affairs
[Thursday evening only]
 - C. Knox, P.Eng., mover of AGM Submission
[minutes 11278 to 11298 only, excluding minute 11277]
 - R. Linseman, P.Eng., mover of AGM Submission
[minutes 11278 to 11298 only, excluding minute 11277]
 - C. Redden, former Chief Elections Officer
[Thursday evening only]
 - B. Steinberg, CEO of Consulting Engineers Ontario
[minutes 11278 to 11298 only, excluding minute 11277]

CALL TO ORDER

Notice having been given and a quorum being present, the Chair called the meeting to order.

The Chair then welcomed guests to the meeting

**11275
APPROVAL OF AGENDA**

Council reviewed the agenda for the meeting.

Moved by Councillor Gupta, seconded by Councillor Bhatia:

That:

- a) the agenda, as presented to the meeting at C-487-1, Appendix A be approved, as amended; and**
- b) the Chair be authorized to suspend the regular order of business.**

CARRIED

**11276
2014 ELECTION MATTERS**

The Chair introduced Mr. Michael Howell, Senior Research Manager, Ipsos Reid Public Affairs, who reviewed the results of the Elections Membership Survey conducted to help determine the reason for the low voter turnout in the last Council elections.

The Chair thanked Mr. Howell on behalf of Council.

Ms. Freeman, Chair of the Central Elections and Search Committee, reviewed for Council the 2013 Council Elections Issues Report and recommendations of the Committee.

Council requested that recommendations #3, #10 and #36 be discussed and that a new item regarding randomization of names on ballots be added to the Report for consideration.

Council discussed recommendation # 3 relating to the period of time between the end of a president's term of office and when he/she would be eligible to run again for the office of president. Ms. Freeman advised that the recommendation was in response to the members survey.

Moved by Councillor Kossta, seconded by Councillor Reid:

That PEO use its regulation-making powers to amend the regulations to prohibit a president from running again for the same office for four years from the time when his/her term as president expires.

CARRIED

Council considered recommendation #10 relating to the inclusion of candidate material with the voting instructions.

Moved by Councillor Roney, seconded by Vice President Chong:

That candidate election publicity material that is published in *Engineering Dimensions* be included with voting instructions sent to members for the 2014 Council elections.

CARRIED

Council then discussed recommendation #36 regarding endorsements of candidates, particularly as relates to the appearance of the OEDC logo on candidate material. Council confirmed that endorsements are not to represent any organization with which an individual providing an endorsement is affiliated and confirmed that OEDC is not an organization but an informal group and therefore use of its logo was permissible.

Moved by Councillor Kuczera, seconded by Councillor Chui:

That there be no change from the 2013 election publicity procedures with respect to endorsements for the 2014 procedures.

CARRIED

Council then considered the appropriateness of randomizing the order of names on the ballots when voters log in to the Official Elections Agent's elections website so that they do not appear in alphabetical order.

2014 ELECTION MATTERS

Purpose: To approve the recommendations of the 2013 Central Election and Search Committee (CESC) and to approve various other matters related to the conduct of the 2014 Council Elections.

Consideration of these items will be preceded by a presentation by Ipsos-Reid on the results of the Membership Election Survey.

Motion(s) to consider: (requires a simple majority of votes cast to carry)

That Council, with respect to the 2014 Council election:

- a) **direct that the elections be conducted by electronic means only;**
- b) **approve the recommendations contained in the 2013 Central Election and Search Committee Issues Report dated August 16, 2013, as presented to and as amended at the meeting;**
- c) **approve the appointment of Catherine Redden as Chief Elections Officer;**
- d) **approve the 2014 Voting Procedures, as presented to and as amended at the meeting;**
- e) **approve the 2014 Election Publicity Procedures, as presented to and as amended at the meeting; and**
- f) **approve Computershare Investor Services Inc. as the Official Elections Agent.**

Prepared by: Allison Elliot – Secretariat Co-ordinator

1. Need for PEO Action

Members of Council are to be elected annually in accordance with sections 2 through 26 of Regulation 941 under the *Professional Engineers Act*.

Section 11 of the Regulations requires that Council annually determine whether the voting for the election of members to the Council for that year shall be by ballot cast by mail, by electronic means or by either mail or electronic means. Recommendation #19 of the 2013 CESC Council Election Issues Report recommends that the 2014 Council elections continue to be conducted by electronic means only.

Section 11.1 of the Regulations require Council to appoint a Chief Elections Officer annually to oversee the nomination of members for election and to ensure that the elections are conducted in accordance with the established procedures. Catherine Redden has performed admirably in this capacity for the last three years. Recommendation #17 of the 2013 CESC Council Election Issues Report recommends that Ms. Redden be appointed again to this position.

In accordance with the Protocol for Annual Review of Election Procedures, the Central Election and Search Committee (CESC) undertook a review of the procedures for the conduct of the 2013 Council Elections. As part of this review, key stakeholders to the election such as the Returning Officers, the Official Elections Agent, the Acting CEO/Registrar, the Chief Elections Officer, senior PEO staff and others were consulted and their comments reviewed by the CESC. Additionally, an Ipsos-Reid Council Elections Membership Survey was conducted, the results of which were also reviewed by the CESC. PEO convention requires that Council approve voting procedures and election publicity procedures, which form part of the voting procedures, for its annual elections. All recommendations approved by the CESC have been incorporated into the Voting and Election Procedures and the 2014 Council Elections Guide, as the case may be, and will be amended, if required, as per Council's decisions at the meeting.

There have been no changes from last year in either of the procedures except where noted on the Issues Report. For ease of reference, each issue in the Issues Report has been annotated to indicate the procedure number to which the issue relates or, where a recommendation relates to an issue that does not fall within the procedures or where there is no change from last year, the annotation is “n/a”.

S.19(1) of Regulation 941 permits Council to designate an official agent to manage and report on the entire election process from ordering and printing the envelopes, inserting the election material in the envelopes, mailing the materials, and the establishment of a standard voting site so that members may vote by internet or telephone, and reporting results of the elections in accordance with the guidelines provided to it.

Computershare Investor Services Inc. has performed admirably in the last four years it has been PEO’s Official Elections Agent and, thus, is very familiar with PEO’s unique election process. Computershare has advised that it can accommodate recommendations contained in the 2013 CESC Issues Report; namely, to amend its website to reflect a withdrawal of a candidate, provide a mobile application, and provide a dedicated “help” line during business hours. The cost for an Official Elections Agent who can meet PEO’s needs is \$76,000 and this amount has been included in the draft 2014 budget.

2. Proposed Action / Recommendation

That Council approve the motions noted above.

3. Next Steps (if motion approved)

The name of the Chief Elections Officer and the approved 2014 Voting Procedures and 2014 Election Publicity Procedures would be published on PEO’s website and in the November\December issue of *Engineering Dimensions*.

4. Appendices

- Appendix A – Central Election and Search Committee Issues Report – August 16, 2013
- Appendix B – draft 2014 Voting Procedures
- Appendix C – draft 2014 Election Publicity Procedures
- Appendix D – Ipsos-Reid Council Elections Membership Survey – July 26, 2013
- Appendix E – Call for Candidates

2013 Council Election Issues Report
as approved by the Central Election and Search Committee
August 16, 2013

No.	Issue	Related Background	Recommendations as recommended by the Chief Elections Officer and the CESC
1.	Staff involvement in the handling of questions and resolution of complaints.	Candidates are frequently disrespectful of and harass staff.	<p>Recommend that staff are to be explicitly prohibited from handling and resolving complaints and questions.</p> <p>Rationale: to clarify the roles of the Chief Elections Officer and elections staff.</p> <p><i>Note:</i> a review of the process by staff has determined that there is no further opportunity to outsource the elections process.</p> <p><u>Note:</u> See #11 – Voting Procedures</p>
2.	Ballots/voting instructions were not clear (Issue raised in Ipsos-Reid survey)	<p>Survey results *</p> <ul style="list-style-type: none"> • 24% - ballot confusing • 22% - needed help and couldn't find it • 10% - voting instructions unclear <p>* of those who responded and who had difficulty voting</p>	<p>Recommend the script from website/ telephone and where and how to get help voting be included on voting instructions; better align names of candidates on ballot</p> <p>Rationale: to make voting instructions clearer and make help more accessible so that it would be easier to vote</p> <p><u>Note:</u> n/a</p>
3.	There should be a period of time between the end of a president's term of office and when	Survey results – 66% of respondents agreed there should be a required period of time	Recommend that regulations be amended to prohibit a president running again for the

No.	Issue	Related Background	Recommendations as recommended by the Chief Elections Officer and the CESC
	<p>he/she is eligible to run again for the office of president. (Issue raised in Ipsos-Reid survey)</p>	<p>between the end of a president's term of office and when he/she is eligible to run again for the office of president</p> <p><i>Note:</i> Minutes from 486th Council meeting held June 10, 2013.</p> <p>That Council reinstate the requirement for prior Council experience for candidates for the offices of President-Elect and Vice President that existed at Section 7. of O. Reg. 941 prior to April, 2007.</p> <p style="text-align: right;">DEFEATED</p> <p>That Council reinstate the provision that existed at Section 11 of O.Reg. 941 prior to April 2007 that prevented the Past President from running again for any officer position for two (2) years.</p> <p style="text-align: right;">DEFEATED</p> <p>That:</p> <ol style="list-style-type: none"> 1. No person is eligible to run for election as president-elect if he/she has held the position of president within the past three years from the expiration of his/ her term as president; and 2. The Acting CEO/Registrar be directed to draft the necessary Regulation to give effect to the above motion. <p style="text-align: right;">DEFEATED</p>	<p>same office for four years from the time when his/her term as president expires.</p> <p>Rationale: in response to member opinion</p> <p><i>Note:</i> n/a</p>

amended to read “refers to all information **that would be subject to provision of Section 38 of the *Professional Engineers Act.*”**

**11454
ELECTIONS REGULATION – POLICY
IMPLEMENTATION – PRESIDENT’S RE-
ELECTION WAITING PERIOD**

In the course of drafting Regulations to implement Council’s policy decision to re-introduce a time restriction between a President completing his or her term of office and seeking subsequent election as President-elect, the Legislation Committee requested clarification from Council regarding its intent on the minimum time period.

Moved by Vice President Comrie, seconded by Councillor Dony:

To amend the motion passed on September 26, 2013 by replacing it with the following motion:

That PEO use its regulation-making powers to amend the Regulation to prohibit a President from holding office as President-elect for three years from the time when his/her term as president expires.

CARRIED

The Legislation Committee will present the amended regulation based on the approved President’s re-election time period to Council at a future date.

**11455
OSPE ADVOCACY COMMITTEE UPDATE**

A written report was provided.

**11456
ENGINEERS CANADA UPDATE**

A written report was provided.

**11457
REGIONAL CONGRESS OPEN ISSUES
REPORT**

A written report was provided.

**11458
CONSENT AGENDA**

Moved by Past President Bergeron, seconded by Councillor Roney:

That the Consent Agenda be approved as amended:

CARRIED

Included on the consent agenda are:

5.1 Minutes – 236th Executive Committee meeting – August 2014

5.2 Minutes – 496th Council Meeting – September 26, 2014

5.3 Approval of Consulting Engineer Designation Applications

5.5 Committees and Task Forces Human Resources and Work Plans

5.6 Complaints Review Councillor (CRC) Terms of Reference

Items removed from the consent agenda are:

5.4 Approval of 2015 Annual Roster

Briefing Note-Decision- Act/Regulation/By-Law Change

C-497- 3.7

REGULATION CHANGE: ELECTIONS REGULATION - PRESIDENT'S RE-ELECTION TIME RESTRICTION

Purpose: To clarify Council's policy intent on the minimum waiting period for a President to subsequently seek re-election as President-elect

Motion(s) to consider: (requires a 2/3 majority of votes cast to carry)

To amend the motion passed on September 26, 2013 by replacing it with the following motion:

"That PEO use its regulation-making powers to amend the Regulation to prohibit a president from running again for president-elect for <to be determined> years from the time when his/her term as president expires.

Prepared by: Bob Dony, P.Eng., Chair, Legislation Committee

Moved by: George Comrie, P.Eng.

1. Need for PEO Action

In the course of drafting Regulations to implement Council's policy decision to re-introduce a time restriction between a President completing his or her term of office and seeking subsequent election as President-elect, the Legislation Committee requires Council to clarify its intent on the minimum time period.

The motion passed by Council on September 26, 2013 reads:

That PEO use its regulation-making powers to amend the regulation to prohibit a president from running again for the same office for four years from the time when his/her term as president expires.

The Legislation Committee has noted that the motion is technically incorrect and, therefore, that the timeframe is ambiguous. According to the current Section 3(1), paragraph 1 of Regulation 941, a person runs for president-elect, not President, but they assume that position the following year (and as Past-president the next year).

Depending on how this motion could be interpreted, the time restriction between completing the President's term and serving as President in the future could be anywhere between 2 and 6 years. The Committee is requesting Council's desire for the minimum time period between serving as President and potentially serving again as President-elect.

Section 10(1) of the current Regulation states that "a person is not eligible for election or re-election unless the member's full term of office will have expired by the time the member would take office, or unless the member submits his or her resignation in writing, effective at the time the member would take office for the new term, to the Association prior to nomination for election or re-election." Section 10 of the Regulation will have to be amended to reflect the proposed additional time restriction on the President.

2. Proposed Action / Recommendation

Council will clarify the minimum time restriction for a current President to subsequently seek re-election for President-elect. This could range from 2-6 years.

3. Next Steps (if motion approved)

The Legislation Committee will provide the policy intent to the Attorney General's office, who will finalize the Regulation and present it to Cabinet for approval and to PEO Council for ratification. The change would go into effect for the 2016 Council Elections.

4. Peer Review and Process Followed

<p>Process Followed</p>	<ul style="list-style-type: none"> • From 1984 (the commencement of the current Regulation) until May 1, 2007, Section 11 of Regulation 941 read as follows: 11. No person is eligible to be elected or appointed as an officer of the Association if the person has held the office of president within the five years immediately preceding the year in which the person would hold office as a result of the election or appointment. R.R.O. 1990, Reg. 941, s. 11. • The intent of the prohibition from seeking office (as President, President-elect, elected Vice-President, appointed Vice-President, or Past President) for a five year period was to prevent Presidents from re-running frequently, and to provide more opportunities for new candidates to run for President-elect or Vice-President. • At its meeting in November, 2006, Council passed a motion removing all restrictions on candidacy for President-Elect and Vice President: To remove any service restrictions from those people running for President-elect and Vice President. • The Regulation changes to implement this decision, along with the approved recommendations of the Election Procedures Task Force, were approved by Council on January 19, 2007 and were proclaimed in April 2007. As a result, Section 11 of the Regulation was deleted by amending Regulation 157/07 on May 1, 2007. • Since 2007, only one President has been successful in being re-elected after his term as Past President expired. However, four former Presidents have run for office as President-elect or Vice-President unsuccessfully. • In June 2013, the Central Elections and Search Committee (CESC) produced an Elections Issue Report, which recommended that “regulations be amended to prohibit a president running again for the same office for four years from the time when his/her term of office as president expires”. The proposal was subsequently presented to PEO Council, and the following motion was passed by Council on September 26, 2013: That PEO use its regulation-making powers to amend the regulation to prohibit a president from running again for the same office for four years from the time when his/her term as president expires. • In the course of carrying out its duties to draft the proposed Regulation, the Legislation Committee identified the need for clarity of Council’s motion, and since they are not policy makers, felt that this needed to be sent back to Council for its determination.
<p>Council Identified Review</p>	<ul style="list-style-type: none"> • Council is being asked to clarify the minimum time restriction between completing one’s term as President and seeking re-election as President-elect
<p>Actual Motion Review</p>	<ul style="list-style-type: none"> • The 2013 CESC proposal was included in a Council Elections Membership Survey in July 2013 (n=7401) conducted by Ipsos Reid, and received a 66% agreement. • Legislation Committee, a Board Committee comprised entirely of sitting Councillors, reviewed the September 2013 Council motion for the purpose of providing instructions to the Attorney General for drafting Regulations. As the Legislation Committee is not a Policy Committee per se, it is asking for Council to clarify its desired time restriction.

5. Appendices

- Appendix A: Preliminary Regulatory Impact Assessment - Elections Regulation (Draft)

PRELIMINARY REGULATORY IMPACT ASSESSMENT - ELECTIONS REGULATION (DRAFT)

1. Proposal and Context

Under Regulation 941, Professional Engineers Ontario conducts annual elections for the position of President-elect (who becomes President the following year), a Vice-President, Councillors-at-Large, and Regional Councillors. The President serves for a one-year term, then continues as Past-President for the next year.

From 1984 (the commencement of the current Regulation) until May 1, 2007, section 11 of Regulation 941 read as follows:

11. No person is eligible to be elected or appointed as an officer of the Association if the person has held the office of president within the five years immediately preceding the year in which the person would hold office as a result of the election or appointment. R.R.O. 1990, Reg. 941, s. 11.

The intent of the prohibition from seeking office (as President, President-elect, elected Vice-President, appointed Vice-President, or Past President) for a five year period was to prevent Presidents from re-running frequently, and to provide more opportunities for new candidates to run for President-elect or Vice-President.

At its meeting in November, 2006, Council passed a motion removing all restrictions on candidacy for President-Elect and Vice President:

To remove any service restrictions from those people running for President-elect and Vice President.

The Regulation changes to implement this decision, along with the approved recommendations of the Election Procedures Task Force, were approved by Council on January 19, 2007 and were proclaimed in April, 2007. As a result, section 11 of the Regulation was deleted by amending Regulation 157/07 on May 1, 2007.

Since 2007, only one President has been successful in being re-elected after his term as Past President expired. However, four former Presidents have run for office as President-elect or Vice-President unsuccessfully.

The mandate of the Central Elections and Search Committee (CESC) under section 12(3) of Regulation 941, is to:

- (a) encourage Members to seek nomination for election to the Council as president-elect, vice-president or a councillor-at-large;
- (b) assist the Chief Elections Officer as may be required by him or her; and
- (c) receive and respond to complaints regarding the procedures for nominating, electing and voting for members to the Council in accordance with this Regulation.

In June 2013, the CESC produced an Elections Issue Report, which recommended that “regulations be amended to prohibit a president running again for the same office for four years from the time when his/her term of office as president expires”. This proposal was included in a Council Elections Membership Survey in July 2013 (n=7401) conducted by Ipsos Reid, and received a 66% agreement. The proposal was subsequently presented to PEO Council and the following motion was passed by Council on September 26th, 2013:

That PEO use its regulation-making powers to amend the regulation to prohibit a president from running again for the same office for four years from the time when his/her term as president expires.

2. Approach and Intended Outcomes

The proposal is to re-instate a waiting period between a President serving his or her term and seeking re-election as President-elect before four years have expired. The rationales for re-instating the waiting period are:

- there could well be individuals who would be happy to be senior Officers of PEO on a more or less permanent basis, and
- given the advantage incumbents have in elections, these individuals might be able to be elected repeatedly to the exclusion of other candidates, and
- it is not in the interest of the Association to have its leadership become "ingrown", nor is it in the spirit of leadership succession to have the same person or persons occupying the Presidency on a continual basis.

It is hoped that this will encourage more candidates to seek nomination for the office of President-elect.

Since PEO's election rules are embedded in the Regulation, they must be amended in the Regulation. They cannot be enforced through a policy or guideline.

Section 10 of the Regulation is amended by adding the following subsection:

The proposed wording for a new section 10(3) of Regulation 941 is:

(3) No person is eligible to be elected to the office of president-elect if the person held the office of president-elect within the four years immediately preceding the year in which the person would be elected.

While these are changes to the Regulation, they do not in fact affect any of PEO's regulatory obligations. They pertain exclusively to governance issues internal to PEO.

In order for this eligibility change to be effective for the October 2014 start of nominations for the 2015 Elections, the Regulation change is required by the end of September (there is a Council meeting scheduled for September 25th and 26th at which time the draft Regulation could be approved by Council). If this timing is not possible, then it would have to be enacted before the end of the following September.

3. Affected Stakeholders

This section of the Regulation only pertains to elections to the office of PEO President-elect. As per section 2, paragraph 2 of Regulation 941, only members of the Association are eligible to serve as officers (President or Vice President), so there are no impacts on any stakeholders outside of the members of the Association. There is no impact on public safety by the introduction of a time restriction between a President serving 2 consecutive terms of office.

Individuals - no

Businesses - no

Non-profit Groups - no

Communities - no

Governments - no

4. Type of Impact

Health and Safety - no

Environment - no

Social Impacts - no

Trade - no

Economy - no

Other - no

Costs - no

5. Costs - None

PEO holds annual elections for the elected members of Council, regardless of the number of candidates. It provides free publicity in the January/February edition of Engineering Dimensions and holds All-Candidates meetings for members to attend. Any additional publicity or campaigning costs are borne by the candidates themselves.

7.6 **APPENDIX 6: Reference Documents**



Different Governance Models

Governance Models: What's Right for Your Board?

By Nathan Garber, Nathan Garber & Associates

INTRODUCTION

Non-profit boards tend to follow one of five different approaches to governance. Each approach emphasizes different dimensions of the roles and responsibilities of the board and each arises out of a different relationship between board members and staff members. These in turn reflect differences in the size, purpose, and history of the organization. I call these approaches the Advisory Board Model, the Patron Model, the Co-operative model, the Management Team Model, and the Policy Board Model. I conclude with some questions to ask when you are considering changing your board structure.

ADVISORY BOARD MODEL

This model emphasizes the helping and supportive role of the Board and frequently occurs where the CEO is the founder of the organization. The Board's role is primarily that of helper/advisor to the CEO. Board members are recruited for three main reasons: they are trusted as advisors by the CEO; they have a professional skill that the organization needs but does not want to pay for; they are likely to be helpful in establishing the credibility of the organization for fundraising and public relations purposes.

Individual board members may be quite active in performing these functions and consequently feel that they are making a valuable contribution to the organization. Board meetings tend to be informal and task-focused, with the agenda developed by the CEO.

The Advisory Board model can work well for a short time in many organizations but it exposes the board members to significant liability in that it fails to provide the accountability mechanisms that are required of boards of directors. By law, the board has the obligation to manage the affairs of the organization and can be held accountable for certain actions of employees and committees. It must therefore maintain a superior position to the CEO. Although the board is permitted to delegate many of its responsibilities to staff or committees, it cannot make itself subordinate to them.

PATRON MODEL

Similar to the Advisory Board model, the board of directors in the Patron Model has even less influence over the organization than an advisory board. Composed of wealthy and influential individuals with a commitment to the mission of the organization, the Patron Board serves primarily as a figurehead for fund raising purposes. Such boards meet infrequently as their real work is done outside board meetings. Writing cheques and getting their friends to write cheques is their contribution to the organization.

Many organizations maintain a Patron Board in addition to their governing boards. For capital campaigns and to establish credibility of a newly formed organizations, Patron Boards can be especially helpful. They cannot be relied upon, however, for governance tasks such as vision development, organizational planning, or program monitoring.

CO-OPERATIVE MODEL

For a number of different reasons, some organizations try to avoid hierarchical structures. The decision-making structure in such organizations is typically labeled "peer management" or "collective management". In this model, all responsibility is shared and there is no Chief Executive Officer. Decision-making is normally by consensus and no individual has power over another. If the law did not require it, they would not have a board of directors at all. In order to be incorporated, however, there must be a board of directors and officers. The organization therefore strives to fit the board of directors into its organizational philosophy by creating a single managing/governing body composed of official board members, staff members, volunteers, and sometimes clients.

Seen by its advocates as the most democratic style of management, it is also, perhaps, the most difficult of all models to maintain, requiring among other things, a shared sense of purpose, an exceptional level of commitment by all group members, a willingness to accept personal responsibility for the work of others, and an ability to compromise. When working well, the organization benefits from the direct involvement of front-line workers in decision-making and the synergy and camaraderie created by the interaction of board and staff.

I have noted two areas of concern with this model. The first is that although the ability to compromise is an essential element in the successful functioning of this model, cooperatives often arise out of a strong ideological or philosophical commitment that can be inimical to compromise. The second concern is the difficulty of implementing effective accountability structures. At the time of implementing this model, there may be a high motivation level in the organization which obviates the need for accountability mechanisms.

MANAGEMENT TEAM MODEL

For many years, most nonprofit organizations have been run by boards which operate according to the model of a Management Team, organizing their committees and activities along functional lines. In larger organizations, the structure of the board and its committees usually mirrors the structure of the organization's administration. Just as there are staff responsible for human resources, fund-raising, finance, planning, and programs, the board creates committees with responsibility for these areas.

Where there is no paid staff, the board's committee structure becomes the organization's administrative structure and the board members are also the managers and deliverers of programs and services. Individually or in committees, board members take on all governance, management and operational tasks including strategic planning, bookkeeping, fund-raising, newsletter, and program planning and implementation.

The widespread adoption of the Management Team model, arises out its correspondence with modern ideas about team management and democratic structures in the workplace. It also fits well with the widely held view of nonprofits as volunteer-driven or at least nonprofessional organizations. This model fits well with the experience of many people as volunteers in community groups like service clubs, Home and School groups, scouts and guides, and hobby groups. It also mirrors the processes involved in the creation of a new organization or service. It is no wonder then, that most prescriptive books and articles written between 1970 and 1990 (and many written more recently) define this model as the ideal.

Boards which operate under the Management Team model are characterized by a high degree of involvement in the operational and administrative activities of the organization. In organizations with professional management this normally takes the form of highly directive supervision of the CEO and staff at all levels of the organization. Structurally, there may be many committees and subcommittees. Decision-making extends to fine details about programs, services, and administrative practices. When working well, two criteria tend to be used in the selection of members: their knowledge and experience in a specific field, such as business or accounting; or because they are members of a special interest group or sector that the board considers to be stakeholders.

While this model works well for all-volunteer organizations, it has proven to be less suited to organizations that already have professional management and full-time employees. Indeed, the deficiencies of this model have led to the current thinking in the field which differentiates "governance" (the practices of boards of directors) from "management" (the practices of employees) and the deluge of research, articles, and manuals on this topic.

The most important shortcoming is that all too frequently, it degenerates into what I call the Micro-management Team Model in which board members refuse to delegate authority, believing that their role requires them to make all operational decisions, leaving only the implementation to paid staff. The result is invariably a lack of consistency in decisions, dissatisfied board members, resentful staff and a dangerous lack of attention to planning and accountability matters.

POLICY BOARD MODEL

As noted above, the need to differentiate the board's role from the manager's role arose from the failure of many organizations to maintain proper accountability at the highest levels and the dissatisfaction of many board members over their inability to comply with the expectations of their role. They began to ask why, when they were such competent and accomplished individuals, they felt so ineffective and frustrated as board members. This led to an examination of the role of the board, the relationship between the board and the CEO, and the relationship between the board and the community.

The originator and most influential proponent of the Policy Board Model is John Carver, whose book, *Boards that Make a Difference*, has had a great effect on thousands of nonprofit organizations. All Policy Board Models share the view that the job of the board is: to establish the guiding principles and policies for the organization; to delegate responsibility and authority to those who are responsible for enacting the principles and policies; to monitor compliance with those guiding principles and policies; to ensure that staff, and board alike are held accountable for their performance.

Where the models diverge is the way these jobs are done and the extent to which strategic planning and fundraising as are seen as board jobs.

Boards operating under the Policy Board Model are characterized by a high level of trust and confidence in the CEO. There are relatively few standing committees, resulting in more meetings of the full board. Board development is given a high priority in order to ensure that new members are able to function effectively, and recruitment is an ongoing process. Members are recruited for their demonstrated commitment to the values and mission of the organization.

WHICH MODEL IS THE RIGHT ONE?

There are a number of reasons for considering a change in your governance model:

- board members are dissatisfied with their roles or the way the board operates;
- your organization is experiencing problems that can be traced back to inadequacies in board structure or process;
- your organization is entering a new phase in its life-cycle;
- the CEO has left or is leaving;

SaskCulture ~ Organizational Resources

The descriptions above, of the various governance models, will give you an idea of the strengths and weaknesses of each model, but the difficulty in making the transition cannot be overstated. Changing models is like changing lifestyles. You must abandon well-established ideas and patterns of behaviour, replacing them with new ideas, roles, and activities that will seem confusing and unfamiliar. This type of change takes a considerable amount of time, energy, and other resources to accomplish. The answers to the following questions will help you to determine how badly you need to change your governance model and whether your board and organization have the necessary commitment and resources to accomplish it successfully. Take your time with each question, ensuring that each board member answers each question.

- Do we have a clear understanding and agreement on the purpose of our organization? Is it written down?
- What are the basic values which guide our organization and our board? Are they written down?
- How do we know whether the good our organization does is worth what it costs to operate it?
- What financial resources do we have and can we reasonably count on for the next few years?
- To what extent are board members expected to contribute money and labour to fundraising efforts?
- Do we believe that the organization should be run as a cooperative or collective - with staff participating along with board members in the governing of the organization?
- How much time is each board member willing to give to the organization in the next year (or until the end of their term)?
- How much trust does the board have in the ability of the CEO to ensure that the organization operates in an effective and ethical manner?
- What are our expectations about attendance at board and committee meetings?
- What is the attendance record of each board member?
- How do we hold board members accountable?
- What is the record of each board member and committee with respect to meetings and results?
- How useful has each committee proven to be?
- To what extent do committees duplicate staff jobs? How satisfied are our members with the current board performance?
- Who thinks we should change our governance model?
- How much time and money are we willing to devote to increasing our own knowledge and skills to improve our performance as board members?
- How does our board deal with differences of opinion?
- How do members deal with decisions when we disagree?
- To what extent is it necessary for us (board members) to be involved in the delivery of programs and services, marketing, public speaking, etc.
- Who attends our Annual General Meeting? Why do they come?
- As board members, to whom do we wish to be accountable?
- How effective is our current recruitment method in getting excellent board members?

Take some time to consider these questions. The answers will tell you the degree of difficulty you will have in changing to a new governance model and where the problems lie.

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Other links:

The Effective Not-for-Profit Board: A value-driving force, Deloitte Centre for Corporate Governance, 2013
Deloitte LLP, http://www.deloitte.com/assets/Dcom-Canada/Local%20Assets/Documents/Public%20Sector/ca_en_qov_Effective-NPO-Board_061113.pdf

Carver's Policy Governance Model @ in Non-profit Organizations, by John Carver and Miriam Carver, 2013,
<http://www.carvergovernance.com/pg-np.htm>

International Policy Governance © Associates, 2013,
<http://www.policygovernanceassociation.org/resources/principles-of-policy-governance.html>

Policy Governance for Boards. Community Learning Network. Edmonton, AB,
<http://www.communitylearning.info/members/resource-guide/board-governance-models/policy-governance-board.html>

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CONTACT US

#404, 2125 - 11th Avenue
Regina, SK S4P 3X3

saskculture.info@saskculture.ca

(306) 780-9284

PROFESSIONAL SELF-REGULATION: IMPLICATIONS FOR GOVERNANCE

By George Comrie, P.Eng.



George Comrie, P.Eng., is chair of PEO's Licensing Process Task Force and a former PEO president.

IN MY PREVIOUS ARTICLE, "Professional self-regulation: Protecting the core" (*Engineering Dimensions*, September/October, p. 49), I reviewed the nature of Professional Engineers Ontario as a delegated authority and professional regulator, and discussed some of the core principles and values on which our Canadian professional regulatory bodies operate. I argued that, like any other organization, PEO ought to distinguish between these core principles—which must be maintained and defended against erosion and compromise (intentional or unintentional)—and other aspects of its tactics and business processes, which should evolve and improve in response to changing circumstances. Now, let's consider how these principles can inform the way the profession governs itself.

Like most organizations, whether private or public, and whether for profit or not, PEO consists of a board of directors (the council), a chief executive officer (the CEO/registrar) and paid staff.

Unlike most other organizations, however, PEO also has a substantial body of volunteers, drawn from among its membership, who contribute to both its governance and its operation. This is because PEO is the embodiment of a self-regulating profession—it is to the profession at large that the people of Ontario have entrusted the responsibility for regulating the profession's affairs in the public interest.

Were this not the case, it might be possible to govern the organization with minimal volunteer involvement beyond that of elected councillors. In such an organization, the volunteers (directors) could confine themselves to matters of policy governance and high-level direction and leave the day-to-day operations to the CEO and paid staff, as advocated by many governance experts like John Carver.¹ No doubt some members of PEO staff wish things were this way.

Yet in the self-regulating professional body, volunteers are involved not just in governance but in doing the actual work of the organization through task groups, standing committees and local chapters. This considerably complicates the governance model, since staff and volunteers share responsibility for achieving certain ends and outcomes. In most organizations, the owners/shareholders elect directors to govern the organization, while paid staff have sole responsibility for achieving the organization's goals as established by the board of directors.

In PEO's case, members often work shoulder-to-shoulder with staff to get the work done and accomplish objectives. Some experts would argue that such an arrangement is inherently conflicted, i.e. fraught with opportunities for conflict of interest and authority. However, I believe it can work well if the following implications are understood and addressed.

1. BOARD ACCOUNTABILITY MUST BE UNDERSTOOD AND ACCEPTED.

This is a principle that applies to any board of directors. By definition, the board (PEO council, in this case) is accountable for achieving the organization's goals and objectives.² Even if this were not a universal principle of organization theory,

the *Professional Engineers Act* makes it clear: council as a whole (not the president; not the CEO) is charged with establishing the organization's goals and ensuring they are achieved using acceptable means. It is the final authority on definition and interpretation of those goals and objectives and the final authority on definition and interpretation of what constitutes acceptable means of achieving the goals. And it is the final authority on whether the goals have been or are being achieved. These roles belong to the board and cannot be delegated to anyone else.

Some important aspects of board accountability are worth noting here:

Organizational success must be clearly defined.

As the old saying goes, "If you don't know where you're going, any road will take you there, and you won't know when you've arrived." Without a broadly shared vision of where the organization is going and what it wants to achieve, neither staff nor volunteers will know what their roles are in achieving goals, or what constitutes success for them individually and collectively. In an organization like PEO, both staff and volunteers should contribute to the definition of corporate success, but council is ultimately responsible for establishing clarity around that definition, for communicating it, and for building commitment to it.

Progress must be tracked and results must be measured.

To put it bluntly, PEO has a less than stellar track record of executing its plans and initiatives. With the best of intentions and careful deliberation, we establish directions, policies, programs and projects, then often forget about them as we move on to dealing with other pressing matters.

As an example, at the council retreat in 2004 councillors discussed and agreed to pursue four high-priority initiatives:

- address government incursions into PEO's mandate of professional self-regulation;
- implement mandatory annual reporting for all licensees;
- make the transition from engineering student to engineering intern to licensee more seamless; and
- address long-standing deficiencies associated with the Certificate of Authorization and make it a more effective instrument for regulation of individuals and firms offering engineering services to the public.

Five years later, what have we accomplished on these initiatives? Other than the first (and, arguably, most urgent, which was addressed by PEO's stand on the building code testing regulation and by establishing our current Government Liaison Program), they remain incomplete. Not that they have been abandoned or deemed no longer relevant—they are still works in progress. But they have suffered from lack of accountability and, in some cases, from lack of basic project management. Most notably, council has not regularly reviewed progress on them against plan.

As the saying goes, "The road to hell is paved with good intentions." Council must accept responsibility for seeing its directions through to completion by monitoring progress, measuring results, and adjusting plans and resources, as necessary.

The board must measure its own performance.

The board must be prepared to monitor and evaluate not just the performance of the organization against the established objectives and its adherence to the established means and constraints, but also its own performance as a board in terms of its accepted responsibilities. In other words, we need to measure how well we are governing ourselves as distinct from how well we are achieving our stated objectives. This is a fundamental responsibility of directors in most modern governance models.

2. THE BOARD MUST ACCEPT RESPONSIBILITY FOR VOLUNTEER MANAGEMENT.

In any organization that depends on volunteer engagement to accomplish its mission, volunteer management is a critical issue. Although PEO has long had an Advisory Committee on Volunteers and a staff person assigned to volunteer management, I believe there is much more we could and should be doing to enhance the volunteer experience for both volunteers and the organization. Some suggestions:

- review on a regular basis (at least every two years), by interview, the experience of each volunteer to ascertain his or her level of satisfaction with the current assignment(s), interests/aspirations for future assignments, suggestions for improvement of the experience, etc. There should be a "career management" function for volunteers, just as there is for staff;
- evaluate annually the contribution of each volunteer in his or her current assignment(s) using a 360-degree review approach, and provide feedback to the volunteer;
- do annual, formal succession planning for each volunteer group (council, committee, task force, chapter executive) with a view to ensuring leadership succession, diversity, and an effective balance of continuity and "new blood";³ and

- provide an ongoing formal program of leadership development to interested volunteers at no cost to the volunteer as an incentive and reward for volunteering.

Measures such as these will require additional staff and budget beyond what PEO currently deploys on “people development.” I believe this critical corporate function should be resourced on the basis of 100 staff plus 1000 volunteers. It would be money well spent!

3. THE BOARD MUST ACCEPT RESPONSIBILITY FOR MANAGING THE RELATIONSHIP BETWEEN VOLUNTEERS AND STAFF.

If volunteers and staff are going to share responsibility for certain tasks and initiatives and work effectively together to accomplish them, the relationship between volunteers will require special attention by the leadership. I see lots of evidence of volunteers and staff working effectively together within PEO, and consider that to be one of the organization’s strengths. But we need to extend our best practices in this regard to all aspects of PEO operations.

It is important to remember that individual volunteers do not have authority to direct individual staff members, or vice versa. This has several implications:

- The “volunteer side” of the organization, led by the president, must be diligent in ensuring volunteers do not abuse their leadership positions by intimidating or making unreasonable demands of staff, and must be prepared to deal with any such abuses that may occur;
- The CEO/registrar, as leader of the staff side of the organization, must be prepared to defend his staff to council against unreasonable demands by individual volunteers or groups of volunteers;
- The volunteer side of the organization must take responsibility for instructing volunteers in the principles and protocols of their roles, and the staff side must avoid usurping that responsibility; and
- Effective volunteer staff relationships will be based on mutual respect and influence, rather than on formal authority.

4. THE BOARD MUST CLEARLY DEFINE THE ROLES AND EXPECTATIONS OF THE EXECUTIVE LEADERSHIP TEAM.

When I became PEO president in the spring of 2004, it became apparent that there was an item of unfinished business left over from the Governance Task Force, namely to establish executive limitations for the CEO/registrar. In addressing this matter, the Human Resources and Compensation Committee defined what we called the Executive Leadership Team. This team consists of the three president-level elected leaders (past president, president, and president-elect) and the CEO/registrar. This important group has almost no formal authority, but its terms of reference were defined in the executive limitations approved by council and incorporated in PEO’s governance handbook.

The most important notion here is that this group is supposed to function as a team (remember, teamwork is one of PEO’s core values). Its primary roles are:

- (a) to assist and support the president in managing the agenda of council by determining which items need to be, and are ready to be, brought before council (and how and in what form); and

- (b) to assist and support the CEO/registrar by ensuring that the volunteer leadership (and council, in particular) are in sync on important operational and administrative matters.

Rather than usurping the authority of council, the president, or the CEO/registrar, this arrangement was designed to enhance their respective roles by ensuring there is effective communication, common understanding and cohesion at the top. I believe most councillors expect this of their leadership, and they experience great frustration when it doesn’t exist. This arrangement has proven to work well when the members of the Executive Leadership Team honour and support it. Unfortunately, this has not always been the case.

Misunderstandings concerning the role and authority of the president have been particularly problematic. PEO’s governance handbook (now incorporated in the *Council Manual*), which is aligned with most authorities on governance, makes it clear that the president does not determine the agenda or work plan for the organization, or even for council. Yet the misconception exists among some leaders and members that the president is elected by the membership to do whatever was in his or her election platform.

This belief may stem from our common experience with public politics, where the elected leader of a political party generally has great personal authority, at least within the party, and can effectively drive his or her personal agenda. The idea is reinforced by the practice of encouraging candidates for election to council to articulate “what they will do if elected” in their platform statements.

Even if this were the case for PEO, common sense dictates that the president must establish broad consensus

among the leadership for anything he or she hopes to accomplish, since most significant initiatives will take longer than one term to implement. But this isn't the case. The president actually has very limited personal authority. He or she is, in effect, first among equals on council. The authority of the president stems solely from the authority of council.

Some have suggested that the one-year term of president is too short to accomplish anything worthwhile. But I believe that suggestion is based on the above misconception concerning the agenda-setting role of the president. My counter-argument is that, in PEO's present electoral system, the president has three years in which to influence the agenda through the Executive Leadership Team, and to build support within council for his or her priorities. To my mind, that should be long enough to make a significant contribution.

This discussion has obvious implications for how we elect our leaders. If we were electing a president to *govern* the profession for a year, we would want to choose a very assertive individual with very strong views on what needs to be done (and which, hopefully, we can all support), and strong executive skills. Of course this assertion begs the question: What is the role of council and the other senior elected officers and what is the role of the CEO/registrar in the process?

If, on the other hand, we are electing a president to *lead* the organization for a year (or three years, as I contend), then we will want a collaborative team player with influencing and consensus-building skills. In other words, we will want a "servant leader."

I expect candidates for leadership roles to have views on what the organization's agenda and priorities should be. But much more important than asking them what they think needs to be changed, we should be asking them to tell us which leadership skills and

experiences they bring to the table that will help the organization to move forward cohesively.

In this connection, I would like to propose a minor enhancement to PEO's procedures for election to council that I believe would help our governance. This simple procedural change is within council's purview and does not require any amendment of the *Professional Engineers Act*, regulations or bylaws.

My proposal is to expand the nomination acceptance form to require a nominee to:

- (a) accept the role and limitations of a councillor (and officer, where applicable) as defined in PEO's *Council Manual*;
- (b) agree to campaign in a manner befitting a leader in a self-regulating profession; and
- (c) agree to abide by and enforce PEO's core values.

5. THE BOARD MUST ACTIVELY ENFORCE THE ORGANIZATION'S CORE VALUES.

Several years ago, the Human Resources and Compensation Committee facilitated a bottom-up process to develop a set of core values for PEO that would govern the way we treat each other within the profession as well as those we deal with outside the profession. These values, which were approved by council in January 2005, have been widely publicized, including in PEO's most recent annual report. To refresh your memory, they are:

- accountability;
- respect;
- integrity;
- professionalism; and
- teamwork.

Of course, core values are meaningless unless they are enforced; that is, unless we are prepared to "call" each other on breaches of them, and our leadership is prepared to reinforce them by dealing decisively with flagrant or repeated breaches.

As I listened to the debate in April surrounding the proposed National Framework for Membership and Licensure, it occurred to me that every single one of PEO's core values had been breached by the manner in which this proposal was developed and brought before council.

In conclusion, the special nature of a self-regulating profession like ours places unique demands on governance. But with clear understanding and acceptance by all parties of the roles and responsibilities of staff and volunteers, and a strong culture of respect and teamwork across the board, I believe an organization like PEO can maximize the contributions of both groups in a productive and harmonious manner. Σ

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1. Carver, John. *Boards That Make A Difference: A New Design for Leadership in Nonprofit and Public Organizations*. San Francisco: Jossey-Bass, 1997.
2. Note that I am following Carver's distinction between *accountability* and *responsibility*.
3. One of the eight good governance practices recommended in the final report of the Panel on Accountability and Governance in the Voluntary Sector, February 1999 (the "Broadbent report").

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Governance Q&A: Limits on terms...or not?

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Written by: Jane Garthson

October 3, 2012

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I read articles for and against term limits for nonprofit directors. How would my organization decide what's right for it?

In Canada, most nonprofits now must have or implement term limits. The new legislation for both federally incorporated nonprofits and nonprofits incorporated in Ontario sets a maximum term on a board as four years. As this non-lawyer understands it, if you do not implement term limits in your bylaws, the terms of all directors expire with each annual general meeting.

However, you still have to decide whether to limit the number of terms. Remember that even if there are no limits, all directors will now have to think at the end of each of their terms about standing for election. Organizations seeking to practice good governance will treat incumbents standing for re-election in the same way they treat new candidates, determining if they are the best fit going forward. Are their skills and knowledge a match for the current vision, mission and strategic directions? Has their performance been strong? Are they a constructive force for the organization, adding value, or a drain on resources? These functions are normally handled by the Governance Committee (some are still forced to call it a Nominating Committee under old bylaws; new bylaws should get rid of such terms) in collaboration with the Chair.

Many good articles have been written with balanced approaches to nonprofit board term limits. Check out these articles posted on [The Butterfly Effect](#) and by [Volunteer Alberta](#). Unfortunately, the May 2012 pro and con articles in *Director*, the journal of the [Institute of Corporate Directors](#), appear to be available only to members. If you don't belong, perhaps you know someone who can lend you the magazine.

So rather than rewriting what is in those articles, let me take a different approach to answering your question. Having read the excellent arguments pro and con, how do you decide what is right for your organization?

Criteria for number of terms

1. Values

In my opinion, your first consideration is a fit with your values. Do you value democracy and civil society? Then your members need to have choices when they vote for directors, and not just an occasional vacancy when some director retires after thirty-five years on the board. Do you value [diversity and inclusiveness](#)? Then look to see how well your current board models those values. They are very difficult to apply if the board changes more slowly than the community.

Do you need more young people involved with the organization? Then letting the current group with grey hair or no hair continue to govern for what seems like forever will not serve you well. Do you value sustainability? That could work both ways. Current board members may have proven ability to bring in resources but will the next generation be ready to lead?

Look closely at your Values Statement. If the leadership group does not model the values, there is little chance the community will believe those are in fact your values.

However, you may feel that you can live up to the values better with careful, targeted recruitment for vacancies than by putting a limit on all directors. Mandatory retirement ages were removed because individuals vary in what they want and what their employers want; there is increased choice on both sides. Such choices need to be balanced with good evaluation systems. Not everyone is comfortable yet with [director assessments](#) but they are becoming more and more common. A director who does not want to be assessed can resign gracefully.

2. Candidate pool

Consider how many and what sort of people are in your candidate pool. Wisdom and leadership potential exists in almost all members of our communities. So for a social service agency in an urban setting, the pool is very large because it includes almost all adults. Good board recruitment can lead to many good candidates. You may not yet have a pool of qualified people asking to join your board, but that's a different issue. The arguments for a limited number of terms focus on fresh ideas, eyes, energy, contacts, etc., and they should resonate strongly in such an agency.

For a hobby group with relatively few people involved in the hobby, the pool may be dozens of people rather than tens of thousands. And some of those few people may have personalities not well suited to group decision making, limited interest in organization-wide issues, or personal lives that have too much stress to make room for board service. I see organizations with passionate people serving for more than twenty years on a board that would be seriously weakened without them. There is no point deciding that fresh energy is the most important factor if hardly anyone new exists to provide it.

3. Internal relationships

One strong and quite valid argument against indefinite board service is that directors have become too comfortable with one another and with senior management. Directors need to challenge assumptions and ask hard questions. If you are not hearing different opinions being voiced, and if you see every management recommendation approved without change or good dialogue, new directors are likely key to the organization's survival. The current group may well have been recruited from friends and neighbours in the first place and never wanted to rock the boat.

However, boards of all-volunteer organizations, or those with far fewer staff than needed for programs and services, may find themselves spending hundreds of hours together every year, not just a few hours a month. Constant challenges and differences of opinion take energy to deal with, and cause friction. The [ability to get along well](#) really matters, and frequent turnover would cause some of these organizations to fold.

4. External relationships

How dependent is your organization on personal connections? If your partners, grantors, gala ticket buyers and more are with you because they know, trust and like one board member, do you have a succession plan in place for what happens if that board member can no longer serve? Can the board member switch to another role, such as campaign chair, if they leave the board, and would they? Would you lose good access to policy makers if a particular board member is gone?

Setting a limit on the number of terms might be an essential catalyst for getting those succession plans in place. No one is indispensable. But some organizations have those plans in place despite a lack of term limits. How ready is yours?

5. Career path

Very, very few people want to step into an officer role on their first day on the board. Very, very few people can be effective as a chair if they serve one two-year term and are chair in their second year. Yet I see organizations that have set up structures that fail to give directors time to learn and understand their roles and responsibilities. They change officers so often that people barely learn the job before they are gone from it; often the changeover is annual and the person cannot be reelected or reappointed to the same role. Some boards are too small to allow any time for learning before taking on major responsibilities.

Some of those are student organizations, where people are only eligible during their short time as active students. I think many student groups do amazing work despite this challenge, but might benefit from allowing students to stay involved for a couple of years after they graduate, if interested.

Other organizations with governance structures that seem to work against strong volunteer leadership have senior management staff that appear to me to be control freaks. New officers and directors are more dependent on senior management than those who have observed the organization for several years. The frequent changes are usually justified by workload; they say no one should be asked to make a longer commitment. Yet I see the same volunteers make longer commitments to other organizations.

Mostly, they are just organizations where people don't recognize that leadership volunteering has a [career path](#). They haven't thought about the value of learning, opportunities to try out new skills and experience of a couple of annual cycles with an organization at the director level. They can limit the number of terms, but really need to plan for directors being around four or more years. The return on investment in director training and education can be immense.

6. Specialized knowledge

While most board skills are generic, many bad decisions are made because board members lack sufficient knowledge of the sector in which they govern or the impact their choices will have. They may

not have asked staff for the right information and analysis or the small staff may not have that knowledge either. Many Canadian nonprofits operate with a couple of administrative people who manage processes for them but do not have professional credentials or direct experience related to the issues that come to the board. An umbrella organization setting safety standards for its member groups, for example, needs directors who can properly frame the issues and ask the right questions of those member groups. In any one such technical area, there may only be a few people in Canada who qualify. Removing them after eight years could leave a major void; you usually want them around as a resource for the other directors for as long as they remain willing.

This is a good example of an issue I cannot imagine coming up in the for-profit world, where staff members normally have a depth of expertise in their business. We cannot just rely on business articles to help us with decisions about our governance approaches.

Making the decision

I believe the governments were right to mandate term limits but leave open the possibility of unlimited number of terms. Our highly diverse sector needs flexibility.

I also believe a limit on the number of terms is appropriate for most organizations. Without such a limit, too many people just stay too long and impede progress. So I suggest you review the criteria set above, and whatever criteria you add, based on limits on the number of terms as a default. Consider whether you can justify not having such a limit when the trend is so strongly towards having them.

Even if you say yes to a limit on the number of terms, that leaves you with the question of how long each term is and how many terms will be allowed. Most terms are two or three years; one-year terms leave open the possibility of everyone on the board leaving or being voted out at the AGM. Even if members want major change, losing all the history and continuity at once is rarely a good thing. I believe two year terms are becoming less common and four or five year terms more common than a decade ago. How long of a commitment will your board members make?

In terms of total length of service allowed, I haven't seen formal research but I think six years of consecutive service is pretty close to average in the bylaws I've read. That's two terms of three years or three terms of two years. Would a six year maximum work for you? Think through your reasons for more or less; there is no right answer.

Remember to also address in your bylaws how in-year appointments are counted in relation to the number of terms (normally they are excluded) and how long people have to be off the board before they can come back (one year is common) after completely their maximum time. And you may wish to give the members flexibility to grant exceptions for unusual circumstances, such as when several people in the pipeline for director or officer positions have to withdraw on short notice for personal reasons.

Since 1992, [Jane Garthson](#) has dedicated her consulting and training business to creating better futures for our communities and organizations through values-based leadership. She is a respected international voice on governance, strategic thinking and ethics. Jane can be reached at jane@garthsonleadership.ca.

Because nonprofit organizations are formed to do good does not mean they are always good in their own practices. Send us your ethical questions dealing with volunteers, staff, clients, donors, funders, sponsors, and more. Please identify yourself and your organization so we know the questions come from within the sector. No identifying information will appear in this column.

To submit a dilemma for a future column, or to comment on a previous one, please contact editor@charityvillage.com. For paid professional advice about an urgent or complex situation, contact Jane directly.

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daisyville@yahoo.com

10/4/2012

Term limits also provide a regular injection of fresh thinking into the Board, which is usually advantageous.



1 Points |

paddle2c@yahoo.ca

10/3/2012



I think term limits are a very important check in an organization's governance life-cycle. It is a good opportunity for a board to evaluate its performance and the performance of its directors. The risk, even in organizations with term limits, is having directors, who are not necessarily high performers, being permitted to simply sit on the board until their maximum term expires. This doesn't help anyone.

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Term Limits: A Positive or



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By: [Tim](#) Comments: [0](#)

Term limits for  board directors, or a lack thereof, is one of the most controversial topics of conversation in the nonprofit/voluntary sector. Each new organization must decide at the outset, when writing their bylaws, whether or not to include a cap on the number of consecutive terms a board director can serve. In an effort to learn more about the perceived pros and cons of term limits, I searched out books, articles and other resources on the subject in the [Volunteer Alberta Resource Centre](#). Right away I found an article entitled “Term Limits: Pro or Con” in the May 2012 edition of *The Journal of the [Institute of Corporate Directors](#)*. In the article, Deepak Shukla, Corporate Director and Board Trustee with Healthcare of Ontario Pension Plan, makes the case for term limits; and David Dominy, Chairman of 3D Capital Inc., makes the case against having term limits. Both made great points in support of their arguments.

One of Shukla’s primary arguments in favour of term limits for boards is that it ensures there is a continuous supply of fresh blood. This school of thought suggests organizations are best served by having a constantly evolving board of directors, with staggered terms to ensure that there is a healthy balance of fresh perspective and experience. Dominy, on the other hand, insists that organizations should focus on recruiting, and retaining, the best and the brightest, rather than forcing perfectly capable board members to step down. The key question to



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consider is, “which approach is best for my organization?”

According to Shukla, having unlimited consecutive terms can often result in ‘group think’ – a situation where a board ceases being a true democracy. Both sides of the issue provided examples of boards that do not have term limits for their board directors; Shukla cited Research In Motion (RIM) as an organization with a board that has no term limits and has seen a negative impact as a result. Yet, Dominy is quick to point out that some of the most successful corporations in Canada, such as BMO, RBC, BCE and Shaw, have no board term limits. While these examples are for-profit enterprises, instead of nonprofit/voluntary organizations, it demonstrates that each organization has its own needs and that there is no one size fits all approach.

Having term limits in place can work as a safeguard to prevent board members from steering the organization down the wrong path, and, according to Shukla, there is no effective evaluation process for boards, as the most common form is a self-evaluation. However, Dominy suggests that term limits can put an organization in the undesirable position of having to replace a strong board member with a candidate from a less desirable talent pool.

Shukla and Dominy both want what is best for their respective organizations and, in the nonprofit/voluntary sector, the board must consider the organization and the stakeholders with every decision. The foundation of any nonprofit/voluntary organization are its bylaws, and whether or not to have term limits is one of the most important decisions founders must make for the future of their organization.

Now, my question to readers: what is most important to your



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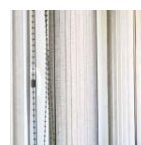
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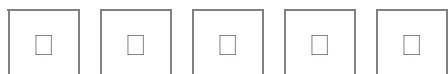
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The trend towards board term limits is based on faulty logic

Robert C. Pozen and Theresa Hamacher · Sunday, May 31, 2015 ·



In the business world, experience is generally considered to be positive. When it comes to corporate directors, however, they are increasingly viewed with suspicion. Yet the trend towards board term limits is based on faulty logic.

The movement towards director term limits is global. In France, directors are not considered independent if they have served on a company's board for more than 12 years. In the UK, publicly traded companies must either comply with term limits of three years of service, or explain why long tenure has not compromised director independence.

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In the US, the Council of Institutional Investors, which represents many public pension funds, urges its members to consider length of tenure when voting on directors at corporate elections. The council is concerned that directors become too friendly with management if they serve for extended periods.

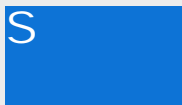
Institutional Shareholder Services, the proxy voting advisory firm that is a powerful force in corporate governance, penalises companies with long-serving directors by reducing their "quick score" governance rating. Under the current methodology, a company loses points if a substantial proportion of its directors has served for more than nine years. Although ISS recognises that there are divergent views on this, it concluded that "directors who have sat on one board in conjunction with the same management team may reasonably be expected to support that management team's decisions more willingly".



But the assumption that lengthy director service means cozy relationships with management simply is not supported by the facts.

First, there is a lot of turnover in executive ranks. According to Spencer Stuart, the recruitment firm, in 2013 chief executive officers of S&P 500 companies held their jobs for just seven years on average. This figure has been falling over the past few decades.

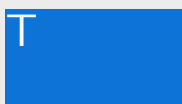
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Second, new research has found that experienced directors add value. In a study, economists at the University of New South Wales defined an experienced director as one with more than 15 years of service on the same board. This is superior to the typical definition in other studies, which look at average or median tenure for the entire board. They then looked at the performance of 1,500 companies from 1998 to 2013, including those with and without experienced directors.

The study found that experienced directors were more likely to attend board meetings and become members of board committees. Companies with a higher proportion of experienced directors paid their chief executives less, were more likely to change chief executives when performance faltered and were less likely to misreport earnings intentionally. These companies were also less likely to make acquisitions, which often expand a chief executive's power while diminishing shareholder value. When they did, the acquisitions were of higher quality.

So, term limits do not increase director independence. Just the opposite: long tenure appears to help directors counterbalance chief executive authority. While term limits help companies refresh the board with new faces and talents, which can be desirable, they can lead to the loss of considerable experience and knowledge. This expertise is especially important in a complex company with global operations.

The assumption that lengthy director service means cozy relationships with management is not supported by the facts.

Of course, some directors may lose interest in a company, stop contributing to board discussions or start missing board meetings. They should be replaced regardless of their tenure.

Each year the nominating committee should make an inventory of the skills, experiences and characteristics the company needs. This analysis should take into account changes in the relevant industry and board norms, including director diversity. Then the nominating committee should evaluate whether these needs are being met by current board members or whether board composition should be adjusted.

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In addition, the committee should conduct a rigorous annual review of the performance of each director. Unfortunately, some performance reviews of directors are superficial; others suppress criticisms of individual directors. If it does an effective review, it will be prepared to ask an underperforming director to step down, regardless of length of board service.

Careful assessments of board composition and director behaviour are more likely to contribute to corporate performance than mechanistic term limits.

Authors



Robert C. Pozen

Nonresident Senior Fellow - Economic Studies,
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Nonprofit board term limits – pro and cons

March 9th, 2012

Gayle Gifford



Conventional wisdom holds that board member term limits are good practice. But is this necessarily so?

The Pros of Term Limits

At a February workshop on board transitions that I led for the **Rhode Island Foundation**, participants contributed many reasons that term limits make sense :

- They provide a structure to get rid of nonperforming board members when courage is lacking.
- They offer an infusion of “fresh blood.”
- They enable a graceful exit for members who would like to leave.
- They can strengthen recruitment as potential new members or officers know they aren’t committing to a life sentence.
- They create a sense of urgency in the nominating committee which might otherwise drag its feet on recruiting new members.
- They enable ongoing reconfiguration of the ideal board composition, including opportunities to increase the diversity of board perspectives.
- They grow the base of board alumni and groom a growing field of organizational advocates.
- It’s easier to enter as a new member when you aren’t the only one.
- They light a fire under existing members to complete what they’d like to accomplish during the length of their service.
- A hiatus before bringing back a beloved and missed member re-invigorates their

next term of service.

The cons of term limits

But there is a down side to losing long-term members. In that training, we also discussed what is lost when board members are required to leave due to relatively arbitrary time limits. Lost assets include:

- The expertise of that particular board member
- Hard to replace know-how or connections that some members may hold
- The passion and interest of that particular board member
- The coherence of the team, which needs to recalibrate after every shakeup
- The commitment and work of a tested member, exchanged for a newer and thus riskier one
- Money, as often a higher level of giving comes with board service, including family foundation or corporate giving tied to service on the board
- Your investment in training a member in your governing process and the strategic issues of your organization
- Wisdom
- Knowledge, not only institutional memory, but also the intricate knowledge of community connections and the history of issues
- Relationships held by that particular member, with donors, with elected officials

or government workers

- Interest, which may fall off as terms are reaching their end

And as to that hiatus... on more than once occasion I've noticed that board members who return after a short hiatus aren't always vetted as well as they should be. The loss felt by the organization is often so great that, in a rush to bring back a beloved former member, no one notices that the interests and enthusiasm of the returning member are different, and often less, than the past.

What's your experience with board term limits?
What would you add to the pro and con list?

Related reading:

[Lions and Longevity](#)



From: Better Boards

Tagged: nonprofit boards, nonprofit governance, term limits

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5 responses to 'Nonprofit board term limits – pro and cons'

Lori L. Jacobwith

Important topic, Gayle. I'm a fan of board terms. And I'm willing to make exceptions. But I feel like the energy can wane and a board can get into a malaise of habits – good and not so good, without the infusion of new energy. Having some real depth waiting in the wings can make the process of bringing on more board members exciting and fun to do. AND finding places for great board members to stay connected in other ways can be a great challenge and build some strength in committee structure and other volunteer efforts.

I just spoke on this topic last week and I referenced this post about taking the time to really generate competent, effective board members in the recruitment process:

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Reply

March 10th, 2012

Gayle Gifford **POST AUTHOR**

I agree Lori. I'm wondering what really good structures or ways you've experienced to keep former board members as engaged as they were on the board?

Reply

March 15th, 2012

Sandy Rees

I'm pro term limit. I think when Board members are around too long, momentum slows down, willingness to accept fresh ideas dwindles, and the "we've always done it this way" thinking takes over. You certainly don't want all your experienced Board members to rotate off the Board at one time, and a solid orientation program for new members needs to be in place.

Sandy Res

Reply

March 12th, 2012

Gayle Gifford **POST AUTHOR**

What's your cut off time frame Sandy? Six years? Nine? Less? More?

Reply

March 15th, 2012

Term Limits for Non-Profit Board Members | BoardEffect

[...] despite any financial instability. As part of the review, non-profit boards are weighing the pros and cons of term limits for board members. In evaluating this issue, non-profit boards are reviewing trends, [...]

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Monday, March 28, 2016

In defense of nonprofit board term limits



(Purchased from Bigstock Photo)

"Never can say goodbye. No, no, no, no..."

As a contemporary of the Jackson 5, the words of [their song by that name](#) contributed to the soundtrack of my youth and adolescence. Today, those words are less "soundtrack" than reminder of one of my nonprofit board mantras - one I woke up feeling compelled to reiterate here this morning:

Term limits are a very, very good thing.
Term limits are a healthy thing.
Nonprofit boards need term limits.

Some boards I know read that and think, "Wouldn't it be nice to have to reinforce term limits." They struggle to keep good members through the end of their appointed board terms. Parting ways at the end of a nice, long board tenure is something they rarely get to experience. Many others know exactly what I mean, because they've found that balance. They work their board members hard, they support them in their service, and everyone willingly moves on when an individual's time is up. Then there are others who look at the prospect of parting ways with longtime, valued members and simply can't - or won't - bear to bring their official relationship to an end.

Reasons for that third scenario can vary. The board may have trouble recruiting new members, so keeping those they have feels critical. If this person leaves, they ask, who will we get to replace him/her? A more likely scenario is one where the board values the veteran member's commitment, knowledge and service so much that it can't possibly bear to let all of that go. So it doesn't. Organization leaders may ignore their term limit policy - if it exists - and allow the vet to continue to serve indefinitely.

What's behind that reluctance to let go? Reasons probably vary as much as the individual situation. But at the core of most I've encountered is fear - fear that

- You'll never find someone with this person's professional expertise.
- You'll lose the institutional history that he/she carries.
- You'll never find someone as dedicated to your organization and your mission.



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- You'll never replace that kind of leadership that you so desperately need.
- You'll lose stability in a time of transition.

Does any of this sound familiar? Does the prospect scare you? Does it scare you so much you freeze in term-limit fear?

Let me ask another question: what is the worst-case scenario? What if you bring your formal board relationship to a close and that person drops completely off the grid? What is lost, really? List your concerns. Be specific. Then ask yourself a follow-up: is this person the only source of what our board needs to govern? Really?

I'll acknowledge that exceptions may exist. Emergencies may require some of those exceptions. But let's be honest: in the vast majority of cases, the answer to that last question is no. This person is not the sole source of knowledge/expertise/energy/commitment available to your organization. It may be a unique mix, but it is not an irreplaceable mix.

I've served to the very end of maximum allowable board terms. I've served with, and interacted with, others in that situation. Here's a little secret that may ring familiar to your veterans: we get tired. We may march on out of a sense of commitment to you and/or your mission. We may love the work and our role in it. But we become fatigued. Sometimes, we know it. Sometimes, we sense it but ignore the pangs. Sometimes, we're completely blind to it. But once that fatigue sets in, it can hamper our performance and our overall leadership contribution.

Let's ask another question: what do term limits make possible? Here are a few personal observations:

- It opens board seats and organizational opportunity to people with new perspectives and skill sets who also bring new energy to the boardroom.
- It introduces new members who can ask naive questions and force us to reflect on why we do what we do. In some cases, that reflection will affirm that we are on the right track. In others, it may prompt an opportunity to correct assumptions that no longer are completely accurate. Either way, the opportunity exists to articulate, affirm and change course where they make sense. It gives us a chance to challenge board complacency.
- It creates opportunities to build a next generation of leaders who are committed and passionate about your work and your mission. (Because let's be honest, those "irreplaceable" board members didn't start out that way.)
- It facilitates new connections to incoming members' personal and professional networks.

What do you *really* lose? In the end, maybe not as much as you think. As mentioned earlier, unless that retiring board member moves to a remote South Pacific island, his or her knowledge always will be available if you really need it. Maintaining institutional history is a legitimate concern, as boards who lack that context risk reinventing the organizational wheel. (Been there. Done that. Bought the t-shirt.) However, history is lost to the extent that we still act as if it only exists in board members' heads. If that's literally the case, you have bigger problems than a few board members overstaying their welcome. Having ways to capture and share essential information across board member generations - in the form of well-documented minutes, policies, board portals and other performance support mechanisms - mitigates the need for human sources of information. It's also just smart, sustainable business.

What about allowing retiring board members to take a year off before reappointing them for a fresh round? I get that question a lot, and my general response has been "That's an option..." But the more I think about it, the more I'm inclined to add a qualifier. Instead of a one-year break, make it two. Give yourself and your board member vet time to miss each other. Recruit well in the meantime. Recruit to not only fill the gap left by the retiring member but for your future governance needs. If at the end of two years time, you find that you simply can't live without each other, then consider a new round. (But really. Think about it. Again. Really.)

Stated publicly or not, the notion that ending one's board service means ending one's commitment to your organization and your mission is a silly one. In fact, offering a metaphorical gold watch and sending them on their way is as big a mistake as not letting them slip from your grasp. Retired board members are perfect candidates for leadership roles in those initiatives you never seem to have time to flesh out. They can offer pro bono consulting in their area of expertise, without some of the ethical issues that can arise in board service. Retired board members can assist with reaching out to donors and public policymakers. They can be granted emeritus status or serve on an advisory board (though remember: advisory boards require their own kind of support).

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There are other, legitimate ways to transition to a next chapter of contribution and commitment from our valued senior board members. Boards need to act as if that's the case - and it will be.

Posted by Debra Beck, EdD at 5:41 PM



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2 comments:

Paul Quin said...



Well done. The same should apply to Government.

April 3, 2016 at 12:00 PM

Debra Beck, EdD said...



Appreciate the feedback, Paul. Thanks!

April 3, 2016 at 12:30 PM

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Should Directors Have Term Limits? – Evidence from Corporate Innovation



Ning Jia 

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Abstract

This paper examines the effect that directors with extended tenure have on corporate innovation based on a sample of US firms from 1996 to 2006. Using the propensity-score matched-pair research design, I find that firms with a higher portion of outside directors enjoying extended tenure produce significantly fewer patents and that these patents receive fewer subsequent citations. These firms also have lower research and development (R&D) productivity and exploration intensity than their matched control firms, although I found no significant difference in their R&D investment intensity. Difference-in-differences tests based on director deaths and regulatory changes in the early 2000s suggest that the adverse effect of long director tenure on innovation performance is causal. I also find that the effect is mitigated when long-tenured directors have more years of overlap in service with CEOs, and when long-tenured directors are executives at other firms. Finally, I find that boards with extended tenure attenuate the contributions of innovation outputs to future firm value and performance. These findings shed new light on the debate over length of board tenure and provide another justification for imposing term limits on directors.

JEL Classification: [G34](#), [O31](#), [O34](#)

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The term-limit era has begun

The new “comply or explain” regime for gender diversity on boards and in senior management that comes into effect for 2015 also requires issuers to embrace board renewal. For some, it will be a challenge—and that’s the point

By Ken Mark

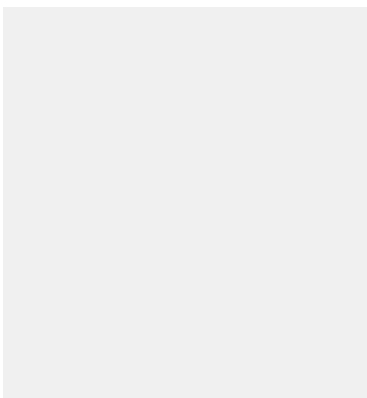
December 18, 2014

Boards and senior staff at many Canadian publicly listed companies face new paperwork and then some before their 2015 annual general meetings. That’s because as of December 31, 2014, securities regulators in nine of Canada’s 13 provinces and territories will require non-TSX-Venture issuers to disclose information on their policies to promote gender diversity on boards and in senior management; and if none are in place, to explain why. The exceptions are British Columbia, Alberta, Prince Edward Island and the Yukon.

As regulatory changes go, the introduction of this “comply or explain” regime has had an extremely high profile. The initiative also continues to be scrutinized, debated and discussed. But we’re moving into the execution phase—these disclosures are part of the management proxy circular that must be issued 21 days before the AGM—and on that front, it’s a safe bet many issuers are still getting up to speed.

Compounding the challenge is that to date most of the emphasis has centred on diversity policy disclosure. Yet the new regulations also address director term limits and other mechanisms of board renewal. And it’s not clear that Canadian issuers are entirely ready for this aspect of the regulation.

A survey of almost 1,000 TSX-listed issuers in late 2013 by the Ontario Securities Commission found that 82% of respondents— eight out of 10—did not have a policy regarding term limits for their directors. The OSC did say awareness was significantly higher, and undoubtedly that number has come way down since the new regulation was adopted, but it’s just as likely many directors and boards are still wrestling with the change—if not due to the mechanics of compliance, then as a result of the collective soul-searching and critical



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Jackie Sheppard, chair, Emera Inc:
"Recruiting board members is a disciplined process...managed to ensure the right balance of continuity and renewal"

self-analysis the adoption of such policies is intended to spark.

When responding to term-limit and renewal issues, Andrew MacDougall, a partner at Osler, Hoskin & Harcourt in Toronto, recommends a process by which boards consider and undertake the following:

- Review and assess the company’s historic board renewal experience;
- Identify any existing formal board renewal practices or mechanisms;
- Document existing informal practices;
- Consider adoption of additional board renewal mechanisms;
- Examine other issues such as suitable lengths, flexibility and transitional concerns for existing board members if introducing term limits;
- Prepare draft disclosure responsive to the new requirement.

DIRECTOR TERM LIMITS and board renewal; women’s participation on boards and in senior management—traditionally, these two elements were rarely mentioned in the same breath. But times have changed. “Gender diversity is a public policy issue. But what’s more important today is bringing in people previously not in the talent pool to avoid ‘group think’,” says Carol Hansell, founder and senior partner of the Toronto-based law firm Hansell LLP.

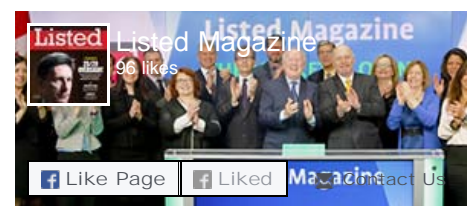
“Term limits can be a tool for looking at board composition and attracting fresh minds to help increase board effectiveness.”

And so while all TSX issuers must address the new requirements, there’s still latitude for different practices and policy specifics—and some ongoing debate.

“There are many ways to address board renewal,” says Jackie Sheppard, board chair for Halifax-based Emera Inc. (TSX:EMA) and a director on other boards in Canada and the UK. “Recruiting members is a disciplined process that examines the matrix of skills required, and the tenure schedule of members, where there are age limits, looks a lot like a debt maturity schedule.

“It is all actively managed to ensure the right balance of continuity and renewal. The

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annual assessment process might reveal deficiencies that require addressing.”

Fearing that directors become too cozy with management the longer they served, United Kingdom regulators have introduced nine-year term limits. But not everyone is a fan of having that here. Says Manulife Financial Corp. (TSX:MFC) board chairman, Dick DeWolfe: “That [directors overstaying and getting too cozy] is less likely to happen here in Canada, especially compared to U.S. experience, because of the separation of the roles of CEO and board chair.

“I also believe that nine years is not long enough. New directors can often take two years and even longer to get up to speed on their firms’ operations. Such limits reduce the time they can contribute their insights and oversight.”

In any case, term limits are no panacea since problems can arise if they are taken for granted. “Some firms and board chairs consider it a kind of guarantee—after the member serves the full length, they leave,” says Hansell.

Such laxity may have more serious consequences. “Today’s boards tend to be smaller in size than before. However, since members now have more responsibilities, it is no longer feasible to ‘carry’ colleagues who are not doing their share,” says Osler’s MacDougall. “As a result, corporations need to plan for this—finding new members who can add value to the firm.”

Sheppard stresses her view that the best way of doing so is by maintaining board discretion to judge and do the best thing. “Imposing term limits would be employing a very blunt instrument to manage what is in fact a very complex and delicate exercise,” she says.

The OSC appeared to acknowledge this perspective in so far as it did not impose any requirements for issuers to have a specified quota of women on boards and/or in senior management, at least at this time.

Age limits are another board-renewal mechanism. In most major Canadian corporations they range from 70 to 75 years. Some have a combined age/length-of-service approach stating that retirement kicks in after 10 years of service or the age limit, whichever comes first. Originally, the rationale for adopting 75 years as the age was to ensure CEOs who retired at 65 they could expect a 10-year career as a director.

Manulife has recently taken the bold step of eliminating its age limit (72) while extending term limits to 12 years from the previous 10 years. The bylaw amendment also includes a clause stating that if a board member becomes chair he or she will be able to serve a full five-year term as chair. Says DeWolfe, “In our experience, we found members in their 60s and 70s who can still make valuable contributions.”

Equally important, he has found recruiting suitable replacements for outgoing directors becoming more difficult. He attributes that to increasing competition from other corporations that are often seeking the same candidates. He also notes that certain regulations make the job even harder, especially the one requiring that two-thirds of board members of financial institutions must be Canadian residents.

However practical such objections, lawyer MacDougall says directors should always try to remember that one of the most important functions of board members is to identify practices that could lead to board failures. Not having, or not properly employing,

turnover and renewal policies is just such an act.

“Changing up the cast of characters brings in fresh minds and new ideas that help change board dynamics—the key driver of business oversight,” says MacDougall.

At the same time, he prefers a gradualist approach. Too much change is not good, nor is too little.



This entry was posted in Handbook, Top Stories and tagged Andrew MacDougall, board diversity, board renewal, Carol Hansell, comply or explain, Dick DeWolfe, Jackie Sheppard, Ken Mark, term limits. Bookmark the permalink.

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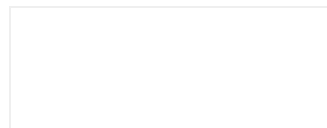
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A Closer Look at the Emerging Debate Over Board Tenure

March 24, 2015 | Published by Steven Haas

The appropriate length of service by a company director is an emerging issue in corporate governance that yields varying responses among large shareholders, proxy advisors, and directors themselves. Recent



board tenure concerns center around a director's ability to remain independent after extended service, lack of industry expertise and technological familiarity, and poor diversity on corporate boards. Conversely, long-tenured directors can be beneficial because of their deep knowledge of the company acquired through service, the continuity and stability they offer, and their grasp of the historical perspectives that can inform current company strategy. As this issue continues to draw attention from various interested constituencies, corporations should continually assess board composition and consider their current policies on director tenure as shareholders become more attuned to extended service and its implications.



Steven Haas

The Current State of Director Tenure in the U.S. and Abroad

No overarching law or regulation currently limits the length of board service in the United States. In fact, few United States public companies address board tenure directly in their bylaws. According to SpencerStuart, approximately 3 percent of company boards in the S&P 500 have specified term limits for directors. Only 17 companies in the S&P 500 set term limits for their directors in 2012, with no company adopting a term of less than 10 years. That same year, board turnover on the S&P 500 reached a 10-year low, reflecting the trend toward directors remaining in their positions.

Mandatory retirement ages are more common. SpencerStuart reports that 72 percent of companies in the S&P 500 have mandatory retirement ages, which reflects a 6 percent increase since 2003. Of those, the mandatory age exceeds 72 in 88 percent of corporate boards. Over the last 10 years, the percentage of boards with mandatory retirement ages of 75 or older has increased from 3 percent to 24 percent, while the percentage of boards with a mandatory retirement at age 70 decreased from 51 percent to 11 percent. Moreover, some U.S. public companies allow boards to waive the mandatory retirement age for directors, which is typically between age 72 and 75, according to David A. Katz and Laura A. McIntosh, authors of *Renewed Focus on Corporate Director Tenure*.

The lack of term limits and mandatory retirement ages promotes extended board service. Last year, 20 percent of U.S. corporate boards in the S&P 500 had an average director tenure of at least 11 years. The median age of directors was 63.

Director tenure limits are more prevalent outside the United States. The European Commission notes that an appropriate maximum tenure for a director is three terms, or 12 years. The United Kingdom employs the "complain or explain" model, which presumes that directors are no longer independent after nine years of service unless a company can explain why it has determined that a director remains independent after they reach the presumption threshold. France employs one of the most stringent guidelines for independent directors, capping director service at 12 years, though this does not give France the lowest average director tenure in Europe. That distinction goes to Germany, with an average director tenure of five years. Collectively, Europe has relatively shorter board tenures on average compared to the United States, which is 8.6 years. For reference, Spain has the highest average tenure in Europe at 7.7 years. In Asia, Hong Kong does not limit director service, but companies appointing an independent director to serve longer than nine years must employ a separate vote for the director using a special resolution.

Calls for Change

Recently, shareholder advocates have pushed director tenure to the forefront. Institutional Shareholder Services has been visible in highlighting potential issues with corporate director tenure, with its new Governance QuickScore 2.0 program. The product, which uses specific governance factors and technical specifications to rate company governance, takes director tenure into account. According to ISS, "[a] tenure of more than nine years is considered to potentially compromise a director's independence." ISS

has not disclosed the weighting that each metric will actually have, so it is unknown how much impact long-tenured directors will have on a company's QuickScore rating.

ISS has yet to alter its voting policy outside of QuickScore such that tenure can lead to a determination that a director is not independent. ISS does urge shareholders to vote against proposals to limit tenure by mandatory retirement ages or term limits, but it suggests shareholders scrutinize the average tenure of *all* directors if their tenure exceeds 15 years in order to promote independence and alternative perspectives.

State Street Global Advisors (SSGA) revised its view on board tenure in 2014 to reflect its support for board refreshment and planning for director succession. According to SSGA's Head of Corporate Governance Rakhi Kumar, the new policy is "designed to identify companies with a preponderance of long-tenured directors, which may indicate a lack of refreshment of skills and perspectives . . . [L]ong tenure may also diminish a director's independence." Though SSGA does not consider long-tenured directors to be entirely ineffective, SSGA discourages their presence on committees where "independence is considered paramount," including the audit, compensation, and nominating/governance committees.

SSGA has indicated that it will screen companies based on whether their average board tenure is above one standard deviation from the average market tenure. If a company has a longer-than-average board tenure, SSGA will further screen it for (a) whether one-third of the non-executive directors have tenures in excess of two standard deviations from the average market tenure and (b) classified board structures. Following this screening, SSGA has indicated it may vote against the chair of the nominating committee, long-tenured directors serving on key committees, and/or (c) both the members of the nominating committee and long-tenured directors at companies with classified boards. SSGA, however, has not provided additional details on how it computes average board tenure.

The Council of Institutional Investors supports board turnover in order to guard against a "seasoned board member" losing his or her independence or thinking more like an insider over time. Further, CII's policy highlights the high salaries that accompany director positions, and how the compensation fails to promote board refreshment. It is estimated that S&P 500 companies pay independent directors an average annual salary of \$250,000. Despite an updated policy, however, CII refuses to deem its policy as endorsing a tenure limit, highlighting that removing long-tenured directors "could rob the board of critical expertise."

Glass Lewis & Co. pushes back on the idea of an inflexible rule limiting director service. Glass Lewis believes such inflexible limits may not provide benefits or returns for shareholders. Its 2014 proxy policy thus reflects the idea that term and age limits are not in shareholders' best interests, and that there is no evidence of a connection "between either length of tenure or age and director performance." Nevertheless, Glass Lewis supports "periodic director rotation" through shareholder monitoring to promote fresh perspectives, new ideas, and business strategies. Glass Lewis notes that if a company does have an age or a term limit, shareholders should vote against the board waiving its self-imposed limit absent extenuating circumstances like a merger.

The Effects of Board Tenure Limits

There is no "one-size-fits-all" approach to board tenure. There are merits to imposing board tenure limits at some companies, specifically the potential to promote the independence of corporate directors by limited extensive service. Some directors may also become complacent or out of touch with the company or industry after extensive service. Replacing long-tenured directors may offer a new opportunity for the company to infuse fresh perspectives into the board, whether it may be in corporate strategy or industry expertise. In addition, boards can use mandatory retirement ages or term limits to avoid otherwise unpleasant conversations with directors whom the board believes should retire.

Despite the potential benefits of mandatory director refreshment, there is no strong indication that long-serving directors are not independent, which is the primary concern of those who criticize extended board service. A "one-size-fits-all" approach to term limits or mandatory board refreshment would restrict or remove experienced, knowledgeable board members arbitrarily and create situational difficulties for the

company going forward. As noted above, long-tenured directors are often the most knowledgeable about the company and offer stability, particularly during changes in senior management. In addition, at some companies the most long-tenured directors often exercise considerable influence over less-tenured senior management. These factors balance heavily against any strict rule on board tenure. Additionally, term limits offer the potential to interfere with the development of effective collaboration among board members that have developed strong working relationships over the course of their tenures.

It remains to be seen if the increased attention on board tenure will have a significant impact on the corporate governance of U.S. public companies going forward, or if the international trends will be imitated in the United States. Mandatory term limits applicable to all U.S. companies are inappropriate. Rather, companies should continue to have the choice of whether to impose restrictions on board tenure. The important issue, therefore, is how companies make that choice. We suggest a thoughtful consideration of board composition by nominating committees, boards and shareholders on a case-by-case basis that considers tenure, expertise in the particular industry, knowledge about a particular company, diversity, director competency, and the company's success over the director's tenure. Boards must also carefully assess their own composition in light of various experiences, backgrounds, skills, and traits that could enhance board performance. Boards themselves, along with input from their shareholders via annual director elections and shareholder engagement, are best equipped to assess whether to retain or remove their own directors, and should not be burdened by a uniform rule that may potentially yield unintended consequences to the detriment of the company and the shareholders.

Steven Haas is a partner in Hunton & Williams' Richmond, VA, office. He represents clients on corporate governance and M&A matters. He also regularly counsels clients with respect to corporate governance issues and fiduciary duty litigation.

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National Association of Corporate Directors
2001 Pennsylvania Ave., NW, Suite 500
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MULTIMEDIA

DIRECTOR TERM LIMITS NOT COMMON



10/09/2015

Capital Markets/Corporate Governance

[John Tuzyk](#) and [Stefania Zilinskas](#)

On September 28, 2015, the Canadian Securities Administrators (CSA) released a staff notice summarizing the findings from its review of the corporate governance disclosure of non-venture issuers related to policies regarding director term limits and other mechanisms for board renewal.

The review relates to the amendments to National Instrument 58-101– *Disclosure of Corporate Governance Practices* and Form 58-101F1 *Corporate Governance Disclosure* (Amendments), implemented by the securities regulatory authorities of Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Quebec, Saskatchewan and Yukon (Participating Jurisdictions) on December 31, 2014.

The staff notice, titled *CSA Multilateral Staff Notice 58-307– Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices* (Staff Notice), also provides some limited guidance to assist issuers with the quality of their disclosure with respect to such mechanisms for board renewal.

For background information regarding the development of the Amendments, please see our October 21, 2014 *Blakes Bulletin: Just in Time for 2015 Proxy Season: Disclosure Requirements for Gender Diversity, Director Tenure*, our January 2014 *Blakes Bulletin: OSC Proposes Disclosure Requirements for Gender Diversity and Director Term Limits* and our September 2013 *Blakes Bulletin: OSC Consultation Paper on Women on Boards and in Senior Management*.

For a discussion of the CSA's contemporaneous review of issuer disclosure of policies regarding the levels of representation of women on boards and in senior management and their actual and any targeted figures for such representation, please see our October 6, 2015 *Blakes Bulletin: CSA Findings from Gender Diversity Disclosure Requirements Review Released*.

BOARD ASSESSMENTS COMMON, TERM LIMITS NOT SO MUCH

The Staff Notice summarizes the CSA's review of the corporate governance disclosure of 722 non-venture issuers (Sample Group) listed on the Toronto Stock Exchange.

The CSA found that among the issuers in the Sample Group, only 19 per cent disclosed that they have adopted director term limits and 56 per cent disclosed that they have adopted a mechanism for board renewal other than director term limits. The most commonly disclosed mechanism for board renewal was board assessments. Just over 20 per cent of issuers in the Sample Group disclosed that they did not have director term limits or similar mechanisms for board renewal.

The most significant indicator of whether issuers adopted mechanisms of board renewal, and particularly director term limits, was issuer size. For example, the CSA found that:

- Issuers with a market capitalization of C\$2 billion and above were more likely to adopt director term limits
- Issuers with a market capitalization of less than C\$1 billion were most likely to adopt mechanisms for board renewal other than director term limits

Types of Term Limits

Of the 137 issuers in the Sample Group that disclosed they have director term limits, just over half of that group disclosed they have director age limits in place. Twenty-four per cent of that group disclosed they have director tenure limits in place and the remaining 23 per cent have both director term and age limits in place.

Reasons for No Term Limits

Several reasons were provided by the Sample Group issuers that disclosed they have neither director term limits nor other mechanisms in place. The most frequently cited reason for not adopting term limits is the belief that they reduce continuity or experience on the board. Other reasons include the belief that director term limits are arbitrary and that they force valuable, experienced and knowledgeable directors to leave the issuer's board. Reasons for not adopting term limits or other mechanisms include that the boards' effectiveness is regularly assessed, that the issuer's industry is unique and retaining knowledge of the board is desired, and the belief that annual elections are a sufficient mechanism for board renewal.

DISCLOSURE QUALITY

In addition to setting out the findings of the CSA's review of the corporate governance disclosure resulting from the Amendments, the Staff Notice also provides some limited guidance

to assist issuers with the level and detail of disclosure that is necessary to satisfy Item 10 of Form 58-101F1 *Corporate Governance Disclosure*, which requires issuers to describe any mechanisms of board renewal that the issuer has implemented other than director term limits. The CSA Staff Notice provides that non-venture issuers must not disclose only that a board assessment process is in place, but also how such assessment relates to board renewal. The Staff Notice includes an example of disclosure compliant with that item of the Amendments.

For further information, please contact:

[John Tuzyk](#) 416-863-2918
[Stefania Zilinskas](#) 212-893-8141

or any other member of our [Capital Markets](#) or [Corporate Governance](#) group.

Posted by: [John Tuzyk](#) and [Stefania Zilinskas](#)
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Not-For-Profit Director Term Limits

by Elizabeth Layne



A nonprofit board needs engaged, energized members, since they are responsible for the organization's financial health and meeting its legal and ethical requirements. In 2012, nonprofit board members on average served approximately six years, BoardSource reports, with approximately 27 percent of nonprofits imposing no term limits. While many nonprofits have difficulty finding new members and hesitate to lose good ones, term limits offer more plusses than minuses. Ads by Google

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The Benefits

Although it's tempting to have long or no board terms to allow good board members to remain, bringing on fresh members can renew boards. Boards closed to new members can return to the same arguments repeatedly; a newcomer can offer a fresh point of view or challenge opinions. While it might be tough to find new board members, Barbara E. Taylor, a consultant to nonprofits, points out that term limits can actually make it easier to find them. She notes that potential good board members will be more interested in volunteering on an active, energetic board, rather than one that's mired in the same discussions year after year. An increase in the number of former board members can also raise the nonprofit's profile in the community, because former board members know the nonprofit well and can sing its praises. Term limits also ensure that poor-performing board members leave the board. New nonprofits can wait to establish term limits until their program and policies are established.

How Much Time?

A nonprofit's bylaws, created at its establishment, contain information on how long board members may serve. The nonprofit's board can revise the bylaws if it chooses. No standard guideline exists for determining board service length, but BoardSource reports that many nonprofits limit board members to two consecutive terms, with a break of at least one year before board members can be re-elected. BoardSource advises staggering terms so that one-half or one-third of the board is elected every one or two years for terms of 2-4 years. This allows the expertise of the longer-standing board members to remain, while the fresh perspective of new members is incorporated into the board's work. The Child Abuse Prevention Association in Independence, Mo., offers a novel method. A board member's initial term lasts one year. If the board member shows a good level of activity and commitment, the association asks the member back for a second term of three years, then a third term for two years, for a total of six years of service.

Using Former Members

The end of board service doesn't mean the nonprofit has to lose a valued source of knowledge. Some nonprofits retain the services of former board members by including them in an advisory council. A board member with a financial background, for example, might pitch in to help the board develop a capital campaign.

Job Descriptions

Prevent new board members from wasting time and energy by making sure they understand what their new jobs require, the Rhode Island Land and Water Partnership advises. Written job descriptions help new board members make the most of their terms by telling them in precise terms what the organization expects of them. Typically, this means knowledge and skills in an area of board governance such as finances or personnel; regular attendance at board meetings, abstention from conflict of interest, participation on at least one committee and preparing for board meetings by reading and studying materials in advance.

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How long is too long for board directors?

Hint: 50 years is too long

Sep 20, 2013

[Richard Leblanc](#)

I spoke to corporate and not-for-profit directors in Dallas, Texas this week about board dynamics and board renewal. The subject of the length of board service and director retirement arose. I said there was a recent study that the optimal service for a director was nine years, beyond which firm value was adversely affected. Many directors serve beyond nine years. The most excessive example of long service occurred once when a director of a community bank board said, “Richard we have four directors who have been on our board for over 50 years.” I mistakenly thought that this was 50 years in total, among the four directors. But I was wrong. There were four directors who had been on the board for over 50 years each.

Many directors hang on to directorships for far too long. I counted several directors who have been on corporate boards for 10, 15, 20 and 25 years. This blocks board renewal, up-skilling, and diversification. Incumbent directors offer reasons for staying: how they know the

company, enjoy serving, etc., and are skillful at wiggling, raising the retirement age to 71, 72 and now 75 (from 69 and 70).

The academic evidence however does not support excessively long-serving directors, or directors who are serving on multiple boards (known as “over-tenured” and “over-boarded” directors, respectively). Firm value is adversely affected for over-tenured directors. Oversight and long-term performance are compromised for busy boards composed of over-boarded directors.

Often the most vocal directors are those who are the least relevant or most effected by renewal. When you do a proper board review, it is apparent who is performing and who is not. There is resistance to an expert third-party board evaluation by underperforming directors for fear of being found out. Directors know who the non-performers are. I said to the audience this morning that every board has one (or more) underperforming or dysfunctional directors, and if you don't know who it is on your board, then it is you.

If boards do not solve their lack of renewal, regulators will do it for them. It is already starting. Regulators in the UK, Australia, India, Hong Kong, Singapore and other countries are imposing term limits on directors of between 9 and 10 years, beyond which independence is questioned. Regulators are imposing diversity requirements on boards. In the UK, even auditors are subject to tendering every five years. Regulators read the press reports of directors serving 40 years, auditors even serving up to 100, and communicate with academics on what the empirical research findings are.

The fact of the matter is that boards, as self-policing bodies, may be incapable of solving the renewal issue on their own because of entrenchment and self-interest. And herein lies the ethical question, posed to me by a director today: “When does hanging on or digging in breach a fiduciary duty by the director to act in the company's best interest, rather than the director's?” When should doing what is right; putting oneself at risk; having proper succession planning; mentoring, coaching and developing the next generation of directors; and letting go gracefully and honorably, matter?

This is an integrity issue. If – or perhaps when – a director becomes irrelevant, or is destroying value, is it ethical for that director to continue? Is it ethical for the board to allow that director to continue? The problem is doing what is ethical vs. acting out of self-interest can get commingled in an under-performing director's mind, or even a founder's mind, or even other directors' minds (who have been captured by the entrenched director colleague), without an objective measurement. This is not in the interests of the company and its shareholders.

Aggrandizing long service, referring to “godfathers,” compounds this renewal problem and wearing as a badge of honor how many boards one has served on, or does serve on. As

one “godfather” recently remarked in open session at a corporate governance conference, referring to guidelines he had coordinated, “We did virtually no research.” Well, maybe research should be looked to more when governance guidelines are developed. Firm value and the oversight of shareholder investment are at stake.

Eventually, a director fights redundancy and relevance. A tipping point is reached if there is indefinite service. It is inevitable. No one wants to be irrelevant. If there is no policy or, better yet, no measurement of actual performance and follow up accordingly, self-interest is perpetuated and complacency is allowed continue, by the very people who should be leading by example. Directors need to know when it is time to go. And if they do not, regulators will.

Richard Leblanc is a governance lawyer, academic, speaker and independent advisor to leading Canadian and international boards of directors. He can be reached at rleblanc@boardexpert.com.

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Establishing Term Limits for a Nonprofit Board

If your nonprofit board is establishing term limits for the first time or if you are a young board and have not followed your bylaws regarding term limits and you are now trying to institute terms and term limits, please keep these things in mind:

1. You do not want to have any more than one-third of your board members completing their terms in any given year. It is best to divide your board members into classes and stagger terms.
2. When setting your terms and term limits keep your organization's lifecycle in mind. If you are a start-up, be generous with terms and term limits. NEW recommends that start-up boards allow 3-year terms, and re-election for 2 additional terms, or 9 total years on the board before term limiting off for at least one full year. More mature boards might want to consider 3-year terms, limiting to two-year terms or 6 years total before term-limiting off for at least one year.
3. Never lose engaged people! If a high-quality, engaged person is term-limiting off your board ask them to join or chair a committee or to stay involved in some other way.
4. Allow partial terms to be added onto your term limits. Once your classes are established, when you add people to your board they may be coming into a class that has a seat open for a partial term. Allow them to finish that term and still be eligible for re-election for full terms, until they are term-limited.

For example, your board has three-year terms and allows people to fulfill three terms, or nine years total before term-limiting off the board. Your board is ready to bring someone on to the board and will be putting them into a seat that was vacated by someone who did not fulfill their whole term. The new person will be elected to fulfill the 1.5 years left on that previous person's term, and then they will be eligible for another nine years. So, they could end up serving 10.5 years total before being required to term-limit off the board.

5. When starting term limits, divide your existing board members into classes to start. You might want to say that current officers will start with a three-year term. Then use seniority on the board to set up the other two classes. Each remaining class has either a two-year term or a one-year term. Then, each group can be re-elected for another term or two depending on your term-limit policy.

Sample Board

Beginning Term Limits for the First Time – July 1, 2010

Your bylaws now allow 3 year terms with a total of two terms or 6 years maximum before term limit. You have agreed that you will allow anyone who starts with a partial term to serve a full 6 years beyond that partial term.

Your bylaws allow no less than 7 and no more than 12 people on the board. (It's best to have a range rather than specific number of board members in your bylaws so you don't have to keep adjusting them.) You set up three classes with 1/3 distribution to start. You have decided officers will get full three-year terms to start.

Current Board:

Tina – Chair
 Tom – Vice Chair
 Doug – Treasurer
 Susan – Secretary
 Joe
 Sarah
 Leslie
 Fred

Class One	Three Year Term	Current Term Will Expire	Term Limit Year
Tina	X	6/30/13	June 2016
Tom	X	6/30/13	June 2016
Doug	X	6/30/13	June 2016
Susan	X	6/30/13	June 2016
Class Two	Two Year Term	Current Term Will Expire	Term Limit Year
Joe	X	6/30/12	June 2018
Sarah	X	6/30/12	June 2018
Open Seat			
Open Seat			
Class Three	One Year Term	Current Term Will Expire	Term Limit Year
Leslie	X	6/30/11	June 2017
Fred	X	6/30/11	June 2017
Open Seat			
Open Seat			



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Board Term Limits – Pro and Con

We have had a number of clients ask about whether it is mandatory to include term limits in their nonprofit bylaws. The arguments for and against term limits are equally valid, and we suggest that each board must make its own decision about whether term limits are essential to the board's governance function.

Those who argue for term limits typically cite the need to bring "new blood" onto the board. New directors bring a freshness of insight, and changes in the operating climate may require new skill sets. A systematic rotation on and off the board lessens the likelihood that a board becomes tired and loses vitality.

Those who argue against term limits cite the need for institutional memory and worry about the loss of dedicated volunteers who have a proven track record of board participation.

The IRS tends to favor term limits on grounds that a board with static membership can adopt unhealthy insider attitudes, and begin to govern out of self-interest rather than for the good of the organization. State charity regulators often voice similar concerns. But there are no laws – either at the state or federal level – that mandate term limits.

Defined Terms of Service are Important

Regardless of where you fall on the issue, it is essential that every nonprofit adopt specific terms in office — of two or three years, for example. The fact that there are specified terms allows a board to cull out those who have proven to be unproductive, incompetent, uncooperative, or perpetually absent. Removal can be accomplished by simply not re-electing the director to another term. The volunteer can be thanked for his or her service and sent on. Competent and committed directors can be re-elected indefinitely.

Imposing Term Limits

Where an organization wishes to impose term limits, the questions to be first answered are: (1) how long is a term; (2) how many consecutive terms are permitted; and (3) can there be any options for longer service to the organization?

- How Long Is a Term?

Most organizations select two (2) or three (3) year terms. A single-year term is just too short for any significant service, and it requires the board to hold elections for every member on an annual basis. Two-year terms are still short, but some nonprofits adopt two-year terms because they fear that a three year commitment is daunting for potential board members.

This office usually recommends three-year terms because they allow a new board member a bit of space to get acclimated to Board involvement before the term is over. A board that adopts a staggered board rotation then will be re-electing or retiring one-third of the board each year.

- How Many Terms are Desirable?

Some nonprofit boards adopt term limits that expire a board member's involvement after six years. If the board terms are two years, then bylaws will typically limit involvement to three (3) 2-year terms. If their terms are three years, then they limit involvement to two (2) 3-year terms.

If term limits are desired, this office prefers that nonprofits provide a longer service to the organization by adopting a limit of three (3) 3-year terms. This allows for a full nine (9) years of board involvement before a director retires, during which the organization can reap the benefits of an individual's mature judgment and deep knowledge of the organization's programs, history, and ethos. However, we realize that this is not possible in many cases, and that a shorter term of service is often preferred.

We also serve many excellent nonprofit organizations that have no term limits at all, where the absence of term limits enhances the board's ability to retain good volunteers. Some of our clients have positive and productive board relationships that last for years and even decades. The benefit of long term participation is that capable board members will remain in place, while "new blood" is brought in when directors leave the area, retire voluntarily, or are incapacitated by age or illness.

- Options for Longer Service

It's always sad to lose a director or officer who is committed to the organization, is knowledgeable about its governance issues, and who wishes to remain an active volunteer. How can you retain such a person if the board wishes to do so in spite of term limits? Here are some techniques:

- Eliminate term limits but provide strong periodic evaluation systems.
- Allow a time-limited board member to be re-elected to the board after a one-year hiatus.
- Appoint the board member to a key committee such as the finance or nominating committee as a non-director.
- If there is a supporting foundation, allow the retired board member to serve on its board.
- Create an "Advisory Board" or committee for continued informal involvement with the board or chief executive.
- Find other ways to include the individual in volunteer activities.

Any of these techniques must be paired with a rigorous evaluation system to ensure that the board remains viable as a governing body. Nothing does more to kill enthusiasm of energetic volunteers than finding that board meetings are peopled with "dead wood" – that is, people who are fatigued by too-long involvement, and thus are disengaged from board work.

By Kathryn Vanden Berk

This article is provided for general information and should not be relied upon as legal advice for a specific situation. If you are in need of specific advice or legal representation, please do not hesitate to contact us.

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Term Limits

TAKEAWAYS

64% of independent boards and 40% of public boards have term limit policies.

There are pros and cons on the usefulness of this policy. It can infuse the board with innovative ideas and new skills. It can sever important ties and damage institutional memory.

A regular process for assessing individual board members is good practice but is especially important for a board without term limits.

A term limit policy identifies the maximum number of consecutive terms a board member can serve. While by no means universal, the use of term limits is a common governance practice. Among independent institutions, 64% have term limits, and among public institutions, 41% use this practice. The term limit policy, as well as the length of each term, should be clearly defined in the board's bylaws.

THE PROS AND CONS

The line is pretty clear between those who support the use of term limits and those who don't. Critics of term limits say that these policies deprive a board of expertise and institutional memory. Others worry about the loss of engagement when a trustee leaves the board, especially if he or she has been particularly generous to the institution. They also point out that term limits result in the need for constant recruitment of new board members, putting a strain on the Committee on Trustees.

Proponents argue that term limits are a healthy way to infuse the board with new ideas and new energy. With term limits, they say, a board has a regular opportunity to ensure it has the range of skills and experiences it needs. When a new candidate is found, it can be easier to add him or her to the board if there are term limits. Term limits also provide a graceful way to rotate ineffective members off the board.

2010 SURVEY DATA FOR BOARDS OF PUBLIC INSTITUTIONS

- 41 percent of public boards have term limits. This represents a 25 percent increase from 2004.
- The average number of consecutive terms allowed is two.
- The average length of a term is 5.7 years.

2010 DATA FOR BOARDS OF INDEPENDENT INSTITUTIONS

- 64 percent of boards of independent institutions have term limits.
- The average number of consecutive terms allowed is three.

- The most common length for a single term is four years, approximately the same as was found in AGB's 1997 and 2004 surveys.
- Among boards with term limits, 90 percent allow a trustee who has served the maximum number of terms to serve again after a hiatus of one year.

IMPLEMENTING TERM LIMITS

If your board doesn't have term limits but would like to implement them, there are various strategies for doing so. For example, once a policy has been created, some boards hold a drawing to determine the term lengths of existing members, with equal numbers assigned one-year, two-year, and three-year terms. This establishes a regular rotation that will naturally occur once the policy begins to be implemented. Others grandfather existing board members, but begin term limits with newly appointed members. Whatever the process, make sure that it's clearly explained and discussed in advance of implementation.

ASSESSMENT INDIVIDUAL BOARD MEMBERS

It's good practice to assess individual board members on a regular schedule. This becomes a critical practice in the absence of term limits. Board members who can serve for an indefinite length of time need regular feedback on performance, and the board needs a mechanism to bring poor service to an end.

KEY QUESTIONS

How does the board's term limit policy compare to those of peer institutions?

Can the board use a board member's expiring term to increase the diversity on the board or to add a new member with a specific set of skills that the board currently lacks?

What does our board stand to gain with such a policy? What might we lose?

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Five Reasons Board Leaders Should Have Term Limits

By Rick Moyers

Every few months (not an exaggeration), I have a conversation with an executive director who is struggling with a difficult relationship with his or her board chair.

One of the first questions to ask an executive director with a Board Chair From Hell is how much longer that chair has to serve. There are only two common answers: a year or two, or indefinitely.

Of the two possibilities, dealing with a disengaged or misbehaving board chair for a year or two is far less daunting, complicated, and demoralizing for an executive director than having a problem board chair for the foreseeable future.

This is one of the most powerful arguments for term limits for board chairs.

Despite all the good reasons for board chair term limits, many organizations don't have them. According to BoardSource's 2010 Nonprofit Governance Index (a national survey of 1,750 board members and executive directors), one third of the organizations reported no term limits for board chairs.

And since survey participants were selected from BoardSource's membership, which tends to skew toward larger and more professionalized organizations, in the broader nonprofit world the number of board chairs without term

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- [What to Do When Board Members Won't Raise Money](#)
- [Quiz: Is Your Board Suffering From Burnout](#)
- [How to Fix 5 Common Board-Meeting Problems](#)
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limits may be even higher.

So for the thousands of executive directors, board members, and governance committee chairs who need to make a case for officer term limits—and for those who may never have given this topic much thought—here are my top five arguments for board-chair term limits:

1. **See above.** Term limits provide a painless way for people who aren't doing a good job to retire gracefully and automatically. Admittedly, this is a pragmatic argument—and the downside is that a chair who is doing a fantastic job may get forced out early. But I've never heard a real-life complaint about term limits. And I've heard many complaints about their absence.
2. **Term limits help with recruitment.** Serving as a board chair requires an intensive commitment of time and energy. Prospective chairs are more likely to agree to serve if they know the office has an expiration date.
3. **Term limits force organizations to develop new leaders.** Boards that know they'll need a new chair every few years are more likely to recruit new members with an eye toward future leadership roles. And board candidates who want to build their own leadership skills will be more likely to say yes if they know there are opportunities to lead.
4. **Term limits help with fund raising.** A board chair is potentially one of an organization's most powerful volunteer fund raisers. But chairs who serve for many years may exhaust their Rolodexes and grow tired of making the ask. Leadership transitions provide an opportunity to engage new prospects who have relationships with the new leader.
5. **Term limits lead to healthier boards.** Admittedly, this is a catch-all intended to cover three or four other good arguments—because five is a nice round number. Board chair term limits reduce the likelihood that a few individuals will dominate board discussions and decisions. They provide periodic injections of new energy and ideas. And they help prevent board-chair burnout.

I'd love to hear some war stories from readers who have seen board chairs serve for too long. And from anyone who would like to push back.

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Directors & Boards

A close-up portrait of an elderly man with white hair, wearing a dark blue suit, white shirt, and dark tie. He is smiling slightly and looking towards the camera. The background is softly blurred, showing what appears to be a window and some indoor plants.

THOUGHT LEADERSHIP IN GOVERNANCE SINCE 1978

SECOND QUARTER 2008

Board tenure: How long is too long?

*Directors like Ray Troubh
debate the need for term limits ...
and better board evaluations*

- Diversify the board — by personality type
- The makeup of elite performers
- The director's classic dilemma
- Directors Roster

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Raymond Troubh,
professional director
— a strong presence
in boardrooms for
over three decades

COVER STORY



Director term limits come up for review

Our panel participants tackle some thorny topics concerning board tenure: How long before directors get stale or too complacent? Are term limits a necessity or a hindrance to board performance? How useful (or useless) are director evaluations? What should be done about ‘duds’ on the board? ... and other dynamics that determine a board’s effectiveness.

THE DIRECTOR AS POTTED PLANT? Not a welcome image in thinking about effective board governance — i.e., a director of longstanding service who reaches an inflection point, drifting from engaged oversight into listless and lifeless complacency. Yet it is just such a possibility that provided impetus for the following discussion about the pros and cons of board tenure and term limits.

The panelists represent an inclusive spectrum: CEO, board member, academic, investor, and legal. Moderating the discussion is **Charles Elson**, Edgar S. Woolard Jr. Chair in Corporate Governance and director of the Weinberg Center for Corporate Governance at the University of Delaware. He is also a member of the *Directors & Boards* editorial advisory board. A bio note on each of the participants:

— **Sanjai Bhagat**, professor of finance at the Leeds School of Business, University of Colorado at Boulder, whose “empirical work on director independence, director ownership, and director equity is unsurpassed,” says Elson.

— **Kenneth Daly**, president and CEO of the National Association of Corporate Directors since 2007; he was a KPMG partner from 1978 to 2005 when he retired to assume the role of executive director of KPMG’s Audit Committee Institute.

— **Lawrence Dickinson**, corporate secretary of Barclays PLC



‘The difficulty that I found with board evaluations has been the reluctance to pull the trigger on a nonperforming director.’

— *Charles Elson*

and “*the corporate governance person*,” as Elson says of him, at the major British banking institution; he offers a singular perspective on board tenure policies and director independence based on the U.K. governance model.

— **Jon Hanson**, founder and chairman of the Hampshire Real Estate Companies, whose board service includes lead director at Prudential Insurance and chairman of HealthSouth Corp. following the leadership crisis that the health care provider faced with the ouster of former CEO Richard Scruschy.

— **Ann McLaughlin Korologos**, former U.S. Secretary of Labor in the Reagan administration, is chairman of the RAND Corporation and a veteran director currently serving on the boards of Kellogg Corp., AMR Corp. and American Airlines, Host Marriott Corp., and Vulcan Materials Co.

— **Robert P. May**, chief executive officer of energy company Calpine Corp., who has served in leadership positions with several companies over a 30-year career, including Charter Communications, Cablevision Systems, and HealthSouth (serving as an interim CEO and

on the board with Jon Hanson and Charles Elson during its turnaround).

— **John W. Noble**, vice chancellor of the Delaware Court of Chancery since November 2000; he practiced law with the firm Parkowski, Noble & Guerke P.A. in Dover, Del., before

joining the Court of Chancery.

— **Raymond Troubh**, a professional director who has served with distinction on some 30 boards over a three-decade career in the boardroom, including chairing the board of Enron Corp. in its post-bankruptcy workout; his current directorships include Diamond Offshore Drilling Inc., Gentiva Health Services Inc., General American Investors Co., and Triarc Companies.

— **Ann Yerger**, executive director of the Council of Institutional Investors since 2005 (and with the organization since 1996); the Council includes more than 140 public, corporate, and union pension funds managing over \$3 trillion in assets.

The roundtable was held in October 2007 at the University of Delaware's Alfred Lerner College of Business. This is the third of the governance center's roundtables that *Directors & Boards* has featured in our pages. Previous panels addressed "Whose Company Is It Anyway?" in 2000, a roundtable that launched the center eight years ago, and "Handling Dissent in the Boardroom" in 2004.

Excerpts from the debate on board tenure follow.

— *James Kristie*

Charles Elson: Historically, once you got elected to a board, you were there for the duration as long as you wanted to stay. The only thing that would knock you off would be an age limit. A lot of boards did have age limits, typically between 68 and 72. For boards that didn't, you could stay as long as you wished, which meant people could be there for 20 years or more.

Starting a number of years ago, questions began to be raised as to whether this was a good idea. The arguments in favor of long-term directors were that they have experience, that it is hard to replace them, and that once you have been there a long time you have a good sense of the company and can be a better monitor. The argument against long tenure was the inclination to get stale in the job and that, after 10 years or so, there were concerns — raised by CalPERS, in particular — that you were not viewed as independent of management, i.e., lengthy tenure compromised your independence.

Another view, one a bit in between, was not that you were no longer independent after 10 years but that you got too comfortable. It becomes hard to innovate against yourself. The more accustomed you are to the procedures and approaches

the company takes to various issues, the more you lose your ability to be critical of what management is doing and to be aware of problems that develop, and you become a less active monitor than you should be.

All this started the call for term limits. The National Association of Corporate Directors, in its 1996 *Report on Director Professionalism*, was the first document to issue an affirmative call for some kind of term limit. The NACD suggested a term limit of between 10 and 15 years, after which the board would say to a director, "Thanks, but you need to do something else."

No one could stay on the board beyond 15 years. There was an alternative view that was proposed at the time that term limits really aren't necessary and that the key is having a director evaluation process. If everyone is evaluated on an annual basis, you can allow someone to stay as long as they are productive.

Let's have each of you state your initial opinion on the subject. Ray, lead us off on this notion of the term limit as a good thing or bad thing — a necessity or a hindrance to board performance.



'We have got to do something about the evaluation processes. They have to be better. They have to be tougher.'

— *Raymond Troubh*

you're going to stay." That's very awkward. You're better off having some automatic test that applies to everybody across the board.

Ann McLaughlin Korologos: I would be on the side of saying term limits are neither necessary nor a hindrance as long as you start with a nomination process of finding the best people, accompanied by an evaluation and renomination process. In today's culture, with policies on age limits, resignation on job loss, and other factors affecting individuals, it's a little more acceptable to go on and off boards without staying for 20 years. Twelve to 15 years is more often the reality. But even

then there are exceptions extended by nominating committees and boards.

I took a look at several of my own boards. Since I joined the board of Kellogg Co. over 17 years ago, we've had 19 people join the board and 21 leave. The average tenure is 8.8 years, and we've had five CEOs during that time. At Host Hotels, where I went on the board 15 years ago, six directors joined, six left, the average tenure is 10 years, and we've had three CEOs. At AMR and American Airlines, where I have been on the board for 15 years, we've had 10 new directors, 13 departed, a nine-year average tenure for the board, and three CEOs. On many of my boards I am what would be thought of as a seasoned director. I stay on a board if I can add value. I've also voluntarily left six or seven boards.

Jon Hanson: I am for having some term limit — 10 to 12 years. Directors do get stale. They do stop contributing. At HealthSouth we have instituted a 12-year term limit. The board is permitted under circumstances to invite someone to be extended beyond that. In general, after 10 or 12 years you probably contributed as much as you're going to contribute.

But, with 70 being the new 50, I am not supportive of an age limit. I can give a good example where an age limit would have forced two directors off at a bad time. Prudential was converting from a mutual company to a publicly traded corporation, which is a very difficult process. We needed our two senior directors, Paul Volcker and Roy Vagelos, who just retired as CEO of Merck, to help us get through this. Both had turned 70. The board decided to extend their terms. That was a good example to me why you should not go off just because of age.

Robert May: I will take more of a management perspective. Like Ray, I am on balance in favor of term limits, but my balance is more like 55-45. Certainly, the argument for the board staying fresh and bringing new thinking into the board is the most compelling reason for why we should have term limits. But it does create additional work for the CEO, and some added complexity. It can be a couple-year process for the CEO to take on the additional work of getting used to a new director and getting a new director up to speed on the business. That takes time and takes away from the business. Those are some negatives, but overall I would be on the side of having term limits with the flexibility to modify them when circumstances warrant.

And, as Ann's information shows, the average shelf life of

CEOs these days is fairly brief. The notion of the board getting cozy with the CEO would be the rare case.

Elson: Ken, since you published that report on director professionalism, give us the NACD perspective.

Kenneth Daly: Let me share several themes from our research. While I initially thought that this was not that interesting an issue, the more I got into it, the more I realized that is not the case. In fact, in our 2007 survey, 41 percent of respondents consider the issue "critical," and another 47 percent consider it "important." So nine out of 10 have it high on their radar screen. Boards use a variety of ways to keep board membership fresh. Term limits are actually the least popular. Only 8.3 percent of the respondents approve of term limits. An evaluation process is clearly the most popular, with 55 percent saying that is the way to go.

Typical tenure of directors is getting shorter — 7.6 years. I would have never guessed that without looking at the data. Nearly half the boards (49 percent) replaced board members in the past year — and of those, 46 percent replaced more than one member. That's something you do not hear a lot about. Diversity of age is becoming an interesting new byword. It used to be that the preponderance of directors were 62-plus. But as I go around to different sessions where directors are present, I find that there are a lot of directors now in their 40s and 50s, which historically we have not seen. Another thing that plays into this is that directors are serving on fewer boards. In fact, 39 percent of respondents to our 2007 survey said their board has a policy restricting the number of boards the CEO can serve on, and 86 percent said the board *should* have such a policy!

The key to effective boards is to get the right skill set on the board. However that happens — and it ought to happen through nominating committee selection — the priority is getting the right skills on the board.

Lawrence Dickinson: The problem with rigidly imposed term limits is that they fail to take into account the different circumstances facing each board and the different characteristics and composition of boards from company to company. Having said that, in the U.K. we do have a system whereby under the Combined Code on Corporate Governance — which listed companies have to comply with or explain why they don't comply — nine years is the presumption of independence.



'If a director got through the nomination process, he or she is usually not a total dud. If that is so, then shame on the rest of the board.'

— Ann McLaughlin Korologos

You are allowed to keep directors on the board after nine years, but you have to justify why they remain independent.

At Barclays, where we have done quite a bit of board refreshing over the last few years, we have one nonexecutive director who has served nine years and who continues to add a lot of value. Good quality nonexecutive directors are hard to come by. If you have one who is still adding value you do not want to lose him or her because of some rigidly imposed limit. I do not think there is necessarily a link between tenure and independence. Quality nonexecutive directors live on their reputations, and will not let their independence fall away simply because they have been on the board a long time. In fact, for many individuals, the length of stay can affect their independence positively.

I do, however, think there is an issue about staleness that underlies the need for board refreshment. High-quality board evaluation procedures are an absolute key to making sure that the board is looking at its own processes and the quality of its own membership rigorously every year.

Ann Yerger: From an investor's prospective, the Council of Institutional Investors does not endorse mandatory retirement ages or tenure limits on directors. We have discussed both issues. We examined them well over five years ago — pre-Enron, pre-scandals — when there was more of a perception that some directors were potted plants and that certain individuals were sticking around perhaps longer than they needed to. But our

policies committee rejected the concept of the Council taking any kind of position on these issues. We agreed they were overly prescriptive and that what was most important was that companies and boards have robust independent nominating processes and independent nominating committees, and very robust director evaluations.

The board needs to change and adapt according to what the needs are for the organization. Who is to say what skill set is necessary or most appropriate for a board at any given time? It is the board's responsibility to think that through and make determinations about skills, backgrounds, and diversity — not just race and gender but also age. That evaluation is essential. That is why ultimately we did not take a position on the issue, and the market has shown that shareowners at large are not that supportive of these ideas. Every year there are a couple of shareowner proposals that call on companies to adopt either tenure limits or mandatory retirement ages, and they tend to not do very well — sometimes getting under 5 percent of the votes. It is interesting that the investor perspective is so different. Maybe it's because the dynamics in the boardroom have changed so significantly.

Sanjai Bhagat: I would not support a rigid board tenure restriction or age restriction. What I could support would be robust evaluation by the rest of the board of a member's tenure or age. If someone is adding value after 12 or 15 years, there is no reason to ask them to step off if they want to continue to

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serve. Data show that there is almost no evidence that companies doing poorly are those that have boards with ages on the high side or where tenure is on the high side. If anything, the data would suggest the opposite — that these companies are doing better. (*Ed. note:* See exhibit on page 23 showing about 1,500 U.S. companies sorted into four groups on the basis of their industry-adjusted return on assets.)

Board tenure restriction may even enhance independence of boards. But then the question is: Is independence such a good thing for shareholders? There is very strong evidence that companies that have more independent directors systematically have underperformed their peers. That is a well-documented result for almost all publicly listed U.S. corporations. So, if you are thinking about board tenure in the context of greater independence, that is probably not the right case to make. Maybe the right reason is the need for newer ideas, which come from new board members.

Hon. John Noble: When I think of independence, particularly in the context of a shareholder suit, I worry about how cozy the director has become with the chief executive officer and those who control the company in a *de facto* sense if not through pure voting power. I do not know that, as a legal matter, I would ever say a director has lost his independence simply because of time in grade. But where that director has other relationships with the company — as a supplier or other business connection — a long tenure would suggest that perhaps one of the reasons he is being kept around is that he has become compliant and willing to go along.

On the other hand, the lawyer in me forces me to say that although by numbers the panelists are in favor of term limits, let's recognize that being around for a while gives you the experience, the knowledge, the status — the *gravitas* — that makes you an effective counterweight to a CEO who may be running amuck. And there are a lot of little things that one picks up by having been on the board for a while, such as who you can trust and how you get the information that you need, which is important because so much of what contributes to how well a director does his or her job is how that information is provided to them.

Optimal timing

Elson: All good points from the panel. Now that we know everyone's starting position, let's dig in a bit on some of the hard questions. What is the optimal time for board service? What is that optimal point where you know enough to be an

effective counterweight, but you begin to get stale and become too complacent and too cozy? Is it five years? Eight years? Ten years? There has to be a number somewhere in that realm. It's true that no individual is the same, that everyone reacts differently in different situations. There are times when someone who has been on a board for 20 years is more engaged and active than someone who has been on a board eight years. The problem is, how do you know?

Yerger: As investors, we don't know how a director is performing. We can't get behind boardroom doors. We like to try sometimes, but we can't. It is tough getting rid of underperforming employees. But that's the board's duty. We are counting on the directors to do the right things, and to make the hard decisions.



'I'm more in favor of term limits because of the freshness issue, not as a way to deal with performance issues.'

— Robert May

Dickinson: What we do at Barclays is that the chairman and I will meet with our top 20 institutional shareholders at least once a year to talk about purely corporate governance issues. We talk about the composition of the board and our views on the independence of the nonexecutive directors. That helps to get some shareholder feedback. Under U.K. regulations, directors who have served more than nine years have to be re-elected by the shareholders every year. So at our annual shareholder meeting, it goes for a vote. I fully accept that it is difficult for shareholders to know how specific individuals are performing, but we know as a company we have to justify to our shareholders that it is worthwhile keeping individuals on the board. That is quite a useful discipline to have in place for directors who have served over nine years.

Elson: You should have evaluations to remove the dud if you can. The difficulty that I found with board evaluations has been the reluctance to pull the trigger on a nonperforming director. When the NACD report was in development, there was a conflict within the commission between those for evaluation and those for term limits. My argument at the time was not against evaluation, but relying *too heavily* on evaluations. Theoretically, evaluations are a terrific tool, but practically speaking it is hard, even with an evaluation, to move someone off the board. The term limit and/or age limit, as unpleasant and draconian as it may be, does make it a lot easier to rotate someone off because you don't have to embarrass them through a poor evaluation or have to say to someone, "You are at an age where you are just not contributing anymore." No one wants to say that to someone. Boards aren't theoretical institutions. They are collections of people — people you get to know and work with. So I was one of those on the NACD commission who favored the term limit. I thought 15 years was plenty of time to contribute your optimal value to the corporation.

Evaluations — all they could be?

Troubh: Evaluations are becoming better, but my experience on a lot of boards is that evaluations are ineffective overall. They don't go deep enough.

Daly: Some of the board evaluations I've seen don't even rise to the level of awful. Essentially, they don't even evaluate the board member. Because of collegiality, you don't want to go to somebody and say, "Look, you're no longer productive. You're a dud." So what happens is you evaluate the whole board. I don't know what good that does for figuring out problems with particular individuals.

Korologos: I am trying to look at the practical side of the problem that we are supposed to be solving with term limits and I am having trouble seeing the problem solved. Keep in mind that there is a natural progression of board turnover — through retirements, resignations, adding people with new skill sets, all of those reasons. This accomplishes much of what term limits would do. With the addition of one, two, three new people every year or every other year, the board is getting fresh insights.

I'm a big proponent of stepping up to the plate to do evaluations. When you are standing outside the room for your evaluation, as happens with the Kellogg board, your self-examination does

more than any evaluation by any other board member. That's point one. Second, I have been on boards where we have asked people to leave. The evaluation process itself as a process does good. It's not an either/or — you stay on or get off. We have had directors who had issues that affected their performance which the evaluation process was used to remedy.

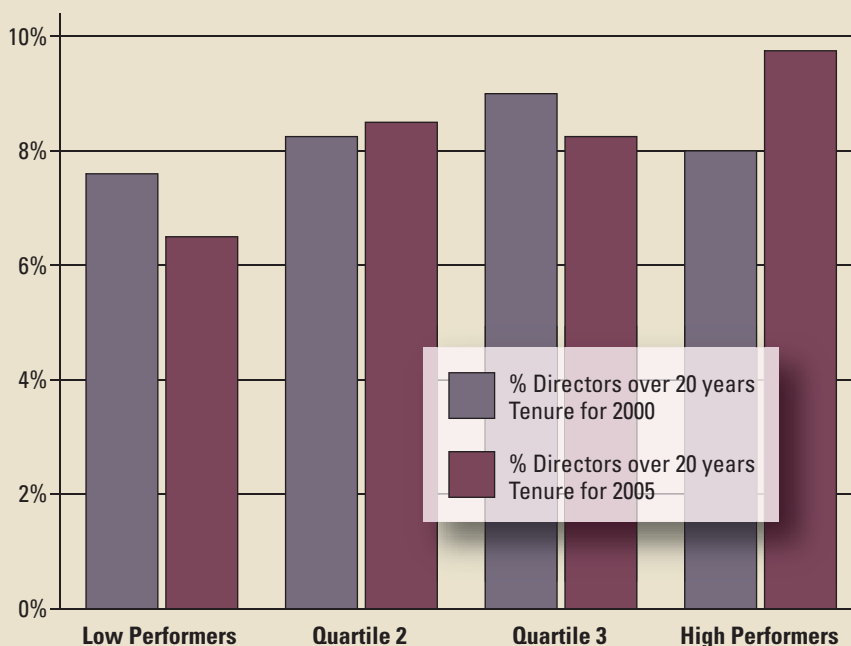
Elson: You're right. There is an informal term limit just through natural processes. The concern is when you have that 20-year person on the board who is not always there, who doesn't recognize that he is going stale and not contributing anymore. Does it make sense to have a hard and fast rule to take care of that kind of outlier on the board?

Troubh: Because it's so difficult to get rid of board members, what you tend to do is ignore the laggards. With 10, 12, 15 people on the board, the feeling is you can afford to have a 10 percent or 20 percent error rate. You know who the good people are, the cream always rises to the top, and those are the ones whose opinions you listen to.

As Ken Daly said, the present effectiveness of the evaluation system is terrible. But that's our fault. We get these standardized forms — 10 or 12 pages, and you check, check, check and off it goes to an independent agency to be counted. They come back and say, "The board is OK on these six points." Then you

Board tenure and corporate performance

1,500 U.S. companies sorted into four groups on the basis of their industry-adjusted return on assets



Source: Sanjai Bhagat, University of Colorado at Boulder

destroy the documents because you are worried about lawsuits — you don't want anyone to see what you really wrote. There are a few comments, which are anonymous. You may say, "He's a jerk," but you don't sign it.

We have got to do something about the evaluation processes. They have to be better. They have to be tougher. That's going to take a long while.

Daly: The companies that have the most aggressive evaluations might also have the biggest shredders. You can imagine how difficult it is to do a thorough evaluation when you are holding in your hand something that could create quite a mushroom cloud.

Korologos: I think of evaluations as a tool for board effectiveness as opposed to a report card about how you did that semester. As a tool, you are going to use it for whatever purposes. It's up to a nominating or governance committee or an executive session of the board to use the results of that tool well.

Dickinson: We actually do disclose some of the outcomes of the evaluation process, but not individual director evaluations. If we say, "Well, the board decided that it wasn't spending sufficient time on such and such topic," we would be prepared to disclose that, to give some sense of what happened as a result of the evaluation process.

When a dud is a dud

Elson: Let's consider this: Sometimes a dud may look like a dud but might be much better than you think. I know of a situation where a board thought they had a dud who should not have been there. Then the company ran into a crisis, and the dud started to talk. And the dud, as it turned out, was a lot smarter than the other directors thought. In fact, he was extremely smart, and became vice chairman of the board because he helped them out of the problem.

The point is that the evaluation of the dud was incorrect. Sometimes people get called duds because they are dissenters. They express a different opinion, which can lead to them getting ganged up on.

Korologos: If a director got through the nomination process, he or she is usually not a total dud, or a dud that has potential to be "rediscovered." If that is so, then shame on the rest of the board. If we are not using all of the tools we already have — the executive session, the lead director, building a collab-

orative team, and tolerating differences of opinion — then we are not doing our job. Term limits becomes an excuse to not address a problem when it should be addressed.

May: I, too, am a little troubled with trying to solve a performance issue with term limits. If you have a board, a chairman, or a lead director who doesn't have the mettle to deal with the performance issue of a director — having the tough face-to-face conversation — then you have to wonder what other issues they are ducking in the boardroom. I'm more in favor of term limits simply because of the freshness issue, not as a way to deal with performance issues. Term limits means you push out dealing with the performance issues for some specified period of time.

Hanson: On the boards I have served on, after every board meeting, and sometimes before the board meeting, we have an executive session without the CEO. There you will find directors speaking who may never speak at a board meeting. The "duds" come to the surface, and you find they are not duds.

There are people who are shy, who won't speak at a large board meeting, especially in front of management, but will when you get them in an executive session. The lead director, which I am on one board, gets the opportunity both in those types of sessions, and in the sidebar conversations, to really pick up what is on a director's mind. That is dramatically changing how boards function.

Troubh: The emergence of the lead director concept, which practically everyone is adopting now and which I very much favor, is going to make evaluations a better tool. The lead director has the responsibility to go amongst the board, coordinate opinions, and then talk to the individual and say, "You are good," or "You're not good" — without the shame and anger and antipathy of the past. The lead director is an extremely effective tool for board management and board self-governance.

Korologos: I don't think all board members contribute 100 percent at every meeting. It's all based on their skills, their background, their knowledge, their interests. What's important is that, over time, you all benefit by that director. You may go a couple of years and not know that old Sam knew as much as he did about something until the issue comes up, and then you marvel as he gets into it. That's great, as long as Sam is participating generally and knows the strategy and knows what's expected. We're not all wired for sound



'Typical tenure of directors is getting shorter — 7.6 years. I would have never guessed that without looking at the data.'

— *Kenneth Daly*

every meeting. Sometimes your interests pertain to different issues as they come before the board. What is important is building the team, where the diversity of talent, age, and perspective collectively enhances the shareholder value.

Dickinson: I couldn't agree more. It is incumbent upon boards to discuss what the ideal composition of the board should be, and what mix of skills and experiences you want on that board, particularly from your nonexecutive directors. In our case, we discuss geographic mix — we don't just want U.K. directors, we want people from the U.S. and continental Europe — and backgrounds. We might be looking for somebody to bring retail or brand experience, IT experience, or financial experience to the board. Boards are like a team, and you have to get that team working properly in order for it to be effective.

Thumbs up for rotation

Elson: Ken, you were in the auditing field before you came to NACD. You effectively had term limits vis-à-vis your auditing work — rotating on and off client accounts. Does that influence the way you look at this?

Daly: It does. First of all, as a new person on the scene you're able to ask stupid questions, which sometimes turn out to be not that stupid. So that's good. A point that I would add in to this discussion is that a fundamental problem is the onboarding process. Most onboarding processes are, "The first meeting will be Thursday — be there." You've now been onboarded. It can take a long period of time for directors to get up to speed on what the issues are. Longtime directors have a huge amount of institutional knowledge that's easy to tap into. That's something you lose by rotating them. The onboarding processes have to work a lot better for the new directors to get up to speed.

Elson: That's been one of the arguments against the term limit — the notion of indispensability. "This person is the best audit committee chair we have ever had." Yes, that person may be terrific and you don't want to lose them, but what happens if they get hit by a bus? The world goes on. There is always a pool of people ready to come in and do good things. After a given point of time, a board needs to give someone else a try.

Hanson: One point that needs to be made is *where* a board member does most of his or her work. It's in the committee meetings. That's a good opportunity for fellow board mem-

bers to judge the contribution that's being made. In these smaller meetings you'll really see someone's productivity or lack of productivity.

Troubh: All of the arguments we cited about longevity would apply to committees. They should be mixed up constantly. You should have new people coming in who are "ignorant" in a sense that they ask all new questions, tough questions, that wake up the accountants and the specialists. And I would rotate the committee chairman every three years.

In the old days when I first went on boards, the audit committee was composed of rookies or people who were nearly dead. Nobody cared about the audit committee. Now the audit committee is the most important committee on the board. You can make a mistake in the compensation committee and cost the company a million bucks. You make a mistake in the audit committee and it can be 15 cents a share.



'We have in the U.K. a system whereby nine years is the presumption of independence.'

— Lawrence Dickinson

comes at different times, which may not be all that obvious to them or the other board members. A rigid rule cannot pick up that inflection point. It is just not easy to know when different people become less productive.

But why is it so difficult to evaluate peers? We do it routinely in a lot of professions. In accounting partnerships nowadays, partners have to take less compensation when they are not as productive. If we expect a CEO to make hard decisions about his staff, why would we not expect the board to make hard decisions among themselves? That is a legitimate expectation of the shareholders.

Hanson: I've been on about 10 public boards, and there are always laggards. Peer review is mandatory. You've got to bite the bullet if a director is not performing. We do represent the

Korologos: Depending on committee chairs and membership, I'm seeing on my boards a rotation of three to five years. You can have somebody on the board for 15 years and they take over a committee they have never been in charge of and you get a renewed energy and freshness there.

Yerger: The Council endorses rotation on committees.

What do you measure?

Bhagat: That the board member is not as effective in the beginning of their learning curve and that at some point during their tenure we start to see diminishing returns is, conceptually, a valid point.

For different people that inflection point

shareholders. Therefore, it's no different from evaluating any other employee — if someone's not performing, it's our duty to find a way to remove that person.

Elson: A CEO is easily measured by metric — how the company performs. For a director, if someone isn't showing up for meetings, or doesn't own a requisite amount of stock, or has business relationships with a company, that's easy to evaluate. Going beyond that into subjective observations of performance gets a lot tougher. The director is almost a judge, a monitor. How do you determine the effectiveness of someone as a monitor? There is no body of knowledge that you specifically can test and master. When you get down to it, what you do as a director is evaluate management and what management is saying to you. How effective is this person? How effectively are they relating their vision, their strategy, to you? Do you feel they are competent and capable?

How do you evaluate how effective a director is at that? Ray, you have been around a lot of boards. How do you evaluate someone?

Troubh: I've tried to maintain high standards for evaluation of my fellow directors. They ought to be conscientious, smart, team-oriented, and work hard. I ask myself, are they trustworthy and industrious custodians of my investment as a shareholder?

Korologos: It is up to the director to have competence, character, common sense, business knowledge and industry knowledge, and a willingness to just go and do their job. The bottom line is the quality of that individual. I do not have time to waste, so if I do not add value to a board, I am out of there. It has nothing to do with my length of service. It has to do with whether I am intellectually engaged, curious enough to find out what is going on, mindful of what is happening in the external world, and committed to my fiduciary duties.

Troubh: I don't think it takes nuclear physicists to be great directors. What I mean by that is that it doesn't take a long time. You bring someone on the board, you show them a couple of plans, they go to a couple of meetings, and if they are halfway intelligent, which most of them are, they will pick up on the nuances of the business and an understanding of the industry, and within a short time, if they are any good, they will be a very effective director. The inflection point of effective contribution can be rather quick.

Present state of play

Hanson: In the 30 years since I have been on boards, I've seen directors gaining more control of the company — not the day-to-day control but in the governance. In the old days, you lost your independence the longer you were on a board, because, as the vice chancellor said, you got co-opted by management. I do not feel today on the boards I serve on that we are being co-opted by management. In fact, management realizes that the tide has turned and the board is much more in control of governance of the corporation than even 10 years ago.

May: If you join the board as an independent director, you see the value of 'being independent' and you protect that fiercely, whereas in years past it may not have made a difference. In today's world, it does. In the beginning you are an uninformed independent director for some period of time, and then you get to be an informed independent director. Maybe at the end you become a bored independent director, which is when you need to leave the board.

Troubh: One of the things that makes me feel a bit better is that the nominating committees are improving. They are taking their job seriously. The chief executive no longer has a dominant role in the selection of director candidates. It is going to take time to build up a nucleus of really independent nominating committees. When that happens, you will see a better class of board membership.

— Jon Hanson

Elson: Let's turn to the vice chancellor for a concluding observation.

Noble: The question you leave with is the following. We have changed dramatically in the last five to 10 years in how boards operate, how directors view their jobs, and how board members are selected. Do those changes somehow obviate the good reasons that are cited for term limits? Will these curative measures achieve what the term limit notion is designed to achieve? Ultimately, this is the question that each company, each board, each set of shareholders will need to answer for themselves. My sense is that, net net, this issue is probably going to go the way of congressional term limits.

Elson: There was a U.S. senator from Georgia who was once asked about the seniority system. He said, "Well, when I first got here, I wasn't too big on it, but the longer I've been around, the more I like seniority." [Laughter]. Thank you, panelists. ■



'It's in the smaller committee meetings where you'll really see someone's productivity or lack of productivity.'



Institute of Corporate Directors
Institut des administrateurs de sociétés

Beyond Term Limits: Using Performance Management to Guide Board Renewal



Executive Summary

The debate over board renewal is moving into sharper focus. New public company disclosure requirements demand greater transparency on such things as term limits and other renewal mechanisms, and some large investors are sending the implicit message that companies must renew the board or they will seek to do it instead. The ICD agrees that the composition and renewal of the board are vital processes that demand rigour and analysis and are best undertaken by the board pro-actively. In this paper we seek to provide a framework for boards to build a renewal process that increases accountability and achieves the right mix of skills and experience to create long-term effectiveness.

To that end, we propose that boards across the for-profit, not-for-profit and Crown sectors build their renewal processes around the concept of performance management, including effective board evaluations set within a performance culture.

In other words, boards should review themselves the way they do their management teams. This means instituting regular and substantive evaluations of board composition and board member performance, and following through when necessary by having “tough conversations” with underperforming members or directors whose skills do not align with the organization’s strategy. This will help create a culture of accountability, and foster high performing boards.

Introduction

Beginning in 2015, most provinces in Canada will require greater transparency regarding gender diversity policies for non-venture issuer boards. One new rule stipulates that companies disclose their director term limits policy or details of other board renewal mechanisms they employ.

Proponents of term limits as a driver for board diversity point to the increasing age and tenure of directors on Canadian boards as evidence for the need for change. According to Spencer Stuart, the average age of non-executive directors in Canada in 2014 has risen to 63 (from 60 in 2009) and the average tenure to nine years (from eight in 2009).

The ICD has been one of the strongest advocates of gender diversity on Canada's boards. We also strongly agree that ensuring directors continue to add value to their boards is crucial. However, we are concerned that the board renewal discussion in Canada has been placed in the context of manufacturing boards that meet externally motivated criteria or targets for membership.

In our submission to the CSA regarding their gender diversity disclosure rules, we took the position that board renewal should be focused on making boards better and not with a view to achieving a homogeneous formula:

Board renewal is complex and requires time, thought and analysis and must always align with the company's best interests while complementing its strategic direction. While the ICD is a proponent of the continuous upgrading of organizations' boards, we do not think that renewal should come down simply to a matter of counting.¹

Pressures for change

The broad pressure for better board governance has come primarily from shareholders and other stakeholders insistent on improved organizational performance, transparency and diversity of director opinion and experience. The ICD shares these views. Further, we believe it is critical that, in Canada, we recognise the increasingly global environment in which our organizations compete and that, now more than ever, our boards leverage every opportunity to be the best they can be to help drive long-term effectiveness.

On the issue of term limits, the prevailing discussion in Canada has centered on their potential to foster greater gender diversity, whereas in other countries the issue of director tenure has been considered in the context of director independence from management. In France, for example, a director that serves on a board for more than 12 years is no longer considered to be independent. In the UK, the board must publicly state why it believes a director serving beyond nine years is still considered to be independent.

¹ ICD Comment - Request for Comment on Proposed Amendments (Proposed Amendments) to Form 58-101F1 Corporate Governance Disclosure (Form 58-101F1) of National Instrument 58-101 Disclosure of Corporate Governance Practices (NI 58-101), April 15, 2014.

The investor community has also been applying pressure on public company boards to adopt board renewal strategies. Activist shareholders, including certain hedge funds, have been vocal in demanding that the companies in which they are invested are serious about board renewal - ostensibly with a view to adding more sector experience or leadership to their boards. Some institutional investors in Canada have also expressed a desire to pursue greater proxy access – that is, to have the right to nominate a percentage of board directors once a certain share-holding threshold has been achieved. The message to boards from the large investor community is to renew or they will seek to do it instead.

Proxy advisory firms such as ISS have also begun to look at director tenure in the context of independence. For example, in their Quickscore 3.0 product, ISS considers length of tenure in its opinion of directors' independence. These firms have grown into key sources of information, analysis and guidance on proxy votes for institutional investors and, therefore, are considered by their clients as arbiters of corporate governance practices.

Incorporating performance management into board renewal

Whether due to regulatory changes such as mandated diversity or independence disclosures or due to increased focus by shareholder groups, boards are feeling external pressure to review their renewal practices. While external pressure can sometimes bring about positive change, on the question of their future composition, it is vital that boards build a framework unique to their forthcoming challenges and that they apply a great deal of thought and analysis if they seek to maximize their effectiveness over the long term.

Performance management systems, characterized by objective-setting and supervisor evaluations are commonly applied to executives and other employees and are an effective way of ensuring quality throughout organizations and of making key staffing decisions. Indeed, boards regularly use performance management in their evaluations of CEOs. Importing this concept to the board is a useful way of building a framework for renewal.

By incorporating performance management tools, including board composition reviews and board evaluations with mechanisms such as term limits, boards can identify areas for development and/or underperformance and recognise needed skills and competencies around the boardroom table. Framed within a performance culture that expects and enforces accountability with a tone set by the chair, an effective framework for board renewal can emerge.

BOARD COMPOSITION REVIEW

A crucial first element of any performance management system is a thorough and regular review of staffing and skills needs of the organization. At the board level, this means a review of who sits on the board and the skill-sets they bring to the table. Many boards employ skills matrices for this purpose to ensure that the competencies needed to carry out its mandate

and advance the organization exist at the board. Core skills could include CEO or senior executive experience, audit experience or relevant industry knowledge.

Skills that are being added to matrices also include risk management, IT and social media experience and, while not traditionally an element of a skills matrix, diversity – of opinion, gender and background – is increasingly being viewed as a key component of board composition.

Behavioural competencies are also an important component of effective board composition. As detailed in a Korn Ferry International/Patrick O’Callaghan and Associates survey, Canadian directors highlight integrity and trust, courage, ethics and values, and strategic agility as examples of the personal character qualities critical to a successful board.

Those skills and qualities the board determines it needs should be a primary input into its performance management and succession planning process, including the recruitment of new and/or replacement directors.

BOARD EVALUATIONS

Understanding actual and needed director skills is an important first step but the most vital component of board performance management is an assessment of the strengths and weaknesses of the current board and directors. Most public corporations in Canada already undertake some form of annual or rolling self-evaluation – whether full board, director self-evaluation or peer-to-peer evaluation - and we would argue that one or a combination of these practices would benefit organizations across all sectors.

■ Full board evaluations

Full board evaluations require directors to focus on the functioning of the board as a whole, rather than on individual directors. Questions may, for example, focus on the board’s understanding of management strategy, the composition of the board and the mix of skills around the table, the structure and organization of board meetings and committee meetings and other issues core to the execution of the board’s mandate.

■ Individual director evaluations

Director self-evaluations require individual directors to respond to a series of questions regarding their own board performance, including how their skills contribute to the effectiveness of the board, their commitment to the board, their preparedness for board meetings and other responsibilities.

Peer-to-peer evaluations require individual directors to respond confidentially to questions regarding their colleagues’ board performance and commitment, including how their fellow directors’ skills contribute to the board’s effectiveness.

EVALUATION METHOD

The most basic approach to board evaluation is the written questionnaire where directors respond to a series of questions regarding either the functioning of the full board, their own performance or the performance of their colleagues.

While questionnaires can provide a good baseline of information and offer some insight into issues for further discussion, they can be too simplistic to capture nuance and drive real change.

A slight alternative is the survey, which offers directors an opportunity to expand on their responses through open-ended questions and can often lead to more thoughtful views on the direction of the board.

Interviews conducted by the chair of the board or the chair of the governance committee can also elicit greater depth of responses. This practice provides directors an opportunity to expand on certain crucial issues (e.g. the mix of skills at the board) and bring areas for improvement into sharper focus.

Independent third-party interview evaluations performed by board consultants can also produce meaningful responses and provide an added layer of confidentiality for directors.

Finally, some boards opt for a facilitated board discussion. While the relative anonymity provided by questionnaires, surveys and one-on-one interviews is no longer available in a group meeting, the iterative nature of these meetings can produce fruitful discussion regarding the direction of the board and the need for new skills in the boardroom.

Ultimately, the goal of the evaluation process is for the board to achieve greater insight from its individual directors regarding their perceptions of the strengths of the group and its members and to identify areas for improvement. While questionnaires and surveys can provide a baseline, we believe internal and/or independent, external interviews provide the greatest opportunities to gain quality feedback.

TERM LIMITS

Many boards in Canada feel that term limits serve a purpose, with 56% of Canadian Spencer Stuart Board Index (CSSBI) companies reporting they employ voluntary term or age limits. According to a recent Korn Ferry International/Patrick O'Callaghan and Associates survey, term limits for Canadian public companies surveyed ranged between seven and 20 years with 53% of those companies having a 15 year term limit.

The ICD agrees that voluntary term limits have their place and can act as a backstop against excessive tenure lengths, which can lead to the perception of eroding independence. They may also provide some predictability around director position openings. However, mandatory limits could also be counter-productive to the good governance of Canadian organizations.

Term limits are a blunt tool and, without flexibility, they eliminate effective as well as non-effective directors. For this reason, we believe that boards must retain discretion to preserve vital institutional memory of high performing and contributing members.

On some boards, we have also observed that term limits can have the effect of replacing “tough conversations” with directors who no longer add value to the organization, therefore obviating the accountability inherent in identifying and addressing weaknesses. Boards should not “wait out” a poor director’s term and, instead, should be prepared to ask them to resign before their terms are finished.

PERFORMANCE CULTURE

Ultimately, the tools described above are only of value if they are set within a culture that values – and enforces – high performance from individual directors and the board as a whole. That is to say, the data provided through these mechanisms is acted upon.

Performance cultures are characterized by the high value they place on accountability and are continually striving to meet their objectives.

A board operating within such a culture will act on the results of evaluations. This can and should mean that processes that are not working well will be changed and, sometimes, directors who are not adding value or who do not have skills aligned to board and organizational strategies will be asked to resign.

Occasionally, tools such as skills matrices and evaluations will reveal a gap in terms of competencies at the board vis à vis organizational strategy but no obvious deficiencies in terms of individual director performance. Boards seeking to maximize their effectiveness must reconcile this by being willing to move out directors whose input may still be valuable but whose skills and experience do not align with where the organization is moving.

Role of the Chair

At the board, performance cultures are established primarily by the Chair who must take the lead in the director evaluation process and must set a tone of accountability. If, after building a skills matrix and completing board evaluations, weaknesses at the board are apparent, it falls to the chair to address these with directors who are deemed by their colleagues to no longer be adding value.

A board that is subject to rigorous evaluation and that understands from the Chair that it is accountable has every incentive to be effective. Stated simply, if the Chair informs the director from the start that he or she may be involved in a tough conversation, there is usually no need to have one.

Just as the board should be subject to a performance management-based renewal process, so too should the Chair be evaluated and held accountable. This should be done through a well-understood process managed, typically, by the chair of the Governance Committee and that takes into account the Chair’s unique role in setting the tone and fostering a performance culture.

Conclusion

New reporting requirements in Canada demand that boards of non-venture issuers think more deeply about their renewal process, but organizations across all sectors are equally confronted with the challenges of building boards that are effective in the long-term.

Modern boards are increasingly expected to take on complex organizational oversight and governance roles. We would argue then, that renewing them should also be a process involving a great deal of thought and analysis. While term limits can be a supporting mechanism, relying solely on them to renew the board is insufficient and may be counter-productive to good corporate governance. Rather, establishing renewal around the concept of *performance management* within a culture that demands accountability of directors and maintains a firm view on the future needs of the board provides a more effective framework for renewal.

ABOUT THE INSTITUTE OF CORPORATE DIRECTORS

The Institute of Corporate Directors (ICD) is the definitive 'go-to' resource and voice for Canada's directors and boards in the for-profit, not-for-profit and Crown sectors. As the national community for directors, the ICD is a not-for-profit, member-based association with more than 9,000 members and a network of 11 chapters across Canada. Representing the interests of directors, the ICD fosters the sharing of knowledge and wisdom through education, professional development programs and services, and thought leadership and advocacy to achieve the highest standard of directorship. For more information, please visit: www.icd.ca.

For more information about this paper, please contact:

Matthew Fortier
Vice-President, Policy
Institute of Corporate Directors
Tel: 1.877.593.7741, ext. 246
Email: mfortier@icd.ca

For media enquiries and interview requests, please contact:

Maliha Aqeel
Director, Communications
Institute of Corporate Directors
Tel: 1.877.593.7741, ext. 229
Email: maqeel@icd.ca



Why Your Board Needs Term Limits

by Gail Perry on September 14, 2011 in Boards and Governance



Do you have a board that is reluctant to enforce term limits for its members? Or do you have bylaws that don't even mention term limits?

Term limits are important to a smoothly functioning board. In fact, they can be a nonprofit CEO's best friend. They keep a board from becoming stale and set in its ways. When that happens, your entire organization may be at risk—sooner than you think. With today's wildly shifting environment, this is a very dangerous place to be.

To illustrate just how term limits can make a difference, let's look at five types of boards who've ignored them.

1. *The Martyrs.* These board members overwork themselves to death. They're doing the work of staff and constantly complaining: "We work SO hard and we're SO burned out. Woe to us." At the same time, they don't want to let go—because it's their organization.

The irony is that this board may work hard to enlist new and "diverse" members. But when the new recruits see this group's attitude and what's expected, they drift away.

The downside: there's little future for this board because they can't enlist new leadership. Their martyr attitude drives the new people away.

2. *The Social Club.* These board members are really, really comfortable with each other. They may be best friends. Getting together for the board meetings has become social time for what has evolved into a group of very close friends.

The downside: Over time, governance activities like policy and serious work about the organization's future are always last priority. Worst of all, no one on the board wants to rock the boat. Difficult decisions never happen.

3. *The Frozen-in-Time Club.* This board is full of the same people for many years. Their mantra is: "We've always done it this way."

New ideas? New ways to implement their mission? Innovation? Close out a nonperforming program? Fire nonperforming staff?

Not a chance!

Jack Welch said it best: “If the rate of change on the OUTSIDE exceeds the rate of change on the INSIDE, the end is near.”

The downside: The Frozen-in-Time Club sees no advantage for moving its members on and bringing in new members who just might not see it the way it should be. Their future is dismal, because they are not open to new ideas or change.

4. *The “We Own This Organization” Club.* This happens when the sense of ownership becomes so deeply ingrained that people think they literally own the organization. They start to feel entitled to the position. A few people call the shots, and that’s it. Their opinion is all that matters.

The downside: This board drives out or ostracizes any new members—who will simply feel excluded.

Worse, the rest of the board is simply disengaged. The in-crowd that is running the board will push out new board members who may have important connections to funders or community leaders.

5. *“The Lazies.”* This group is so comfortable with itself that innovation and hard work go out the door. This board values their position, but not the work that goes with it. They are as stale as last week’s bread. Are they interested in learning experiences or stimulating discussions? Nope.

The downside: Aesop said it best: “When all is said and done, more is said than done.”

The bottom line: All these boards are laying out their organizations’ ruin. When board members get too cozy with each other, and when they exclude new people with new ideas, the end really can be near.

Term limits are a great vehicle for changing these boards. But it takes discipline and willingness.

Like the joke about how many people it takes to change a light bulb, the answer is “none.” The light bulb has to want to change itself. Term limits can make a positive difference but it takes at least one board member to recognize the need for change and push forward that change.

Rotating more community members through your governing body can only broaden your influence and connections with your community’s leadership.

If you welcome new board members, you’ll get fresh thinking and innovation that every board needs. But it takes term limits to make it happen.



Continuous Improvement In The Boardroom

by Tamara Paton and Shona McGlashan

Board orientation, training and evaluation tend to be handled as sporadic, one-off events. This explains why they are so often ineffective. What if a board instead took a “continuous improvement” approach that made board development and feedback as much a regular element of governance as board meetings themselves? Canadian retail co-op MEC has put this strategy to work in their boardroom. Here, an MEC director and their chief governance officer review the results.

In a *New York Times* op-ed, Yale University fellow David Brooks observed that “people who live with passion start out with an especially intense desire to complete themselves. We are the only animals who are naturally unfinished. We have to bring ourselves to fulfillment, to integration and to coherence.”

Brooks’ insights need not apply solely to passionate artists, scientists or entrepreneurs. Mountain Equipment Co-op (MEC), a Canadian outdoor retailer, is brimming with people who possess what Brooks calls “an unquenchable thirst to find some activity that they can pursue wholeheartedly.” MEC supports its members’ pursuit of outdoor active lifestyles by providing goods and services through 18 stores and online.

Motivate board members by investing in director capabilities and performance of the board as a whole.

This dedication is equally true of the MEC board, which consists of nine directors holding staggered three-year terms. Respecting the privilege and obligation inherent to our role, directors feel highly motivated to be the best we can be. The organization reinforces these individual aspirations by investing

in director capabilities and performance of the board as a whole.

More than four million outdoor enthusiasts rely on MEC for the gear they bring to mountaintops, hiking trails and campsites across Canada and beyond. As a co-op, MEC builds its board from this membership via annual elections. Every member has a right to seek nomination and cast a single vote in the election.

The election mechanism tends to create boards that are more diverse than others we have encountered in other governance settings. When any member has the right to seek nomination, the resulting ballot presents a robust range of professional backgrounds, personalities, and problem-solving styles, all held together by shared values and commitment to MEC’s purpose.

While respecting the value of and intent underlying our election process, it is critical that the board find balance in its directors’ skills, experience and styles. Through annually updated nominations criteria, the board communicates the expertise and attributes that best align with MEC’s strategy and environment.

All candidates for the board must share a passion for active outdoor lifestyles and align with MEC’s values. Most have experience leading or overseeing organizations of comparable scale and complexity. Many candidates have completed governance training programs and hold professional designations in relevant fields. Soft skills related to collaboration, communication and empathy are also critically important to group dynamics.

After an external advisor interviews all nominees, the board recommends certain candidates who best align with the organization’s needs. Through a five-week campaign period, members can engage with

Tamara Paton is a board consultant and board member with Mountain Equipment Co-op (MEC). **Shona McGlashan** is MEC chief governance officer.
[www.tamarapaton.com] [www.mec.ca]

candidates online and interpret their perspectives, track records, and personal stories. The resulting vote produces what we find to be an increasingly strong board each year.

From the board's first day of work together, we collectively offer decades of experience in retail operations, real estate, and business development. Functional expertise typically includes strategy, finance, accounting, marketing and human resources. Just as importantly, we are enthusiastic proof of MEC's purpose, as we lead active outdoor lifestyles.

As strong as our board roster may be, however, no group aligns perfectly with the needs of the organization. With our current strategy and longer-term vision in mind, MEC's governance committee assesses the board's expertise against an annually updated skills matrix. This analysis reveals the board's major development needs, progress on which the chief governance officer and the board chair can subsequently initiate.

Board development activities frequently include guest speakers, facility tours, and external training. Several directors have completed courses and certification programs through The Directors College and Institute for Corporate Directors.

MEC has moved beyond board evaluation 1.0 annual board assessment—to evaluation 2.0 continuous focus on strategic, behavioral and cultural issues.

A recent board meeting concluded with a tour of an innovative retailer. Another included a presentation and lively discussion facilitated by a retired real estate development executive. The board holds regular casual "pizza and beer" evenings with head office departments to gain greater exposure to MEC's operations. Regardless of the context, the board's curious nature reflects its desire to consistently improve the way it serves MEC members.

As we seek continuous improvement, the MEC board believes that development is not a one-time event. We have moved from what we would consider evaluation 1.0—an annual assessment of the board's

compliance with policy and its terms of reference—to evaluation 2.0 which focuses on exploring strategic, behavioral and cultural issues. Having regular, focused check-ins throughout the year ensures that directors are not spending a large amount of time in reflection mode, but allows us to quickly make changes and plan development activities as necessary.

The diagram at right describes the MEC board's annual cycle of evaluation and development. Although it may look intimidating, we estimate the time spent on evaluation activities to be as little as four hours annually for each director.

□ **New director development.** New directors attend a two-day orientation. This is intended to ensure they have the information and context necessary to fully participate in committee and board meetings from the outset. The orientation includes a review of board culture, an administrative overview, and discussion of senior management portfolios, including each department's strategic deliverables and risk areas.

After six months on the board, new directors and the MEC governance team determine what additional orientation needs still exist, and create a personalized follow-up plan for each director.

□ **Director peer evaluation.** Annually, directors complete *formal peer evaluations* online. The results are made anonymous and collated by the board chair, who then meets with each director to share the insights revealed. Based on this, each director sets a personal development goal for the next year and commits to extending their knowledge and skills in a certain area.

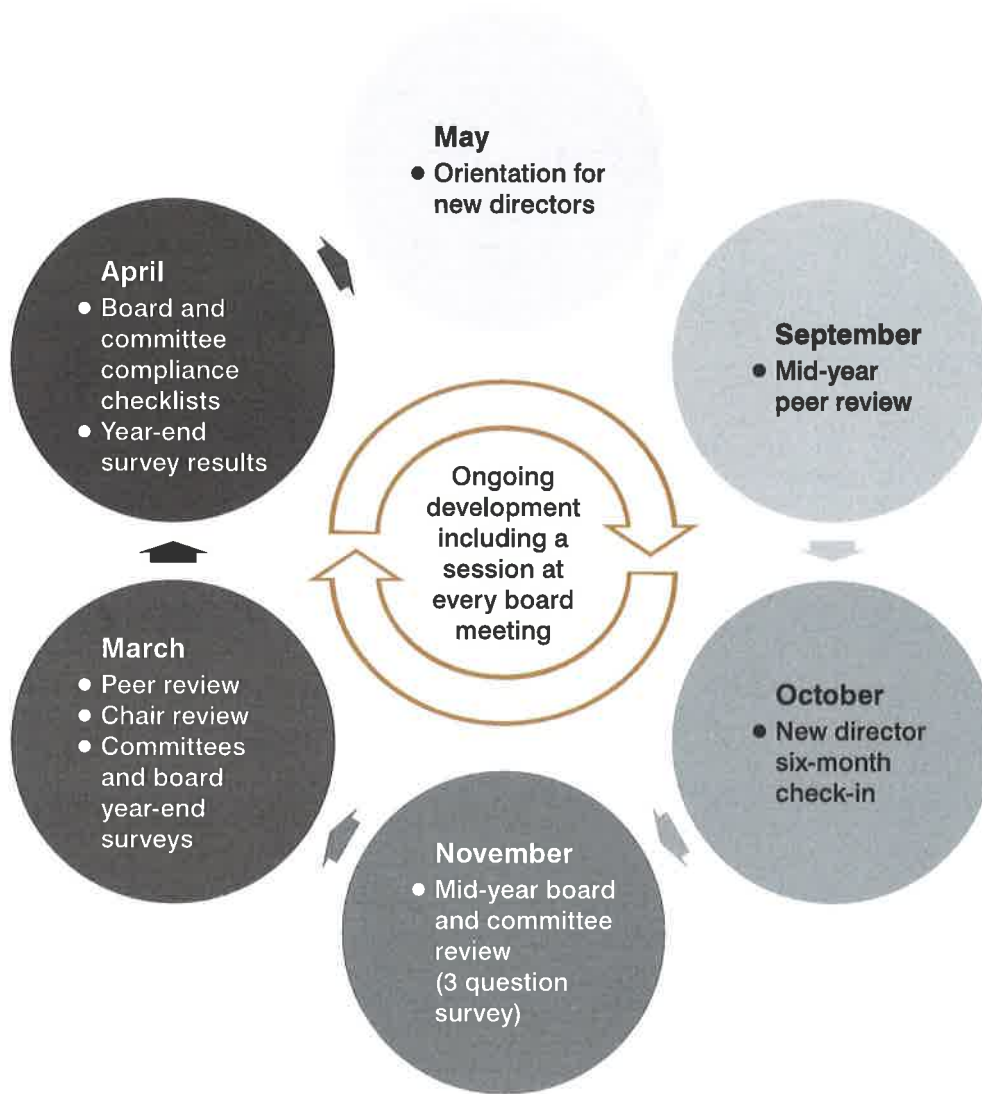
When a director seeks re-election at the end of his or her term, the nominations committee reviews the director's past peer evaluations. Noting the director's specific contributions and the degree to which other directors would support their colleague's re-election gives peer evaluations real teeth.

Separately, directors complete an *annual survey reviewing the performance of the board chair*. The results are accessed and communicated to the chair by the chair of the governance committee.

After several years of formal peer evaluations, the board asked ourselves whether we could also provide feedback in a more personal way, one that

Better And Better

MEC's Continuous Board Improvement



would build bridges for long-term collaboration. In her day job, one director had seen an innovative structure for face-to-face feedback with her executive team. Eager to experiment, MEC paired up in a structure that one director likened to “boardroom speed-dating.”

Prior to the *face-to-face feedback* session, directors prepared independently. They were invited to think in advance about their own boardroom performance and that of their peers. Board members identified, for

each of their fellow directors as well as themselves, behaviors and contributions which they should begin, continue and end. MEC’s governance team provided directors with a template to record their conclusions.

Then, in a managed, timed session (overseen by a member of the governance team with a stopwatch), each director spent ten minutes face-to-face with each of his or her peers in turn. During each segment:

- Director A shared their assessment of their own start/continue/stop behaviors.

- Director B supplied feedback, supporting, negating or changing director A's statements.
- The directors then reversed roles so that B shared and A gave feedback.

The board tried this approach for the first time at its winter 2014 board meeting, and was sufficiently impressed with the results that we repeated it again less than a year later. Each session took 90 minutes in total, and was characterized by quiet concentration, intense discussion and occasional bursts of laughter from the pairs of directors. In nearly every pairing, directors wished they had more time to explore the emerging insights.

While the process seems simple, MEC's board discovered that the exercise constituted a powerful tool for receiving tangible and constructive feedback. Directors reported that the greatest value lay in uncovering overall themes from the group, and that they felt highly motivated to implement behavioral changes as a result.

Face-to-face director evaluation “yielded countless suggestions that had never occurred to me,” a director commented. “It takes trust to truly get value out of this.”

“Way more valuable than our end-of-year [paper] survey,” is how one director described the method. “It is easier to be frank and constructive face-to-face.” When speaking in person, directors could tell that colleagues' suggestions were driven by positive intention and generosity.

The combination of self-evaluation tied to external evaluation was a winning one for many of our board members. The process “yielded countless suggestions that had never occurred to me,” a director commented. “It takes trust to truly get value out of this,” observed another.

One director reported increased confidence in bringing senior-level expertise to the board table. Another felt bolstered in the ability to pursue challenging lines of questioning. Others received important feedback about how their demeanor and communication style were perceived by the group.

Overall, directors rated the exercise highly and are keen to make it an annual part of the board's evaluation process.

□ **Annual board and committee evaluation.** Looking to committees and the board as a whole, directors complete online surveys that ask questions about their dynamics, performance and strategy. The results are compiled by MEC's governance team, which also creates compliance checklists that demonstrate the extent to which each committee has fulfilled its mandate. Together, these are discussed at end-of-year committee and board meetings, and they set the focus for board development in the coming year.

To ensure continuity, each committee chair writes a memo to the committee's future chair, summarizing the year. It is quite powerful to see a committee's performance on two typed pages, particularly when the content explores the challenges faced. The MEC board's willingness to explore both wins and losses frankly helps us improve year over year.

□ **External evaluation.** Every three to five years, an external consultant provides a thorough evaluation of board practices and dynamics, and offers a suite of recommendations. The latest exercise occurred in 2014, beginning with one-hour individual interviews of all directors and members of MEC's executive team. Armed with more than 100 pages of notes, the consultant further developed her theories while observing the dynamics of a board meeting. She then returned to the group with a polished report of observations and facilitated a productive discussion among management and directors.

Directors are welcome to seek development advice and guidance. New directors may ask for a “board buddy” to help provide insight into company culture.

Our plan for improvement changed the way management tees up a topic for discussion and poses questions of directors. While many management teams face a firing squad of board questions, MEC board meetings feature management's invitation to

Performance Feedback

Strategies For Success

No matter how thorough the framework, feedback will have limited impact on a director who is not primed to receive it. A handful of strategies work well for MEC's board:

□ **Prepare well.** Prior to giving and receiving feedback, thoughtful reflection is a must. How can you best support your colleague's development? Do you know the individual well enough to take a risk and step outside the "I think you're great" comfort zone? What examples can you cite to illustrate the behaviors you observe?

We also receive feedback more productively when we begin with a solid view of our own strengths and opportunities for improvement. During an MEC peer feedback session, one director communicated a desire to lead more of the board's problem solving, rather than simply synthesizing the discussion and posing a question. Her colleagues responded with ways to step into that leadership role, based on their observation of her past performance. Sharing our own thoughtful preparation assures colleagues that we would appreciate—and not resist—their input.

□ **Listen.** Board relationships need to be conducive to the exchange of useful, and perhaps critical, feedback, in the pursuit of a common goal of excellence. Your board colleagues ought to be on your personal list of people whose opinions matter. Author Brené Brown's Engaged Feedback Checklist sets out basic criteria for this feedback exchange to work.

- I am ready to sit next to you rather than across from you.
- I am willing to put the problem in front of us rather than between us (or sliding it toward you).

- I am ready to listen, ask questions, and accept that I may not fully understand the issue.
- I want to acknowledge what you do well instead of picking apart your mistakes.
- I recognize your strengths and how you can use them to address your challenges.
- I can hold you accountable without shaming or blaming you.
- I am willing to own my part.
- I can genuinely thank you for your efforts rather than criticize you for your failings.
- I can talk about how resolving these challenges will lead to your growth and opportunity.
- I can model the vulnerability and openness that I expect to see from you.

If a relationship with a colleague fails any element of this list, consider whether exchanging feedback is going to be helpful (or, even worse, destructive). The solution? The board chair needs to take a keen interest in the web of relationships among directors, and intervene as necessary.

□ **Take action.** With fresh feedback in hand, directors can take key messages to a trusted peer or coach for further reflection. These advisors sift through the noise, suggest high-priority issues, and turn director attention to actionable steps. With the help of a thought partner, we can commit to changing behaviors and investing in continual progress.

For extra support, we share our new development plan with a fellow director or two. Doing so allows others to observe and acknowledge our progress going forward in real-time and in ways that we might not perceive ourselves.

collaborate on key strategic issues emerging from each report.

The board also benefitted from the consultant's view of its evolving needs for strategically critical skills and expertise with complex organizations. The consultant's report does not collect dust on a shelf. Our board chair checks in with her periodically to mark progress and refine our focus.

Outside of the annual cycle, directors are welcome to seek development advice and guidance from the board chair and MEC's governance staff. New directors may ask for a "board buddy" to help with their transition in the critical first year of information

overload. Board buddies often provide insight into MEC culture, board social norms, and interpersonal context.

MEC's governance office is collating a monthly digest of articles, resources and training opportunities, which will be available to directors on our board portal. A development log will track group and individual training sessions, including a summary of lessons learned.

The board aims to include a development session on the agenda of each board meeting, with defined learning objectives. External experts, management and directors contribute to these sessions. Recent

learning sessions have looked at the governance of strategic risk, retail innovation, real estate development, and sustainability governance.

□ *The future of governance at MEC.* At MEC, we view our governance as an evolutionary process, and we would be the first to say that we still have progress to make. However, we know that investing in the evaluation and development of our board and directors pays dividends for the whole organization.

Each year, we have been able to hone in more closely on the experience and knowledge we need around the board table. We have moved from a “check the box” system of evaluation to a continual feedback

loop that ensures our development works remains relevant, focused and timely. Our experience so far suggests that this not only leads to more knowledgeable directors, but more engagement around the board table.

It might surprise you to learn that *The New York Times* columnist David Brooks found the inspiration for his article in Lady Gaga, who once admitted that “I didn’t know what I would become, but I wanted to be a constant reminder to the universe of what passion looks like.”

Let us all pursue that objective, in the boardroom and beyond. ■

PURPOSE To set out _____'s approach to Board recruitment and succession planning.

POLICY STATEMENT The Governance Committee (referred to as the Committee in the balance of this document) will develop and maintain a pool of qualified, interested candidates for the Board and for officer positions in readiness for both annual elections and in-year vacancies.

APPLICATION 1. Succession Planning The Committee and Board will consider its long term leadership needs, and strive to develop the next generation of leaders as well as fill immediate needs. The Board will recommend candidates with leadership potential to members, and help them develop the skills and experience to move into officer roles and take on committee chair positions.

2. Integration with governance functions Board succession planning and recruitment will be a year-round function that considers Board education needs, Board terms, development of directors for officer and committee chair roles, and identification of candidates through their involvement in Board committees, working groups, community consultations and partner organizations.

3. Links to Strategic Planning The Committee will consider the most recent strategic thinking and planning of the Board to determine which attributes, skills and experience are most critical for upcoming recruitment.

4. Obligations of Existing Directors Directors will comply with requests for profiles and profile updates so the Committee can identify strengths and gaps. Directors will also participate actively in Board assessment activities to help the Board Chair and the Governance Committee with early identification of performance issues. Directors will notify the Board and Governance Committee Chairs at the earliest opportunity if they are unable to complete their term or do not plan to run for another term even if eligible.

5. Starting the Annual Recruitment Process The Committee will ensure the Director job description and the Director Application Form are up to date, and will incorporate them into a candidate information package. The Committee will also review the pool of previously identified Board candidates. The Committee will pay particular attention to the attributes and skills needed if any officer position is expected to become vacant. The Committee will also consider diversity, including but not limited to _____. The Committee members will also review the applicable section of the bylaws and the Governance Framework policy to remind themselves of any limitations, requirements and policy guidance. In particular, the Committee will strive to have no more than _____ directors from any one (e.g., geographic area, specialty).

6. Developing the Prospect List After all the above steps have been completed, the Committee will review the pool of individuals who have expressed interest and consider their qualifications. The Governance Committee will decide who else to approach, either as a candidate or as a source of names of possible candidates. The Committee will also decide how to inform the community that director applications are being accepted and the deadline for applications.

Board Succession Planning & Recruitment © Garthson Leadership Centre 2016 Page 2 of 2

7. Approaching Prospects/Applicants Individuals who are selected for their potential, whether through their applications or directly, will be approached by a Committee member or another Board member to ensure they understand the nature of the work and the expectations, including time commitments. Prospects approached directly will complete and sign an application in order to be considered for Board recommendation. All prospects will have an opportunity to ask questions of at least one experienced Board member. The discussion with prospects may be one-on-one or as a group. The Committee may choose to share additional documents, invite the individuals to a Board meeting or take other action to help them make an informed choice about whether to stand for election.

Candidate Applications Candidates will confirm their interest through completing an application and signing their commitment

to meeting the position requirements and to abide by the Code of Conduct including Conflict of Interest provisions. The signed application must be received by the established deadline or the candidate is ineligible. Preliminary Selection The Committee will develop a short list and conduct reference checks before bringing a list to the Board for discussion In Camera. The Executive Director will be recused while the Committee decides who to recommend to the Board for the next election. Candidates will be advised if they will be recommended to members. Candidates not being recommended may still stand for election. The Committee will decide what information to make available in advance to members about the candidates, and will include such information for all candidates who choose to stand. A deadline will be set for individuals to confirm their candidacy, so voters can receive advance information about all candidates as part of their AGM material. In accordance with the bylaws, nominations will not be allowed from the floor. 8. In-Year Appointments The Board may use the candidate pool to fill any in-year vacancy, and such appointments will terminate at the AGM. In-year appointees from outside the pool will complete and sign an application before their appointment takes effect. 9. Officer Recruitment The Committee will determine which attributes, skills and experience are most critical for the upcoming officer elections, especially if current officers will not be continuing in their role. It will review the Officer Job Description, Board profiles and other relevant documents to determine which internal candidates to consider. The Committee chair will meet with the Board chair to review the situation. If there is no desirable internal candidate, the general recruitment will give priority to finding a suitable candidate. This search will normally be for a Secretary or Treasurer, not a Chair or Chair-Elect as those will come from existing directors. Committee Chairs The Committee will determine which attributes, skills and experience are most critical for appointments to head continuing and new board committees, especially if current chairs will not be continuing in their role. It will review the Committee Chair Job Description, Board profiles and other relevant documents to determine which internal candidates to consider. The Committee chair will meet with the Board chair to review the situation. If there is no desirable internal candidate, the general recruitment will give priority to finding a suitable candidate.



**UPDATED
IN 2014**

Community Literacy of Ontario's

BOARD GOVERNANCE RESOURCE GUIDE

By Cindy Davidson





80 Bradford Street, Suite 508, Barrie, Ontario L4N 6S7

TEL 705-733-2312 | FAX 705-733-6197

EMAIL clo@bellnet.ca | WEBSITE www.communityliteracyofontario.ca

TWITTER @Love4Literacy | FACEBOOK www.facebook.com/CommunityLiteracyOntario

BOARD GOVERNANCE RESOURCE GUIDE FOR NONPROFIT ORGANIZATIONS (REVISED IN JUNE 2014)

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WRITER

Cindy Davidson

RESEARCHERS

Cindy Davidson, Joanne Kaattari and Vicki Trottier

SPONSOR/PUBLISHER

[Community Literacy of Ontario](http://www.communityliteracyofontario.ca)

EDITORS/ ASSISTANT WRITERS

Joanne Kaattari and Vicki Trottier

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Community Literacy of Ontario

BOARD GOVERNANCE RESOURCE GUIDE FOR NONPROFIT ORGANIZATIONS

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INTRODUCTION

[Community Literacy of Ontario](#) (CLO) is delighted to present our resource guide on effective board governance practices for nonprofit organizations. This guide has been newly revised and updated as of June 2014.

The topic of board governance is timely as nonprofit organizations continue to be held to high standards expected by clients, the community, government and corporate funders and other stakeholders.

In an era where public trust of corporations is low, accountability to stakeholders is particularly important.

Community Literacy of Ontario has designed this self-study resource guide to help organizations further develop and strengthen their board governance practices. This resource guide will examine effective governance in the areas of:

- Board roles and responsibilities
- Governance structures
- The board and risk management
- Board development
- Effective board meetings
- Evaluation

Embedded within each section are links to additional resources.

For the sake of simplicity, we have tried to use consistent language throughout the guide. Individuals and organizations may use different terms so we have provided a quick reference as follows:

Organization refers to the governing body (others may call it an agency, society, program, etc.).

Non-profit refers to the incorporation status of the organization (others may call it not-for-profit, non-governmental organization, etc.).

Board member refers to any individual who is part of the governing body (others may call it a board director).

Executive Director refers to the senior management staff of the organization (others may call it a Manager or CEO).

CHAPTER 1: BOARD ROLES AND RESPONSIBILITIES

KEY ROLES OF THE BOARD

The board of directors of an incorporated, non-profit organization is legally responsible for the governance of the organization. Within that mandate is the expectation that the board will develop, implement and monitor policies that will allow the organization to carry out its work. A board is elected by, and accountable to, its membership. While a board may appoint staff and/or committees to carry out specific work related to its policies, programs and services, the board is ultimately responsible for meeting organizational outcomes.

There are limitless resources available that define key roles and responsibilities of boards. While details vary from resource to resource, there are some broad-based philosophies that are consistent.

Collectively, the board must:

- Determine a governance model and ensure that appropriate organizational policies and structures are in place
- Participate in the development of a mission and strategic plan for the organization
- Hire and ensure that an effective senior management team is in place (i.e., Executive Director)
- Maintain effective partnerships and communication with the community, the organization's members and its stakeholders
- Maintain fiscal responsibility, including raising income, managing income, and approving and monitoring annual budgets
- Ensure transparency in all communication to members, stakeholders and the public
- Evaluate the organization's work in relation to a strategic plan
- Evaluate the work of the board of directors, ensuring continuous renewal of the board, and plan for the succession and diversity of the board

Individually, each board member must:

- Act in the best interests of the organization
- Understand the roles and responsibilities of being a board member
- Be familiar with the organization's bylaws, policies and procedures, strategic plan, mission, etc.
- Ensure he/she avoids conflicts of interest including operating in the best interest of the organization not in self-interest or the interest of a stakeholder group
- Respect confidentiality policies that pertain to membership and board discussions
- Keep informed about the organization's financial activity and legal obligations
- Bring his/her own skills, experience and knowledge to the organization
- Attend board meetings regularly and arrive prepared for meetings
- Support board decisions once they have been voted on

Ideally, when joining a board (or perhaps before deciding to join) one should learn the:

- Governing structure the organization operates under
- Roles, responsibilities, and functions of the board within the governing structure
- Job description for board members
- Measurement and standard by which board members are evaluated

While the level and detail may vary from board to board, overall, effective board members are continuously:

- Governing
- Leading
- Recruiting
- Supporting
- Planning

Cyril Houle, a governance expert and author often cited in board governance resources, defines the board's role and responsibilities based on three different activities of organizations:

1. **Governance:** The board develops policies that give overall direction to the agency.
2. **Management:** The board takes actions and makes decisions to ensure that there are sufficient and appropriate human and financial resources for the organization to accomplish its work.
3. **Operations:** These are the activities related to the delivery of services or programs of the organization. (The degree to which this occurs depends on the board governance structure.)

BOARD MEMBER JOB DESCRIPTIONS

Clearly written job descriptions help board members understand, and agree to, the role they are expected to play in an organization. Job descriptions, which need to be approved by the board, can also serve a purpose in evaluation and recruitment of board members. One job description can be developed for general board members and then specific descriptions can be developed for each executive officer member (Chair, Vice-Chair, Treasurer and Secretary).

The Muttart Foundation provides an excellent and free online guide to developing board member job descriptions:

www.muttart.org/sites/default/files/downloads/publications/developing_job_descriptions.pdf

Of course, sometimes, even when you detail the roles and responsibilities of board members, it's no guarantee that all board members will follow those guidelines. What do you do when board members are not following their job descriptions, or are not following through on their responsibilities? Check out some good tips in an article called Enforcing Board Member Responsibilities at this link:

www.nonprofitrisk.org/library/newsletter/summer_2010.pdf

Below is a starting point for the type of information you will want to include in a board member job description:

Position: What is the job title?

Authority: What authority does the position carry?

Responsibility: To whom is the position accountable? What are the broad areas of responsibility?

Term: How are board members elected and for how long? How do board members leave the board?

General Duties: What are the typical duties board members are responsible for?

Evaluation: How will board members' effectiveness be assessed?

Qualifications and Skills: What specialized or practical skills are needed to do the job?

Benefits: What benefits can a board member expect to receive?

Time Requirements: What is a realistic estimate of the time required as a board member?

EXECUTIVE OFFICERS

Depending on the governance structure of the organization executive officers will vary. Some examples of executive officer positions include:

Chairperson (or president): Chairs board meetings; responsible for conduct of board meetings and of board members; sets and follows agendas; the spokesperson for the organization to the public; often a signing authority on legal and financial documents.

Vice-chairperson (or vice-president): Fulfills duties of the chairperson in his/her absence.

Secretary: Takes accurate minutes (or reviews minutes taken by staff) of board meetings; keeper of board bylaws, policy statements and board correspondence; maintains database and accurate contact information of current board of directors. (Depending on the board's governance structure, some or all of these functions may also be assigned to staff with the secretary providing more of a support or oversight role. All, many of these resources are often stored on Wikis or other forms of cloud computing to ensure ease of access by all board members.)

Treasurer: Accounts for and reports on the funds, budget and expenditures of the organization; often a signing authority on financial documents.

Although not as common, some boards also have a past chairperson (or past president) as an executive officer whose role may be to mentor and support the current chairperson. Some boards may also decide to have a shared leadership model with co-chairs taking turns chairing the meetings rather than having a chair and vice-chairperson.

Executive officers may be elected and/or appointed by the board as a whole or by the broader organizational membership. These positions may also be rotating positions throughout the term of a board. When these positions exist, the board as a whole needs to define the executives' functions and decide on the amount of authority each title brings with it.

BOARD COMPOSITION AND STAKEHOLDER REPRESENTATION

The number of board members required to be in place on an organization's board is specified in the organization's constitution and bylaws. This number can be changed with the approval of the board and the membership. Criteria around representation of stakeholders and clients are also laid out in an organization's constitution although in some cases there may be guidelines imposed by a funder.

A general rule of thumb for non-profit organization board composition is a minimum of five board members and ideally no more than 11. It is also recommended that a board have an odd number of members so that ties when voting may always be broken.

The Pros and Cons of Small and Large Boards

Source: *The Non-Profit Board Development Workbook*. Edmonton Social Planning Council

Small Board	Large Board
Easier consensus on difficult or challenging issues	Increases chances for greater diversity on the board
Less or no need for committees	Increases opportunities for greater representation of the community or specific target groups of the community
Less or no need for executive members or an 'inner board'	Easier to establish quorum at board meetings
Requires board to function together in all decisions	Opportunity for committees and for board members to specialize or hone skills

When seeking out stakeholders and/or clients of the organization to hold designated board positions it's important to have specific job descriptions and roles clearly identified. For example, is the person representing, speaking on behalf of, or voting on behalf of a stakeholder agency or as an individual?

Boards may also choose to develop a policy in terms of client representation on a board.

Before deciding whether clients or consumers will have a designated seat, boards should ask:

1. What will the board and organization gain from their presence and perspective?
2. What challenges, if any, does their participation create for the board and organization?

The answers to these questions will assist the board in making a decision and allowing for supports if needed. For example, it would be very important to have the input of a young person on a board that has a mission to serve youth, but it also may be necessary to appoint another board member to be mentor and support to this young person. To use another example, literacy organizations that have an adult with low reading levels on their may need to provide help with reviewing agendas and minutes prior to a meeting.

BOARD-STAFF RELATIONS

One of the key responsibilities of board members is to hire a senior staff member to ensure effective management is in place. In most cases in non-profit organizations that means hiring the Executive Director (also may be known as the Chief Executive Officer, Administrator, Manager, etc.). From there, the Executive Director (ED) hires other staff.

The ED is the link between the board and other staff, and the board communicates its directives or human resource policies to other staff through the ED. Board and committee meetings are usually the place for the board and ED to communicate, share information and decide on work related to the organization. The ED is usually considered an 'ex-officio' member of the board, meaning he/she attends board meetings, participates in discussion, and receives and provides reports but has no vote.

Whether a board is preparing to hire an ED or conduct a performance appraisal of a current ED it's important to clearly define the role, responsibilities and expectations of both the board and the ED.

Depending on the governance structure of the organization the relationship between the ED, other staff, the Chairperson of the board, and other board members will vary. However, the board is responsible for ensuring:

- Development of the ED job description which includes areas of authority, a summary of responsibilities and the communication and reporting protocols between the board and the ED
- Interviewing, hiring and providing training opportunities for the ED
- Conducting evaluation and performance appraisals of the ED on a regular basis

Depending on the circumstances related to hiring, an outgoing ED or external expert may also be called upon to play a role in this process. Either way, the board is ultimately responsible for making the final decision.

The [*Hiring and Performance Appraisal of the Executive Director*](#) published by the [Muttart Foundation](#) is an example of a workbook that provides a board with tools and strategies for carrying out tasks such as developing job descriptions, developing a search committee, pre-interview activities, advertising, making the job offer, and templates for conducting evaluations and assessing the working relationship between the board and ED.

When boards and senior staff are supportive of each other it creates a strong team that in turn enhances the strength of the organization. Both Marsha Roadhouse and Linda Conley, former board members of Community Literacy of Ontario speak about the importance of this support.

As noted by Linda, who is also the Executive Director of the Prince Edward Learning Centre:

When they are working on things such as strategic planning or developing policies and procedures I do the leg work and present them with information and structures that they need to act effectively and efficiently. I try not to bother them with too much detail about the day- to-day operation of the centre, but organize myself so that the centre benefits from the time and effort that they put into setting our direction,

BOARD MEMBER AGREEMENTS

Board members are often asked to sign agreements as part of their responsibility on the board. These reflect the organization's policies. A breach of an agreement is often grounds for a board member's termination. Examples of such agreements include:

- **Confidentiality and/or Privacy Agreement**—Board member is asked to respect the confidentiality of information gained as a result of serving on a board such as client information, personnel, membership, finances, etc.
- **Conflict of Interest**—Requires a board member to declare if he/she has a personal interest in an area that is of interest to the organization. Being in a conflict position does not automatically disqualify a board member, but not disclosing the conflict can lead to a breach of the agreement.
- **Code of Conduct**—Boards may develop codes of conduct that cover everything from communication protocols, use of expense accounts, dress codes and language used at board meetings. Generally, non-profit organizations with volunteer board members are less formal on conduct rules; however, there may be overall rules and expectations about respect for the organization and other members. Any such rules are often included as part of a board member's job description.

- **Competition**—This applies more to individuals who in their working life may be involved in the same line of business as the organization for which they are also a board member. It protects the organization from people who may gain inside information, or skills and experience, from serving on a board and then use that knowledge and information to compete with the organization to offer services.

While it's true that agreements may seem overly 'formal', especially when a board is working well and there is strong communication and trust amongst members, when boards aren't working well this is often a time when it helps to have agreements to fall back on. Sample templates for confidentiality and code of conduct agreements can be found at The Institute on Governance: www.iog.ca/publications/sample_policies.pdf.

CREATING A MISSION AND VISION

One of the board's key responsibilities is to define the mission of the organization. The mission, or purpose, is the reason the organization exists. The mission informs the organization's values, objectives, policies and procedures. The board, its committees, its staff and its members work to achieve the mission while ensuring the organization works with integrity, transparency, efficiency and accountability.

Vision is based on a future state the organization is working toward. For example, *Every adult will have access to free literacy services* is a vision understood by everyone in the organization and forms the basis for decision making. *Mission* is the way in which the vision is realized. *Organization ABC will provide free literacy services to adults in the XYZ community* is an example of a mission.

The United Way Canada's Board Development resource suggests the following items to consider when developing a mission statement:

- What is the organization's vision of its future?
- What will distinguish the organization from similar organizations?
- How do the organization's values relate to its vision?
- What results and/or benefits can the members or clients of the organization expect?

CREATING A STRATEGIC PLAN

Strategic planning is a critical role for boards. It involves looking ahead, making decisions and taking appropriate action to avoid pitfalls and bring about improvements in an organization. This process results in a strategic plan for the organization that often covers a 2 to 5 year period. Both the process and the plan provide direction and goals for the organization but also have a direct impact on programs and services, the number and role of committees, resources needed, governance and staff structures.

Two key points to remember about strategic planning is that the process is as important as the plan and that the planning process is a continuous one. You can learn more about strategic planning and follow a step-by-step process by visiting Community Literacy of Ontario's self-study training module on Strategic Planning:

<http://literacybasics.ca/strategic-planning/>

Community Literacy of Ontario has recently completed its own strategic plan; you can view it at: www.communityliteracyofontario.ca/wp/wp-content/uploads/2013/07/CLOs-strategic-plan-August-2012.pdf



ACTIVITY

Many boards decide to hold retreats, focus groups, or other professional development events to help them define the roles and responsibilities of their boards and directors and evaluate their performance. These events can also serve as a platform for further governance development such as creating a mission statement, drafting job descriptions and designing a strategic plan.

Recently, CLO's Board of Directors held a board development focus group. The questions put forth to our board were extremely effective in generating discussion. They can be a template for a similar activity you may want to organize for your board.

Here are the questions we asked:

1. What do you see as your board's job?
2. What do you see as not being a role of your board?
3. Name three key board responsibilities.
4. What does your board do well? Not so well?
5. How do you provide board orientation, training and ongoing support?
6. What are your strategies for board recruitment and succession planning?
7. How does board evaluation happen in your agency?
8. What tools and resources have helped your board be more effective?
9. What are your tips for effective board meetings?

ADDITIONAL RESOURCES



1. Imagine Canada's "Sector Source" contains a wealth of free, practical resources related to board governance. Don't leave home without it!: <http://sectorsource.ca/managing-organization/board-governance>
2. Community Literacy of Ontario hosted two helpful podcasts on Board Roles and Responsibilities. Just click on these links to access them: [Part 1](#) and [Part 2](#).
3. *Online Modules to Help You and Your Board Clarify Roles and Responsibilities*. The Board Development Program, in partnership with Alberta Library Trustees Association, has developed an online learning module to help new board members and library trustees (and those looking for a refresher) to strengthen their governance skills. This module has sound, text and graphics to guide you through the content. The module can be found at <http://culture.alberta.ca/bdp/alta/index.html>
4. *Sample Governance Policies*, by Mel Gill from The Institute on Governance, covers board structures, board roles, committees and many other key topics. This document can be found at www.iog.ca/publications/sample_policies.pdf
5. Nathan Garber & Associates has a template for creating questionnaires to obtain feedback about Executive Director performance from board members, partner agencies, funders and employees. The template is available at www.garberconsulting.com/360_degree_questionnaire.pdf.
6. *Enforcing Board Member Responsibilities*, Non-profit risk management Centre www.nonprofitrisk.org/library/newsletter/summer_2010.pdf

CHAPTER 2: GOVERNANCE STRUCTURES

The Board of Directors represents the membership of the organization. The board sets in place policies, procedures, values and long-term planning to meet the mission of the organization. The board does this through a governance structure or model. The structure a board decides to implement will dictate not only the policies of the organization but also such things as the relationship between staff and the board, and the role and use of committees.

While it is the board's responsibility to determine the governance structure, activities of the organization are carried out by board members, staff, and committees. There is no single right structure for all non-profit organizations, and it may be necessary to change models over time. What can often dictate how a board chooses to govern is the experience of board members and staff, past experiences within an organization, how the organization wants to deliver its programs and services, and how the board views power and authority within the organization.

The activity provided at the end of this section takes boards through an exercise to help them decide which governance structure is best suited to their organization. However, there are three key questions to ask to help you decide upon a governance model:

1. Which decisions does the board want to make and which does it want to delegate?
2. How much involvement does the board want to have in the *operations* of the organization?
3. How will the reporting relationship between the board and the staff be defined and communicated?

DIFFERENT GOVERNANCE STRUCTURES

Governance structures can be put into two basic categories: *policy boards and administrative boards*. Policy governing boards develop policy and hire an Executive Director to implement the policy whereas administrative governing boards play a more hands-on role in managing the organization with the support of committees and staff.

Within these two broad categories of governance, there are four common types of board models:

1. **Policy Board:** Sometimes referred to as Management-Team Board, this model is commonly used in non-profit organizations. Several committees help carry out the activities of the organization, and the relationship between the board and staff is one of a partnership.
2. **Policy Governance Board:** Sometimes referred to as a 'Carver Board' after founder John Carver, this model has a more formal structure. The board operates as a whole, using one voice and rarely works with committees. The Executive Director is given a very clear scope and role as well as limits about what she/he can undertake, and the main emphasis of the board is on policy development. For a more complete definition of the Policy Governance Board Model, visit www.carvergovernance.com/model.htm.
3. **Working Board:** Directors on this type of board play a more hands-on role with some of the administrative functions of the organization such as public relations, financial management, program planning and personnel. It's not uncommon for these boards to not have any staff.
4. **Collective Board:** Sometimes known as a cooperative or coalition, a Collective Board also carries out many administrative functions of the organization. These boards are comprised of like-minded people that support a specific goal. Staff and directors operate together as a single entity. There is not usually an Executive Director, and often there is no voting as everyone works within a consensus model.

No particular structure fits every organization but, [*Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector*](#) states that organizations governed by a board should have at least three basic elements:

- A board capable of providing objective oversight
- An independent nominating committee to ensure the appropriate succession of the board
- An audit committee, whose primary responsibility is to report whether the organization is in compliance with the laws, rules, regulations and contracts that govern it

Nathan Garber, a renowned author of several books and articles on organizational governance, provides insight into other, lesser known types of boards such as Patron Boards and Advisory Boards. For more information on these types of boards and for help in deciding whether an organization should change its current governance model visit:

www.garberconsulting.com/governance%20models%20what%27s%20right.htm.)

It is recommended that after selecting its governance structure, the board seeks training to understand the model and the roles of the board within that model. Ongoing training is also important as a refresher to board members and as orientation to new members.

Using the framework of the four detailed types of boards outlined above, the United Way Board Development Resource Guide provides an overview of the different functions carried out by each type of board.

Areas of Responsibility	Policy Board	Policy Governance Board	Working/ Administrative Board	Collective
Vision, Planning & Evaluation	Creates vision, mission Planning Committee draws up plan to be approved by Board Sets policies and ensures procedures are in place	Creates vision Sets policies for ends, i.e., desired results Limits means, i.e., procedures and practices	Board and staff create plan and implement it Sets policies and general direction	Shared responsibility – among the Board and Staff for setting policy

Areas of Responsibility	Policy Board	Policy Governance Board	Working/ Administrative Board	Collective
Finances	<p>Volunteer Treasurer</p> <p>Finance Committee</p> <p>Board reviews financial statements</p> <p>May or may not be involved in fundraising</p>	<p>Sets limits on CEO's financial decisions</p>	<p>Financial decision-making largely in Board's hands</p> <p>More likely to include fundraising (than other models)</p>	<p>Board and staff work on financial matters as a team</p>
Human Resources	<p>ED reports to Chair</p> <p>Communications between Chair and ED</p>	<p>ED = CEO</p> <p>Board speaks with one voice to CEO; CEO responsible to full Board</p>	<p>May not have senior staff person</p> <p>Board members often act as direct service volunteers</p>	<p>Staff, management and chairing functions often shared</p> <p>Little or no management hierarchy</p>
Organizational Operations	<p>Extensive committee structure supported by staff to perform the work of the Board</p> <p>Board receives reports</p> <p>Decisions made by voting</p>	<p>No/limited committee structure; committees are only used as needed and are often charged with topics related to policy as opposed to operations</p> <p>Broad discussion leads to decisions by consensus</p> <p>Individual officer roles minimized</p> <p>CEO attends to all operations</p>	<p>Committees support operational responsibilities</p> <p>Heavier Board member workload</p>	<p>Operational functions shared</p> <p>Decisions by consensus</p>
Community Relations	<p>Marketing Committee develops awareness of agency in community</p> <p>Interprets and reflects community needs to the organization</p>	<p>Defines results that the organization is trying to achieve in the community</p>	<p>Staff and Board represent the agency to the community</p>	<p>All members represent the agency to the community</p>

ROLE OF COMMITTEES

The number and type of committees an organization has is often related to the governance structure it operates under. A policy-governance model tends to carry out work as a whole and has very few committees. Other types of boards may have several committees charged with carrying out the work of the organization.

There are generally three types of committees within an organization—standing, ad hoc and advisory.

Standing committees have specific areas of concern that they monitor, report on and provide advice about to the board on an ongoing basis. Examples of standing committees are:

- Executive Committee
- Personnel Committee
- Finance Committee
- Nominating Committee
- Fundraising Committee

A recent trend in some non-profit organizations is having a Governance Committee. Sometimes this encompasses or replaces the Nominating Committee and its duties including reviewing bylaws, planning board development, and monitoring the board's governance structure.

Standing committees are more common within boards with an administrative/policy model and usually include one or more board members on the committee, along with staff support. While policy-governance boards rarely have standing committees, they often still have a nominating committee responsible for recruiting new board members.

Ad hoc committees are formed by boards for time-limited, specific purposes. When the purpose or goal of the committee has been accomplished, the committee disbands. One example would be a committee struck to organize a conference or fundraising event.

Similar to ad hoc committees, advisory committees are often put in place to deal with specific, time-limited issues. They may be charged with researching, investigating or monitoring an issue and then providing informed advice to the board. Advisory committees may be established to bring together experts who can provide particular advice on specific matters of interest to the Executive Director or board.

Boards sometimes make the mistake of establishing committees that may not be needed or keeping committees going after they have outlived their need. Before establishing an ad hoc committee a board should determine whether the work may be better done by the board as a whole, by staff or by an individual board member. Similarly, boards should evaluate the work of standing committees on a regular basis to ensure the committee still has a purpose and is working effectively.

In order to function effectively, committees need:

- A clear role and purpose
- Terms of reference
- A chairperson
- An appropriate number of members suited to the role of the committee
- A mechanism to report back to the board
- A way to evaluate their work
-

ONTARIO'S NEW NOT-FOR-PROFIT CORPORATIONS ACT

The Province of Ontario is developing new legislation called the Not-for-Profit Corporations Act (or ONCA). Will this legislation is not yet in force, it will impact the bylaws and membership structures of many Ontario non-profits.

Here are three excellent sources of information on ONCA:

- The Ministry of Government and Consumer Services: www.sse.gov.on.ca/mcs/en/Pages/onca1.aspx
- The Ontario Non Profit Network: <http://theonnc.ca/understanding-onca/>
- Community Legal Education Ontario: <http://nonprofitlaw.cleo.on.ca/>

BYLAWS

Every organization should have its own bylaws. An organization that is not incorporated may refer to its governing documents as a constitution rather than bylaws. A constitution provides an overview of the organization's purpose, mission and objectives. It often provides the framework for the Letters Patent required when an organization applies for incorporation status.

An incorporated organization *must* have bylaws that comply with the requirements of incorporation legislation. The bylaws are literally the laws that enable organizations to carry out their activities effectively and efficiently. Boards that do not review their bylaws may sometimes find themselves working against them, therefore putting the organization at risk. Bylaws can only be amended by a board of directors, and changes must be approved by the general membership (however this is defined).

It is often difficult to find samples and templates for developing bylaws as they are unique to each individual organization. Good sources of templates are from other like-minded non-profit organizations.

The standard framework for bylaws however, is fairly generic and should include:

- The organization's purpose
- A description of the membership
- A description of the board composition and governance structure
- Location of head office
- Terms of office for board members
- Number of meetings held by the board, including Annual General Meetings
- Special meetings and in-camera meetings
- The number and a brief description of any standing committees and the process for appointing a committee chairperson
- Description, title and responsibilities of Executive Directors (if applicable)
- The election and voting process
- Details about quorum
- Filling board vacancies
- Removal of directors
- Senior staff positions

- Making amendments to bylaws
- Required reports and legal filings
- Charitable status
- Details about fiscal year
- Bank accounts, financial obligations, funders
- Conflict of interest
- Indemnification
- Disbanding the organization and disbursement of funds and capital assets

The Muttart Foundation has an excellent resource on drafting and revising bylaws: www.muttart.org/sites/default/files/downloads/publications/drafting_revising.pdf

POLICIES AND PROCEDURES

Policies and procedures in essence are the instructions for how an organization and its board and staff adhere to its governance structure, governing documents and regulations. The policy tells an organization what to do, and the procedure tells how to do it. Each policy should have a procedure, and together these documents will direct board and staff on making decisions and working within certain limitations.

The first step, and often the hard work, is in the development of policies and procedures. Fortunately, once a template is established it's easier to develop new policies as they arise. The governance model of an organization will dictate how the development of policies and procedures unfolds, but often the development of policies falls to the board and the development of procedures to the Executive Director.

It is the board's responsibility to develop, monitor and amend policies as well as to ensure that decisions are made and actions are taken that comply with policies and follow proper procedures. Regular review and revision of policies is good practice and is often conducted by a committee for board discussion and approval.

Community Literacy of Ontario has developed two comprehensive guides to developing policies and procedures. They are available under the "Publications" section of our website: www.communityliteracyofontario.ca/resources/publications/

As well, the Institute of Community Directors of Australia created a free online "Policy Bank": www.communitydirectors.com.au/icda/policybank/

INCORPORATION AND CHARITABLE STATUS

A non-profit organization carries out activities that benefit the community and has individual members who do not gain a profit from the work of the organization. Some boards may be confused by the term 'non-profit', thinking this means the organization cannot make money nor have surpluses or reserve funds at the end of the fiscal year. As long as the surplus or reserve is used to carry out the programs and services of the organization and not for the personal gain of members or staff, it is acceptable (and actually encouraged) for a non-profit organization to have a 'profit'. (Source: *Duties and Responsibilities of Directors of Non-Profit Organizations*. Canadian Society of Association Executives). It is not mandatory for a non-profit organization to become incorporated or to apply to be a registered charity. These are separate and distinct processes that create certain benefits and responsibilities for organizations that choose to do so.

INCORPORATION

Incorporation is the process of creating a legal entity that has an independent existence, separate and distinct from that of its members. Members sitting on a board of an unincorporated organization are considered the 'owners' of the organization and are therefore liable for the assets, funds and debts of the organization. For more information see the section about Boards and Risk Management.

An organization must be incorporated to be eligible to receive government funding. For example, many government agencies require that any organization that they fund must be incorporated. Most foundations also require organizations seeking funding to be registered charities.

An incorporated organization is required to file regular reports and comply with specific regulations or risk losing its corporation status. Be sure to check the specific regulations for incorporated and charitable organizations in your province or state.

Most organizations in Canada can apply for corporation status through the appropriate ministry of their provincial government. Some organizations, depending on their mission, are required to apply for federal incorporation.

The [Not-for-Profit Incorporator's Handbook](#), which is available at no charge from the Ministry of the Attorney General, will guide you through this process.

CHARITABLE STATUS

In order to issue a receipt for donations suitable for income tax purposes, an organization must be a registered charity. Most foundations require organizations seeking funding to be registered charities.

The Canada Revenue Agency (CRA) has information and forms related to becoming a registered federal charity under the "[Charities](#)" section of its website. Again, there are reporting and compliance procedures required for charities, but many organizations see the advantage in being able to accept charitable donations. A charity can provide donors with an income tax receipt, often an incentive for donors. It's not mandatory that an organization be incorporated before becoming a charity, but it does often make the process easier.

The CRA website provides sample 'purposes', or objects, suitable for organizations to include as part of their governance documents, which are needed when applying to become a registered charity. Visit the site to learn more about becoming a federal charity and to view sample objects.



ACTIVITY

[Nathan Garber & Associates](#) has developed a helpful process to help you identify where you agree and disagree on the areas of authority of the board and Executive Director. It starts by listing a number of activities that must be undertaken in a successful organization. Add any activities that are specific to your organization; then use the activities to guide discussion and clarify your expectations of the board/ED relationship. The result will be the basis for a governance structure tailored to your own organization.

At a board meeting:

1. Hand out the list of major organizational activities undertaken by your organization to all board members and the ED.
2. Allow about 15 minutes for each person to mark in which column the decision or activity belongs.
3. Compile the answers on a master sheet, showing how many responses were put in each column.
4. Review the distribution of answers, noting the items on which:
 - a) there is consensus
 - b) there is a diversity of opinion
 - c) the consensus of the board is different from the response of the ED
5. Discuss the items in categories b and c until you reach an agreement among the board and between the board and Executive Director.

	A	B	C	D	E	F	G
		ED may act on own. Not required to inform board.	ED may act on own. Must inform board ASAP.	ED responsibility but must obtain board approval.	Sole board responsibility. Board initiates.	Collaborative. ED or board may initiate. Work is shared.	Other or To Be Negotiated
1	Define and write vision, mission and values statements						
2	Set long term goals & objectives (3-5 years)						
3	Set medium term goals & objectives (2-3 years)						
4	Set annual (1 year) goals & objectives						
5	Determine what programs & services to provide						
6	Evaluate programs & services						
7	Apply for foundation & government grants						
8	Organize fundraising events						
9	Donor development						
10	Other fundraising activities						
11	Set financial procedures & controls						
12	Prepare annual budget						
13	Monitor income & expenses						
14	Spend within budget						
15	Sign cheques						
16	Manage investments						
17	Set personnel policies						
18	Recruit, hire and set compensation for employees						
19	Accept & use the services of volunteers and reimburse expenses						
20	Discharge staff & volunteers						
21	Assign work to employees (other than ED)						
22	Supervise employees & volunteers						
23	Settle grievances among staff						

	A	B	C	D	E	F	G
		ED may act on own. Not required to inform board.	ED may act on own. Must inform board ASAP.	ED responsibility but must obtain board approval.	Sole board responsibility. Board initiates.	Collaborative. ED or board may initiate. Work is shared.	Other or To Be Negotiated
24	Communicate with auditor						
25	Settle complaints from clients/ stakeholders						
26	Speak to media on behalf of organization						
27	Serve on interagency committees						
28	Plan the Annual General Meeting						
29	Allocate funds for conferences & professional development						
30	Recruit board members						
31	Plan & deliver board orientation program						
32	Evaluate board & board member performance						
33	Set agendas for board meetings						
34	Take minutes at board meetings						
35	Engage expert advisors or consultants within budgeted amounts						
36	Ensure that organization operations & budgets are aligned with plans						
37	Determine methods, procedures for delivery of programs						
38	Ensure board complies with bylaws						
39	Write/update bylaws						
40	Negotiate & enter into contracts						
41	Ensure that board policies are up to date & followed						
42	Establish & manage a system for periodic review of policy						
43	Advocate with government for greater priority to agency issues						

ADDITIONAL RESOURCES



1. *Seven Pillars of Democratic Governance* by Mel Gill. Synergy Associates. Charity Village, July 2009.

https://charityvillage.com/Content.aspx?topic=seven_pillars_of_democratic_governance

2. Policy Governance.com: The Authoritative Website for the Carver Policy Governance® Model. www.carvergovernance.com/pg-np.htm
3. *Governance Check-Up* help sheet from Nathan Garber & Associates to help organizations assess whether their current governance model is working well. www.garberconsulting.com/governance_checkup1.htm
4. Grassroots Governance: Governance in the Nonprofit Sector by Certified General Accountants: www.cga-ontario.org/assets/file/publication_grassroots_governance.pdf
5. Colouring Outside the Box: One Size Does Not Fit All in Nonprofit Governance by the Management Assistance Program: www.mapfornonprofits.org/wp-content/uploads/2013/10/Coloring-Outside-the-Box-One-Size-Does-Not-Fit-All-In-Nonprofit-Governance.pdf
6. Management Assistance Program for Nonprofits has created a free toolkit to help boards assess their organizational culture. This toolkit is called "[Ten Dimensions that Shape Your Board](#)".

CHAPTER 3: THE BOARD AND RISK MANAGEMENT

Along with roles and responsibilities of boards come risks and liabilities. Whether an organization is governed by a hands-on working board or a policy-driven board, board members need to be aware of the legal duties that come with their positions. Directors of non-profit incorporated boards are not usually paid for their work, but that doesn't absolve them from being liable for the decisions and actions they make.

Some of the items covered in previous sections, such as having clear job descriptions, may help board members stay informed of their responsibilities, but the onus is on the individual to be knowledgeable about risk management. Many volunteers mistakenly believe that if the organization is incorporated they are automatically protected from liabilities, but that is not the case. The governing laws of incorporation do go a long way in protecting boards and board members, but there are duties that fall to the individual.

Board members may also assume that they do not have to assume any liability or manage risk if there are paid staff within the organization that execute the day-to-day operations of the organization. True risk management is the result of teamwork between an agency's board members and its staff. For more information on boards, through a strong focus on governance, can work with staff to manage organizational risk, refer to *What's the Board Got to Do With it? The Vital Link Between Good Governance And Risk Management* from Nonprofit Risk Management Center: www.nonprofitrisk.org/library/articles/board091004.shtml

The language and terms used in risk management and liability policies can be confusing and often mired in 'legalese'. It is therefore recommended that individuals seek out advice, and possibly counsel, if they are unsure of their personal liabilities or the liabilities of the organization as a whole. [Volunteer Lawyers Service](#) was launched in 1994 through the efforts of Toronto lawyer Ronald Manes in cooperation with agencies such as the United Way of Greater Toronto, the Ontario Bar Association and many other supporters and contributors. Over 600 volunteer lawyers provide legal services to more than 700 community agencies, specializing in areas of business law important to non-profit and charitable organizations.

The information provided in this section is not meant to discourage or intimidate individuals from getting involved in non-profit organizations, but rather to assist them

in being informed. In the end, using common sense and being honest, knowledgeable and cautious will go a long way toward avoiding risk and liability. The information provided in this section is not legal advice. Any questions or concerns should be discussed with a legal professional.

Both [Volunteer Canada](#) and the [Canadian Society of Association Executives](#) have published clear-language pamphlets outlining details about risk management, duties and liabilities for directors of non-profit organizations. Briefly, the basic duties of directors are:

The duty of diligence (also referred to as fiduciary duty) — to act in good faith and in the best interest of the organization through such actions as:

- Staying informed by reading minutes, agendas and support material
- Attending meetings regularly and voting on issues brought before the board
- Being knowledgeable about the policies and operations of the organization

The duty of loyalty—to place the interest of the organization first through such actions as:

- Avoiding and/or declaring conflicts of interest
- Representing the organization in a positive manner
- Respecting confidentiality

The duty of management—to act and make decisions in line with the governing policies and bylaws of the organization through such actions as:

- Understanding the scope of authority for staff and directors
- Regularly reviewing bylaws and policies
- Ensuring legal requirements related to governance, incorporation, etc. are met
- Ensuring meetings are held and documented with minutes
- Understanding the requirements of laws and standards related to the clients the organization serves

A board member who does not comply with these duties may be held liable for the outcomes and results that occur. Members can be found liable if the actions and/or decisions that they make (or don't make) result in:

- A law being broken
- A contract being breached
- Injuries or damage (could be physical, environmental, emotional, etc.)

More information about legal duties can be found in [*Volunteers and the Law: A guide for volunteers, organizations and boards.*](#)

Board members of Ontario's Literacy and Basic Skills Agencies can stay aware of the latest contractual developments required by the Government of Ontario via the Employment Ontario Partners Gateway website at: www.tcu.gov.on.ca/eng/eopg/.

INDEMNIFICATION

Indemnification is one of those legal terms related to risk management that is necessary but cumbersome. Even trying to understand its meaning can lead to confusion as directors with little board experience may again assume that if they are indemnified they are wholly protected. Incorporated organizations are required by law to indemnify directors which means that if the organization is sued, fined or charged with any legal costs the organization will reimburse the legal fees and/or any financial settlements incurred by the board member.

However, indemnification is only as good as the organization's ability to cover those financial costs, and members still have to prove that they conducted business and made decisions with due diligence. It should be noted that while indemnification doesn't unequivocally protect a board member, it substantially lessens the risks as compared to those who are part of an unincorporated board. Unincorporated boards are not required by law to provide indemnification; therefore a director on such a board facing any legal costs would be personally responsible for those costs.

INSURANCE

Liability insurance for boards is known as Director's and Officer's (D & O) Insurance. This insurance covers the legal costs that an organization is responsible for if liabilities have occurred. While the [Canada Corporations Act](#) does not state that boards and their members must have insurance, some funders require it before granting money to organizations, and some organizations have this written into their bylaws and policies as a requirement.

In organizations where D & O insurance is not purchased, individual members may want to look into purchasing it for themselves. The amount of coverage on a policy and the cost of premiums may vary depending on the activity of the organization, but it is generally recommended that organizations be covered for no less than \$2 million.

The cost of D & O insurance can sometimes be a financial burden to organizations. It is a cost, however, that should be a priority, and organizations are encouraged to shop around for quotes and even look into becoming members of affiliations or provincial organizations that offer insurance as one of its benefits. A document called [Directors' and Officers' Liability Insurance: An Overview](#) provides further insight into the issue of insurance.

FINANCIAL AND HUMAN RESOURCE MANAGEMENT

The issue of risk management is complicated and reaches beyond the scope of governance and this document, but there are some key areas that directors will want to be informed about pertaining to risk management and financial and human resource management.

In relation to human resource management, board members should be knowledgeable about:

- Employment insurance and income tax laws and payroll related standards and regulations
- Workplace safety and liability
- Workplace hazardous waste and material handling (if applicable)
- Consultant and non-employee regulations
- Employment legislation and standards

With regards to financial management, directors should ensure:

- Auditors are appointed annually and audit reports are reviewed thoroughly
- Finance committees are in place and financial reports are provided and reviewed regularly
- Safeguards are in place for financial resources, including banking and back-ups of financial reporting documents
- Policies are in place and monitored that are related, but not limited to, investing, use of credit cards, signing authorities and fundraising
- They are knowledgeable about revenues and costs of the organization

Board members also have fiduciary responsibility, meaning that they must exercise a high standard of care in managing the organization. To further prepare board members for their fiduciary responsibilities, refer to [*20 Questions Directors of Not-for-Profit Organizations Should Ask about Fiduciary Duty*](#) as produced by the Chartered Accountants of Canada.



ACTIVITY

The [Canadian Society of Association Executives](#) provides a risk assessment checklist for boards in its resource *Duties & Responsibilities of Directors of Non-Profit Corporations*. It cautions that it's not an exhaustive list or the ultimate shield from liability but can be a good step towards reducing risk.

The list has been adapted and included below as an activity to assess your position in terms of risk management within your organization:

- Do you know your organization's mandate, mission, vision and objectives, operation policies and bylaws?
- Do you always act objectively and in the best interest of the organization?
- Do you prepare for all board meetings and all committee meetings by reviewing all agenda material and reports?
- Do you attend and participate in all board meetings and committee meetings for which you are a member?
- Do you keep careful notes at meetings and review the minutes of all meetings?
- Do you insist upon the establishment and regular review of operating policies and monitor staff adherence to them?
- Do you obtain outside expert advice whenever necessary?
- Do you disclose all personal dealings and/or conflict of interest as early as practical?
- Do you ensure that official minutes record all disclosures by directors of conflict of interest as well as any dissent to motions and abstention from voting?
- Do you ensure that there are effective internal systems and policies in place in all areas of organizational activity, particularly finance and human resources?
- Do you avoid possible conflict of interest situations?
- Do you ensure that the organization maintains a proper financial record-keeping system?
- Does the organization undergo an annual financial audit?

ADDITIONAL RESOURCES



1. *Non-profit Cost Analysis* is a toolkit designed specifically to help guide non-profit leaders through a six-step cost-analysis process and offers blank financial templates and concrete examples. www.bridgespan.org/nonprofit-cost-analysis-toolkit-introduction.aspx
2. The Canadian Institute of Chartered Accountants (www.rmgb.ca/publications/index.aspx) has produced a series of reports for board directors that poses '20 Questions' every board director should ask on several subjects, including those related to risk and liability such as:
 - 20 Questions Directors Should Ask about Codes of Conduct
 - 20 Questions Directors Should Ask about Executive Compensation
 - 20 Questions Directors Should Ask about Internal Audit
 - 20 Questions Directors Should Ask about IT
 - 20 Questions Directors Should Ask about Privacy
 - 20 Questions Directors Should Ask about Risk
3. 5 Good ideas for Risk Management for Not-for-Profit Organizations and Charities <http://maytree.com/fgi/risk-management.html>
4. Going Up? Elevator Talk, Risk Management and the Nonprofit Board (newsletter – Volume 19, No. 1, Winter 2010) Nonprofit Risk Management Center www.nonprofitrisk.org/library/newsletter/0110.pdf
5. 20 Questions Directors of Not-for-Profit Organizations Should Ask about Fiduciary Duty www.cica.ca/focus-on-practice-areas/governance-strategy-and-risk/not-for-profit-director-series/20-questions-series/item12325.pdf
6. 20 Questions Directors of Not-for-profit Organizations Should Ask about Risk www.cica.ca/focus-on-practice-areas/governance-strategy-and-risk/not-for-profit-director-series/20-questions-series/item12324.pdf

7. Community Literacy of Ontario's CAPACITY PLUS: Organizational Capacity Resource Guide for Ontario's Community Literacy Agencies
www.communityliteracyofontario.ca/wp/wp-content/uploads/2013/08/capacity_plus_book_02.pdf

8. Community Literacy of Ontario's Reducing Risk/Protecting People: An Annotated Guide to Risk Management Resources
www.communityliteracyofontario.ca/wp/wp-content/uploads/2013/08/reducing_risk_annotated_guide.pdf

9. What's the Board Got to Do With it? The Vital Link Between Good Governance And Risk Management, Non-Profit Risk Management Centre, Melanie Lockwood Herman: www.nonprofitrisk.org/library/articles/board091004.shtml

10. Some helpful checklists are available here from the Community Sector Council:
<http://communitysector.nl.ca/node/54952>

CHAPTER 4: BOARD DEVELOPMENT

Board development is a cycle that includes:

- Recruiting board members
- Holding elections
- Providing ongoing support and recognition
- Providing board orientation and training
- Succession planning

RECRUITMENT

Recruitment is a key part of the organizational development cycle. Recruiting is not just about how, but who and what—*who* do you want on your board and *what* skills and qualities are you seeking to help govern your organization. Recruitment should be an ongoing process for boards so that ideally when it's time to select new members organizations have a pool of skilled, appropriate and diverse individuals to draw from.

While some organizations have recruiting protocols similar to hiring paid staff such as advertising and interviewing, others keep the process more informal. Regardless of the approach, boards at a minimum should:

- Assess their needs in terms of skills, experience and diversity
- Have clear board job descriptions
- Have an application and screening process

Some boards have specific requirements in terms of representation. For example, CLO has a regional board structure where board members must come from all the diverse regions of the province. Other non-profit organizations may have bylaws that specify representation based on gender, culture, geography and/or age. Boards may also have designated seats for clients. During the recruiting process, boards need to ensure that any designated positions or representatives are covered. Regardless of what interests and organizations your board members represent, they are expected to act in the best interests of your organization.

Other attributes boards look for when recruiting are related to skills. For example, a board may want to have someone experienced in finance and accounting or public relations and marketing. Professional, such as accountants and lawyers who hold volunteer positions on a board can be valuable because of the expertise they bring, but it's important not to treat this as free access to services and advice.

When recruiting members, boards will also want to take into consideration personal characteristics. These characteristics are often listed in the job description and can include:

- Dedication
- Ability to make a time commitment
- Good judgment
- Strong communication skills
- Compassion and respect for others
- Willingness to learn
- Ability to work well with others
- A sense of wider community and passion for the mission of the organization

Past experience on other non-profit boards can also be an asset. Once you know what you need on the board, compare that to what you currently have and what you expect to have in the near future. Recruitment efforts should then focus on the gaps.

In the end, a substantial board that is comprised of talented, forward-thinking and connected individuals can give your organization the profile it needs to get things done. In the words of one of our own board members, find the best people you can and ask them to "give everything they've got to your organization."

A board composition analysis tool related to recruitment can be found in the Muttart Foundation's [*Board Building: Recruiting and Developing Effective Board Members for Not-for-Profit Organizations*](#). It lists general criteria (i.e., being a willing team member), specific criteria (i.e., fundraising skills) and a desired community balance (i.e., contributing to the urban/rural mix). It provides a chart to make notes and track criteria met by current board members and criteria required from new board members.

Ideas for recruiting potential board members include outreach to:

- The broader membership of the organization
- Friends, family and associates of current board members
- Stakeholder organizations affiliated with the organization's target client base
- The business and corporate community
- Other volunteer organizations and service clubs
- Faith-based organizations
- Educational organizations and institutions
- Volunteer centres and online volunteer database organizations
- The community at large during special events, fundraising activities, etc.

Be sure use your social media accounts to recruit board members. Post that you are seeking board members, share stories of agency successes and board member achievements, and follow the social media accounts of people and organizations that you would like to have on your board.

Some organizations hold open houses where they provide information about what the organization is about and how people can get involved. Having a package of materials (both in print form and on your website) to distribute to prospective board members (and also ready for those who may contact you looking to get involved!) can help with recruitment efforts. It can include items such as a:

- Links to your organization's website and social media accounts
- Board member job description
- Brochure, pamphlet, or links to online information about the organization
- Information about board time commitment, meetings, committees
- Copy of the most recent annual report
- Copy of recent newsletter or e-communique of the organization
- Links to your website and social media accounts
- Orientation and development opportunities
- List of other board members
- Board member application form

Potential board members can be invited to visit the organization, attend an event or attend an upcoming board meeting. Be sure to encourage them to follow your social media accounts to learn more about the great work that you do. They should then complete an application form. Organizations that do not have an application form can find a template available at: http://garberconsulting.com/board_application_form.htm.

If the potential members appear to be a good match for the organization, the next steps in the selection process, which usually includes nomination and election, should be explained. Boards need to keep in mind that people who say no now may say yes in the future so they should continue to keep connected with potential board members who are a good match for the organization and consider having them join a committee or help out at a special event.

ELECTIONS

The role of selecting new board members usually falls to the nominating committee of the board. Even in policy-governance structured organizations with few or no committees, a nominating committee often exists. Some boards have replaced a nominating committee with a governance committee. In both situations, the work focuses on identifying gaps and recruiting skilled individuals.

Nominating committees should work throughout the year, not just as board vacancies and Annual General Meetings approach. The committee is responsible for identifying potential candidates to fill vacancies and any gaps identified. Ideally, more candidates are recruited than there are positions available so that an election, rather than acclamation, occurs. In this instance it's important that candidates are aware of the nominating and election process and that just because they have been recruited doesn't mean they will automatically be elected or appointed to the board.

The nominating committee usually prepares a slate of candidates that is presented to members at an Annual General Meeting for voting. Members cast their votes for the candidate(s) of their choice, and the board is formed. This process is always the responsibility of the membership, the board and the nominating committee although staff may be asked to play a supporting role. The nominating and election process can sometimes be an awkward one for non-profit organizations, especially if no one is experienced or familiar with the procedures. Herb Perry's [*Call to Order: Meeting Rules and Procedures for Non-Profit Organizations*](#) provides a user-friendly overview of election rules and voting methods.

SUPPORT AND RECOGNITION

Once a board has recruited and selected board members it will want to keep them! Building in support and recognition will make members feel valued and loyal to the organization. Volunteer websites and organizations have countless ideas for recognition. One example is CLO's online training module on volunteer recognition, available at: <http://literacybasics.ca/volunteer-management/volunteer-recognition/>.

Social media provides an excellent way to recognize your board. Share out stories and pictures of board successes (with permission of course), and highlight the great work of the board.

AGMs are often a good time to publically recognize the work of board members through a gift, a certificate or a thank you note. Throughout the year board members can be recognized and supported through training opportunities which show the person their contribution is valuable and worth the time and money associated with training and professional development.

Board mentorship is another way to support new members and to show how the skills and knowledge of existing members are valued. Mentoring is in addition to, and a complement to, the governance training and orientation provided to members.

The Maytree Foundation has produced a [Board Mentoring Handbook](#) that can be downloaded at no charge. This handbook talks about activities, benefits and steps to mentoring. It offers a semi-structured program that involves a one-on-one mentoring relationship between a new board member and a more experienced board member that takes place face-to-face, over the phone and online for a total of nine hours over a six-month period.

The Maytree handbook lists some of the benefits to new board members such as:

- Having a more immediate connection to the organization
- Being better able to contribute more effectively to the governance of the organization
- Seeing the big picture better and therefore be better able to make informed decisions

For the mentor, benefits of a mentorship program include:

- New insights
- New, fresh perspectives
- Leadership and skill building opportunities

For the organization as a whole, mentorship programs:

- Provide a more cohesive board
- Minimize the risk of errors in judgment by new board members
- Allow for succession planning

Being a mentor may be an ideal role for a long-term or former board member who has lots of historical information about the organization but who is no longer able to serve as a director.

ORIENTATION

Orientation occurs when a new member joins a board, and training occurs throughout the term of the board. Both are important for sustaining members' interest and contributing to a healthy organization.

Orientation may take the form of a meeting or workshop complemented by a manual or guidebook. Whatever the format, it is more than just reviewing the organization's policies. It includes discussion about the values and mission of the organization, details about governance and bylaws, information about committees, and getting familiar with the organization's office and staff.

Each board member should be given his or her own copy of a board member orientation manual. As well, the manual could be posted online for easy access. It could also be the basis for an informal orientation process. Ideally, orientation should occur prior to a member's first meeting, but realistically this often occurs at some point during the first few months of a new term. It may be led by staff or senior board members and can be beneficial to returning members as well.

An orientation manual will contain a variety of resources but should at a minimum contain:

- The organization's mission statement
- A history of the organization
- A description of the board's governance structure and operations
- Meeting dates and format
- Links to the organization's social media accounts
- Board member job descriptions
- Bylaws
- Policies and procedures, especially related to board meetings and directors
- The most recent copy of the organization's strategic plan
- The most recent copy of the organization's budget and other financial information such as core funders
- A list and description of the board's committees and their terms of reference
- Information about membership
- Minutes of recent meetings and the last AGM
- Contact information for each director and staff (including any personal social media accounts, if desired)
- Forms related to board members such as expense forms

If it seems overwhelming to print and bind all this information, boards should consider loading the documents onto a CD or memory stick or posting documents on an organizational website or wiki. Once the main orientation has been completed, a personal check-in with new members should occur three to six months later to see if further support is needed. As well, hosting a special "meet and greet" session for new board members, and/or a social event, go a long way to breaking the ice and making new board members feel included from the start.

TRAINING

Boards should think outside the box when it comes to training. Retreats, online courses, podcasts, online training and attending conferences are alternatives to tried and true workshops and guest speakers.

Elizabeth DeBergh, CLO board member and the Executive Director of the Wellington County Learning Centre in Arthur, Ontario, believes strongly in social activities and interaction with her board as a form of orientation and team building. Ideas she suggests include:

- Taking the board to tour a company or business in the area
- Taking a historical tour of the region it serves
- Having a BBQ and inviting board members to bring their family and/or friends
- Making a float for board members to join a holiday parade
- Planning golfing days and/or a tournament
- Holding a book exchange amongst board members
- Inviting board members' families to the Annual General Meeting or other organizational events
- Getting together to socialize at a unique restaurant or coffee shop

For skill-specific training and orientation, conduct regular surveys with board members to determine their training needs and plan accordingly. Training topics may coincide with trends and challenges facing organizations (e.g., fundraising or risk management) but should also focus on continuous learning required and related to board development and the organization's specific governance structure. Also, look to evaluations and feedback from previous training sessions that board members rated as useful and valuable for training topic ideas. You may also learn what might be useful through your regular board evaluation processes.

A definite "must" is for boards to provide training on understanding the governance structure and how to operate within that structure.

Other possible training topics for boards could include:

- Board evaluation
- Strategic thinking
- Risk management
- Working with teams
- Conflict management
- Advocacy
- Organizational ethics
- Cultural diversity
- Strategic planning
- Effective communication and social media

If an organization has a budget or has individual board members interested in investing in their own professional development, specific training can include how to chair effective meetings, how to take meeting minutes, working with financial software, etc. As well, don't overlook the skills of board members who may be able to provide in-service training on a variety of topics.

Organizations in your community such as the United Way or local volunteer centre may offer training opportunities for board members. Compass Point has an article posted on its website about unique ideas for board retreats: [Where to Have a Board Retreat](#).

Be creative! Many training topics are freely available online as downloadable print resources, online videos, online conferences, podcasts, webinars or online training courses.

SUCCESSION PLANNING

As the baby boom generation nears retirement and the competition for volunteers increases, it's safe to say the need for succession planning in non-profit organizations will become increasingly important. Succession planning means not only preparing for the loss of key positions but also being pro-active. Organizations need to ensure they are able to retain leadership, skills and experience, while at the same time allow for growth and introduction of new people. Succession planning also looks at the current and future needs of an organization so that work can be done to ensure staff and board members are recruited to match those needs.

Part of ensuring the good health of an organization is having a good balance of new and experienced board members. We all know stories about organizations that have a 'lifetime' board member, someone who is not interested in retiring and yet is not bringing fresh life to the organization. Or what about the horror of having all experienced board members leave at the same time, taking the skills, knowledge and background of the organization with them?

Planning for board succession can be incorporated into the strategic planning of an organization and should be a regular part of board meetings. The board as a whole and the organization's Executive Director should be involved in the succession planning process. The plan should look three to five years into the future and be reviewed annually. It's also important incoming board members know what is in the plan.

[Literacy Link South Central](#) and Community Literacy of Ontario engaged in a partnership to develop an online module on [Succession Planning](#). It includes a variety of generic tools, including an agency succession planning needs assessment and a succession planning policy template.

The kit notes the first step in succession planning is to determine what you already have in place at your organization and then determine the gaps. The needs assessment includes 40 questions, including:

- How well informed and up-to-speed is the board on the issues, trends and challenges facing the agency?
- Does the board know where corporate records are kept in the office?
- Does the board secretary or chair keep a separate copy of board corporate records, such as letters of incorporation and letters patent, off-site?

- Does the board have, or do they know who to ask, to easily get a list of key stakeholders for crisis/emergency/transition communications?
- Does a board member and/or key staff member have an extra copy of the office keys?
- Is there a staff person designated as board liaison in the absence of the Executive Director?

Who is responsible for succession planning in an organization depends largely on its governance structure. For example, in a policy-governance model the board is responsible for preparing for succession related to the organization's management (i.e., Executive Director) and key board positions. The ED is usually responsible for succession planning for other staff.

[Charity Village](#) suggests that organizations take the following steps in a succession planning process:

1. Develop a list of key positions, volunteer and paid, who could disrupt the execution of your strategic plan and its components by their departure.
2. Develop an inventory of skill sets required for each key position.
3. Identify current staff or volunteers who could step up to replace a vacancy, either on a temporary or long-term basis.
4. Document sources of people with the required skills, either on a temporary or long-term basis.
5. Document what information will need to be readily accessible to those choosing the successor and for the successor.



ACTIVITY

Have your current board members develop your board recruitment materials. Devote a special meeting (or part of a meeting) to the board development process each year. Use the following questions and format adapted from [*How to Be a Winning Board*](#) (by the Alberta Association of Rehabilitation Centres) to understand the benefits of being a board member.

Ask current members the following questions:

1. What attracted you to become a board member with the organization?
2. What do you find most rewarding about your role on the board?
3. How can the board make board roles more attractive to both current and prospective board members?
4. What things make you feel valuable as a board member?
5. What activities do you feel are appropriate for you to be involved in on the board?
What activities do you think aren't appropriate?

Record the answers (you may consider having board members complete these questions privately and then present the collated data to the whole board). Encourage group discussion about the items. Write up the results in a summarized format. The results will be useful for promoting positive benefits of being involved on the board but also to help identify improvements that could encourage greater participation from current members.

ADDITIONAL RESOURCES



1. *Board Building: Recruiting and Developing Effective Boards*, The Muttart Foundation.

www.muttart.org/sites/default/files/downloads/publications/recruiting_development.pdf

2. *Seven Steps to Renewing Your Board*, Canadian Co-operative Association.

www.coopscanada.coop/assets/firefly/files/files/GovMatArchives/GM9_apr05.pdf

3. Mentoring Canada's online *Fundamentals of Effective Board Involvement* provides modules to help new board members understand their goals and motivations for joining a board. www.mentoringcanada.ca/training/Boards/index.html

4. *Suite 101: Selecting Optimal Non-Profit Board Members*. http://non-profit-governance.suite101.com/article.cfm/selecting_optimal_nonprofit_board_members

5. Nathan Garber & Associates: *What You Need to Know about the Board of Directors of ABC* is a useful template to use when recruiting new board members.

www.garberconsulting.com/what%20you%20need%20to%20know.htm

CHAPTER 5: EFFECTIVE BOARD MEETINGS

Incorporated organizations are required by law to have members' meetings. This often translates into an Annual General Meeting (AGM) of the full membership and regular, more frequent meetings of the board of directors. The number of meetings a board holds in a year is outlined in its bylaws, but it's often monthly or bi-monthly although it's not unusual to only meet quarterly. Board members attend and vote at board meetings.

Other members of the organization or special guests may be welcome to attend board meetings but usually as invited visitors with no vote. The Executive Director attends board meetings as well as an ex-officio (or non-voting) member of the board.

At one time, *Robert's Rules of Order* was used by many non-profit organizations as a guide to conduct meetings. The book, however, was based in parliamentary language and was often confusing and too formal for volunteer directors. Many resources have since been adopted by boards to help them run meetings that are effective, matched with their organization's governance structure, and easy to read and understand. One excellent example is *Call to Order: Meeting Rules and Procedures for Non-Profit Organizations* by Herb Perry of Big Bay Publishing (www.morfa.com/bbp/).

Just because meetings are a necessary and legal part of board governance doesn't mean that they can't also be an enjoyable and productive part of the governance cycle. For board meetings to be effective they need to:

- Have a purpose
- Provide enough notice and appropriate materials for members to be prepared
- Be chaired effectively
- Follow proper meeting procedures and respect the time of board members
- Have clear supporting documents such as an agenda, minutes and other reports
- Ensure all participants have a voice and are respected
- Include some social interaction and networking time
- Accomplish results and/or have action items
- Be documented with minutes

Carter McNamara, (www.authenticityconsulting.com) author and trainer experienced in non-profit management), says the most frequent reasons for poor board meetings are insufficient time to review materials before the meeting, insufficient member participation, and poor time management during the meeting.

MEETING PURPOSE

The usual purposes of board meetings are to:

- Make decisions
- Set policy
- Solve problems
- Plan and evaluate

These may not all occur at every meeting, but satisfied board members will leave a meeting having at least learned something or accomplished something. While boards are legally required to meet, it's equally important to value the time of the volunteer members or risk losing them. The United Way Canada's board development resource states that an estimated 50% of meetings could be replaced with other actions such as memos, emails or conference calls. Although technology may be able to replace the need for some meetings, it is important that meetings still be held in accordance with organizational bylaws.

The Ontario Trail Council has produced a meeting management document with several useful tools and templates for effective meetings including a Meeting Options Matrix (www.ontariotrails.on.ca/assets/files/pdf/member-archives/planning-governance/Meeting%20Management%20Handout.pdf) to help boards decide if a meeting is necessary. It lists criteria such as time available, further information needed and the level of involvement and commitment of members. A couple of examples from the matrix are:

Criteria	Options		
	No Meeting – Take Personal Action	Communicate or Meet Selectively	Convene a Group Meeting
Available time	Only you are available	Few people are available	All are available
Full understanding of subject	Only you need to understand	Some others must understand	All others must understand

MEETING PREPARATION

The role of planning and preparing for board meetings usually falls to the chairperson and the Executive Director. The extent to which each is involved is dictated by the organization's governance structure. For example, the chairperson of a hands-on administrative board may prepare the agenda after getting some input from the Executive Director while a policy-governance chair may meet with the Executive Director prior to a meeting to determine board issues versus staff issues are and then plan an agenda around only the board issues.

The key to preparation is for everyone to be clear about the role they play and what needs to be done prior to the meeting. Examples include:

- Adequate notice has been provided to board members in a format that has been previously agreed upon (i.e., two weeks prior to the meeting all board members are emailed a reminder and package).
- Copies of all documents needed prior to the meeting are distributed to members or are available on an organizational Wiki (agendas, past minutes, correspondence, proposed policies, committee reports, etc.).
- Facility space is booked or confirmed along with any equipment that may be needed for the meeting (i.e., flipchart, LCD projector, coffee machine).
- Arrangements for food and refreshments are confirmed (if applicable).
- Special guests (if applicable) have been confirmed and arranged to appear at an agreed upon time on the agenda.

[The Ontario Trail Council](#) suggests some key questions be considered prior to a board meeting including:

1. What is the agreed upon purpose of the meeting? (to train, inform, plan, decide?)
2. What are the desired outcomes from the meeting?
3. What materials are needed to facilitate the meeting? Who will handle them? (agenda, handouts, visual aids, etc.)
4. Are additional resource people needed? (who, who will contact them)
5. What activities can best be used to achieve the stated goal? (brainstorming, survey, discussion, etc.)

6. How much time will be needed to deal with the issues? (agenda should be planned with time frames when possible)
7. What background information needs to be circulated to the participants?
8. Where could the meeting most effectively take place?
9. Who will be responsible for room arrangements, refreshments, clean up, etc.?
10. What form of minute taking will be most effective?

EFFECTIVE CHAIRING

The chairperson is ultimately responsible for ensuring that meetings stay on track, timelines are respected, everyone's voice is heard, and goals are accomplished. Most organizations have an elected chairperson in place for a term that is outlined in the organization's bylaws. However, some organizations have a rotating chair, appointing someone different from the board as a whole at each meeting. In either case it's important to have a clear job description of what is expected.

During meetings, the chair should:

- Encourage participation by all board members
- Allow time for all views and sides of an issue to be heard and discussed before a vote
- Ensure members understand the discussions and terms of an issue by asking for clarification when necessary
- Summarize discussions before voting or moving on to the next item
- Keep the meeting on schedule by adhering to the agenda and keeping board members on topic
- Manage conflicts that arise during the meeting
- Ensure decisions are made clearly and explicitly (by vote or consensus) so that there is no room left for misunderstanding or misinterpretation
- Read or call for motions, call for votes on an issue, ensure votes are counted and recorded in the minutes (if required)
- Ensure that the recorder of minutes reflects attendance, motions and votes

On some boards the chairperson does not vote unless there is a tie, but this would be clearly laid out in the organization's bylaws.

One thing most volunteers will agree on is the importance of meetings starting and ending on time. While everyone has a responsibility for ensuring this happens by reading material beforehand and staying on track with discussion, it is the chair's role to call the meeting to order, move through the agenda as per timelines, and adjourn the meeting. Waiting for a late board member disrespects those who made the effort to arrive on time, and keeping people long after a meeting should have ended disrespects everyone's time.

Of course, common sense should always play a role. If half the board is missing and you know traffic was bad then it makes sense to wait an extra few minutes if everyone present agrees. Similarly, if a topic generated more discussion than was planned the chair should ask whether the group wants to stay later or stick to the end time and defer other items to a future meeting.

It should be noted that when the chairperson is not able to attend a meeting, the vice-chair or other designated board member will assume the above duties and responsibilities.

MEETING PROCEDURES AND QUORUM

There are certain procedures common to board meetings such as:

- Calling the meeting to order
- Reviewing and approving an agenda
- Ensuring there is a recorder and having minutes taken
- Reviewing and approving minutes from previous meeting
- Calling for motions, a seconder and voting on items when appropriate
- Adjournment

Further to that, the board's governance structure and bylaws will dictate other aspects expected at meetings such as committee reports, staff reports and open discussion/networking time. For a board meeting to be considered legal in terms of its governance and incorporation status there needs to be quorum. Quorum represents the minimum number of voting board members who need to be present at a meeting for decisions to be made. The number defined for quorum is stated in the organization's bylaws but is generally the majority, or half plus one. For example, a board of ten may have quorum set as six which means at least six board members must be in attendance for the meeting to be called to order.

When quorum is present the chair can call the meeting to order. When quorum is not met a meeting cannot be called to order nor can any decision be made, issues voted on or minutes taken. A record should be kept that showed the meeting was cancelled due to quorum not being met.

Herb Perry's *Call to Order* is a well-regarded resource used by board members to understand the procedures to attending and participating in a meeting. It contains easy-to-read instructions for issues related to board meetings including:

- Dealing with other business not on the agenda
- Making, withdrawing and amending motions
- Voting procedures and methods
- Proxies
- Declaring conflicts of interest
- Tabling discussions
- Adjournments and recesses

As well, United Way Canada's *Board Development Resource Manual* provides a template for proposing a motion as per the following chart:

Explanation of Motions Template

Type of Motion	Purpose of Motion	Requires Secunder	Requires Discussion	Can be Amended	Vote Required
To table	To clear floor for more urgent business/set aside	Yes	No	No	Majority
To amend	To improve motion	Yes	Yes	Yes	Majority
To refer to	To allow more careful committee consideration	Yes	Yes	Yes	Majority
To limit or extend discussion to certain time	To provide more or less time for discussion	Yes	No	No	2/3
To call for the vote	To end discussion immediately and vote	Yes	No	No	2/3
To raise a question or privilege	To bring up an urgent matter due to undesirable conditions	No	No	No	Majority
To recess	To secure a rest	Yes	Yes	Yes	Majority
To adjourn	To end the meeting	Yes	No	Yes	Majority
To rise to a point of order	To enforce rules or call attention to rule violation	No	No	No	Majority
To appeal ruling made by Chair	To determine attitude of assembly on ruling made by Chair	Yes	Yes	No	Majority
To suspend rules temporarily	To allow special action not possible within the rules	Yes	No	No	2/3
To withdraw motion	To prevent vote or inclusion in minutes	No	No	No	Majority
To object to consideration of a motion	To prevent wasting time on an unimportant decision	No	No	No	2/3
To rescind	To repeal motion discussion	Yes	Yes	Yes	Majority
To ratify	To approve previous action taken	Yes	Yes	Yes	2/3

AGENDAS AND REPORTS

One of the best ways to hold effective meetings is to put thought into the agenda, distribute it prior to the meeting, and then stick closely to it during the meeting. Ideally agendas should note:

- Topics/issues to be covered at the meeting
- Action required for each topic/issue (i.e., information only, discussion, decision)
- The person responsible for leading the discussion or providing information
- A timeline associated with each item

Some organizations, in keeping with their governance structure, have standing items that appear on the agenda such as a report from the governance or nominating committee. Some organizations ensure there is time at every meeting to discuss the organization's strategic plan and succession plan, especially in relation to goals achieved related to the plans. It can also be helpful to include the organization's mission statement on the agenda as a constant reference and focus.

Boards that work under a policy-governance model have clearly laid out rules about what appears on an agenda that often link to the organizations 'ends'—in other words the goals of the organization and the results it hopes to achieve through its existence and work. (*Policy Governance.com: The Authoritative Website for the Carver Policy Governance® Model*. www.carvergovernance.com/pg-np.htm)

However, all boards can borrow from the policy-governance model when it comes to setting an agenda by asking a simple question: "*whose issue is this: the board's or staff?*" If the answer is the board then the item should be added to the board meeting agenda; if the answer is staff then it is better left for the Executive Director to deal with. A sample agenda that represents the typical format and content of a board meeting can be viewed at [Free Management Library](#).

Most boards in an effort to be effective and efficient will avoid one-way communication, i.e., having someone read a report or present information that requires no discussion or action. An Executive Director who reads through a list of activities that have occurred since the last meeting or a fundraising committee representative who reads committee meeting's minutes is not only inefficient but can be tedious and boring. It's more appropriate to include the reports and any updates in the board package and have members read it beforehand.

The chair should acknowledge the reports during the meeting and ask for any specific questions, concerns or further discussion; otherwise reports should receive no further attention at the meeting.

The same can apply to correspondence. Many organizations receive a large quantity of information between board meetings. The board package sent prior to the meeting can include a list of the correspondence and copies (if feasible and warranted). Members who want to look at the information can do so prior to or after the meeting, but time is not devoted to correspondence at the meeting unless board input is needed.

EFFECTIVE PARTICIPATION

Members of a board who don't play a leadership or executive role still have responsibilities to ensure the effectiveness of a meeting. This includes active participation but also to:

- Arrive on time and stay for the duration of the meeting
- Read materials prior to the meeting to be prepared for discussion
- Be respectful of others who are speaking and avoid interrupting, rudeness and side conversations
- Have an open mind when listening to discussion and opposing perspectives
- Ask for clarification before voting or making a decision if unsure about something
- Carefully word motions
- Volunteer to help with items that require action *and* follow up on action items prior to the next meeting

Board members need to feel they are accomplishing something and being recognized for the work they do. When this happens at board meetings members are more apt to participate. Ideas and tips for encouraging participation from board members can be found in the article [*How to Get Your Non-profit's Board of Directors Excited and Involved.*](#)

NETWORKING/SOCIAL TIME

Some boards have found it beneficial to include social/networking time on the agenda. This has to be something closely monitored by the chair to ensure it is not too time consuming and doesn't take away from priorities of the meeting. It should be something that everyone agrees upon.

An alternative can be to tag social time onto the beginning or end of a meeting. It is an optional time for members to either arrive early or stay later to catch up with other board members and share information. Boards may also opt to have a social gathering once or twice a year in place of a regular meeting, such as a social event during the winter, or a BBQ/picnic during the summer months. Board members who have social media accounts can also chose to link with another using them mediums.

It is important for boards to have social opportunities as it builds a more cohesive team and ultimately leads to more productive and effective meetings.

MINUTES AND ACTION ITEMS

The long-standing debate about meeting minutes is deciding how much information to include. It is a challenge to be able to reflect the intent of an action item without providing all of the nitty- gritty discussion details. The key is to realize that minutes are legal documents of the organization, but they are also intended to be read in the future, often by people who weren't at the meeting. While it's important that all motions, decisions and action items are recorded, it's equally important that there be some context to how the decisions were made.

At a minimum, minutes need to include:

- The date and location of the meeting
- Members who were present for voting
- Motions put forth, the mover and seconder
- Amendments to motions
- The outcome of the motion (whether it was carried or not) and record of the vote including dissenters and those who voted in abstention or by proxy

The responsibility of recording and distributing minutes is usually given to an appointed or elected officer of the board called a secretary. On some boards, responsibility for taking minutes is delegated to staff and the minutes are then reviewed and approved by the secretary. As well, some boards that don't have executive positions may appoint the secretary on a rotating basis or may delegate the responsibility to a staff person.

In addition to the formal minutes of an organization, some organizations also prepare action items. The action items may be part of the minutes or a separate document attached to the minutes. To view a sample and tips for effective minutes see [How to Take Meeting Minutes](#) by Estela Kennen.

Minutes and action items should be distributed to board members as soon as feasible after the meeting. At a minimum they should be distributed to the board to provide enough time for members to review them prior to the next meeting. At each meeting there needs to be time allotted to raise questions, clarify items or make amendments to the previous meeting's minutes. Ideally, the minutes should have been read and reviewed prior to the meeting, eliminating the need to read through them at the meeting. Any board member who requires assistance in reading and reviewing the minutes should have the opportunity to do so prior to the meeting.

Once the minutes are approved by a vote of the board they become part of the official record of the organization. A copy of all minutes should be kept in one location along with a back-up copy. Many boards get the secretary (and sometimes the chair) to sign an official copy of the minutes. Board members should receive their own copy of minutes including any amendments.

GENERAL MEETINGS

In addition to regular board meetings, organizations hold general meetings. These are often referred to as Annual General Meetings (AGMs) because one must be held no later than 18 months after incorporation and annually thereafter. Often, there are government requirements that there must be no more than 15 months between Annual General Meetings.

General meetings include the broader membership of the organization and board members. Every member in good standing of an organization is entitled to vote at general meetings, and those not able to attend may vote by proxy (through another member who is present). Membership criteria and eligibility are set out in an organization's bylaws. The current board of an organization runs the general meeting. There are agendas and minutes taken, similar to a board meeting, but there are differences in some procedures including voting methods, notice of meetings, conflict of interest and quorum. Herb Perry's *Call to Order: Meeting Rules and Procedures for Non-Profit Organizations* provides details on the differences in procedures between board meetings and general meetings.

Items usually addressed at general meetings include:

- Presentation of an annual report of the board of directors
- Nominations and elections of new directors
- Presentation of the financial statements of the past fiscal year (usually by the organization's treasurer or auditor)
- Appointment of auditor for the next fiscal year
- Amendments, changes or additions to the organization's bylaws



ACTIVITY

The topic of board evaluation will be covered more fully in the next section, but the activities suggested below are some ways to gain input on the effectiveness of your board meetings. At the same time, the results can feed into the larger board evaluation process.

Boards can take a formal or informal approach to gaining feedback about their meeting effectiveness. Informally, once or twice a year (depending on how often the board meets) a simple survey can be handed out to directors asking questions like:

- What do you like *best* about board meetings?
- What do you like *least* about board meetings?
- Are you satisfied with the items that are usually on the agenda?
- What could be done to encourage more discussion at the meetings?
- Is the timing and location of meetings convenient for you?
- What changes would you suggest to make meetings more effective and productive for you?

The more formal tool provided below has been adapted from the Muttart Foundation's [*Board Building: Recruiting and Developing Effective Board Members for Not-for-Profit Organizations*](#). It involves selecting an objective observer (paid or volunteer) to sit in on one or more meetings to observe the board's process as it carries out its activities at a meeting. Using the checklist provided, the observer is not meant to give advice but to summarize the feedback and provide it to the board for review.

MEETING OBSERVER CHECKLIST

Rate items 1—Poor; 2—Needs Work; 3—Adequate; 4—Very Good; 5—Excellent

- Meeting scheduled at convenient time/location
- Majority of board members were in attendance
- Agenda and supporting documents circulated prior to meeting
- Meeting began on time
- Agenda items relevant to mission, goals and objectives of the organization
- Agenda items related to board work (not staff or committee issues)
- Structure and leadership of meeting encouraged thoughtful discussion
- Agenda items were clearly identified as *for information, discussion or decision*
- Reports were tabled and only questions and/or discussion related to them were considered
- Decision-making method being used, such as collaborative or simply majority, was identified before the decision was made
- Appropriate information was available to make decisions
- Atmosphere was relaxed and friendly
- All board members were encouraged to participate
- Motions were accurately recorded in minutes
- Meeting duration was appropriate to needs of the group and the issues to be addressed
- Staff and board members presenting information were prepared and effective

Ask each board member to also rate:

- Strengths of the meeting:
- Weaknesses of the meeting:
- Suggestions for future effectiveness:

ADDITIONAL RESOURCES



1. *Ten Quick Ways to Improve Board Meetings* has unique and fresh ideas for keeping board meetings effective and interesting. www.compasspoint.org/boardcafe/details.php?id=16
2. *The Importance of Board Meeting Attendance* from The Non-profit Conversation blog touches on how effective meetings can enhance board member participation and attendance. <http://nonprofitconversation.blogspot.com/2009/06/importance-of-board-attendance.html>
3. *Board Building: Recruiting and Developing Effective Board Members for Not-for-Profit Organizations*. The Muttart Foundation. A tool for assessing the work of the board.
www.muttart.org/sites/default/files/downloads/publications/recruiting_development.pdf
4. *How to Run an Effective Meeting* from WikiHow. www.wikihow.com/Run-an-Effective-Meeting

CHAPTER 6: BOARD EVALUATION

In the previous sections, the importance of strong and effective governance has been emphasized. If the board does not evaluate, however, all the good work it does can be in vain. Both for-profit and non-profit organizations need to evaluate their work as a way to be accountable and transparent to their stakeholders. It's a task that is often overlooked or under-rated in the non-profit field. Non-profit boards may feel they don't have the expertise or knowledge to carry out evaluation, or they may tackle it only when faced with an organizational crisis or at the special request of a third-party such as a funder.

Board evaluation is a key part of the board governance structure and is different from an evaluation of programs and services. Boards need to take ownership and control over their evaluation. To evaluate effectively a board first needs to ensure that there are benchmarks in place, many of which have been touched upon in previous sections such as:

- Having clear board job descriptions
- Hiring competent senior staff
- Having a strategic plan
- Having a strong chairperson
- Holding effective board meetings
- Adopting a governance structure that fits with the culture of the organization.

THE PURPOSE OF EVALUATION

Board evaluation is linked with planning and is directly tied to achieving the outcomes and results outlined in the board's strategic plan. While it's important to not wait until your board is in crisis mode before doing an evaluation, an evaluation can bring to light warning signs that your board is getting off track. Charity Village has a comprehensive article called [*Board Assessment – Why Bother?*](#)

This article reviews the importance of board assessment and evaluation. The article talks about the correlation between evaluation and high organizational performance and states that, among other things, a high performance organization is more likely to have:

- Competent board and staff leadership
- Board engagement in strategic planning
- A customer and results focus
- Positive relationships with key stakeholders
- Good financial stewardship
- Effective and efficient use of resources
- Clear lines of accountability
- Good meeting management
- An organizational culture that encourages good teamwork, respect for organizational norms, values staff, and encourages excellence
- Low levels of internal conflict
- Perceived legitimacy and credibility

As noted above, one of the main drivers for board evaluation is often an accountability expectation by funders. However, it's also important for the board to evaluate its work to provide accountability to individual board members, staff, clients, its membership and the broader community it serves. If done properly, it also is an effective way to gain feedback and learn how to improve its work.

Organizations that work within a performance management system understand that evaluation is a key part of measuring effectiveness, efficiency and client satisfaction.

EVALUATION PROCESS

The evaluation process looks at what the board has achieved and how it has achieved it. The board is responsible for evaluating the areas that pertain to governance. Staff or independent consultants are usually responsible for evaluating programs and services. The board's area of evaluation responsibilities include:

- Board management (meetings, roles of individual directors, committees, etc.)
- Board development (recruitment and orientation process, governance structure)
- Board goals, mission and strategic plan
- Evaluating the Executive Director

Some tasks may happen more regularly, such as evaluating board meetings and checking in with work related to the strategic plan, while other areas such as evaluating the ED may occur on an annual basis. Boards may choose to hire an independent consultant to assist with evaluation, but it is the board's responsibility to decide on the process and to ensure that the evaluation is implemented and the results reviewed.

United Way Canada's board development guide suggests a six-step process:

1. Decide on the purpose of the evaluation
2. Set up an evaluation structure
3. Prepare the evaluation design
4. Gather information
5. Analyze information
6. Action and implementation

For example, using this suggested six-step process, a board who decided it needed to evaluate its current governance structure could develop the following plan of action:

1. **The purpose:** To determine if the current structure is still an effective way to govern.
2. **Evaluation structure:** The board as a whole will work together on the evaluation using a combination of self-evaluation and engaging an outside facilitator.
3. **Evaluation design:** The board will access tools that help them evaluate effectiveness and efficiency related to the board decision-making process, the current level of board involvement of daily organizational operations, and the relationship of authority between the board and staff.
4. **Gather information:** A questionnaire for individual board members and senior staff will be used to anonymously collect information, and a focus group will be facilitated with the board as a whole.
5. **Analyze information:** An independent consultant will collect all the data, summarize and present it to the board as a whole.
6. **Action and implementation:** Based on the results presented to the board, the board will decide whether to maintain its current governance structure or to investigate another model that fits more with the culture of the organization based on the information collected. The board will agree on any action steps to take.

BOARD EVALUATION QUESTIONS

Organizations can choose a variety of tools to conduct evaluations and gather information including surveys and questionnaires, self-assessment tools, personal interviews and focus groups.

Board members should conduct self-assessments regularly. This can include a brief check-in after each meeting along with a more comprehensive one annually or at the end of a term. An annual self-assessment may be kept confidential for the member's own personal growth and development goals, or it may be collected by the chairperson or board development committee so that a broader perspective can be gained about possible board training needs. A self-assessment can include items such as:

- The percentage of meetings attended over the year (or term)
- The satisfaction level of meeting preparation
- The satisfaction level of meeting participation
- Personal strengths and weaknesses
- The success level of meeting the criteria laid out in the board job description

Sources for board member self-assessment tools include [*Board Member Self-Assessment Evaluation of Job Performance*](#) and [*Am I A Good Board Member?*](#)

Items that a board will want to look at when evaluating its work as whole include:

- How it operates within its mission, goals and bylaws
- Board members' understanding of their roles and responsibilities
- Board job descriptions
- The work of committees and their terms of reference
- The composition and structure of the board
- Risk management policies and safeguards
- Recruitment and orientation practices
- Evaluation procedures for senior staff and individual board members
- Accomplishments and actions taken that relate to the organization's strategic plan
- Board and organizational communication



ACTIVITY

The board of Community Literacy of Ontario conducts an in-depth review of its activities annually. We've included CLO's comprehensive board evaluation checklist below. Have each board member fill out the checklist and email the results to the board evaluation committee (or board chair). Compile, discuss the results, highlight and act on areas needing further development.

Board Evaluation Checklist

Source: CLO's Board Development Committee; Mel Gill, *Governing for Results: A Director's Guide to Good Governance* ([Charity Village](#)); and [Greater Twin Cities United Way Checklist](#).

Scale:

1 - Not happening, development needed

DK - Don't Know

3 - OK, development may be needed

NA - Not Applicable

5 - Excellent, no development needed at this time

Rating	Performance Indicator
	Board has the minimum number of members according to the bylaws.
	Majority of board completes at least a two year term.
	Competent board and staff leadership.
	Roles of the board members are clearly defined and respected.
	Board members provide support for staff to carry out their roles.
	Staff provides support for board members to carry out their roles.
	Majority of board attends meetings.
	Committees complete tasks in an effective and timely way.
	Committees report to the board at least twice per year.
	Board's nominating process ensures that the board remains appropriately diverse.
	Each board member has a board manual (or access to board information online) and can locate required information.
	New board members are oriented to the organization.

Rating	Performance Indicator
	New policies are discussed and approved before they are implemented.
	Policies are reviewed at least annually and updated as needed.
	Agenda and materials are given to board members with time for review before meetings.
	Board prepares for meetings by reading background material.
	Board engages in strategic planning at least every two years.
	High degree of agreement and support on values and mission.
	Good financial stewardship, budgets and reports are reviewed, understood and approved by board.
	Familiarity with business plan.
	Clear lines of accountability are in place.
	Sufficient board independence from management to make objective decisions.
	Good meeting management is in place.
	Commitment to board self-evaluation and development.
	Constructive dispute resolution process in place.
	Organizational culture that encourages good teamwork.
	Organizational culture that encourages excellence.
	Low levels of internal conflict.
	Good balance between stability and flexibility, innovative and adaptive responses to change.
	Process for handling urgent matters between meetings in place.
	Conflict of interest policy is in place and complied with by board and staff.
	Perceived legitimacy and credibility in the community.
	Positive relationships with key stakeholders.
	Board members are clear about who is the official spokesperson for the organization.
	Effectiveness of the board and committees is evaluated annually.
	Effectiveness of the board meetings is evaluated after each session.
Comments/Concerns/Suggestions for improving the board:	

ADDITIONAL RESOURCES



1. *The Bruner Foundation* partners with other funders and non-profit service providers on projects targeted at building evaluation capacity and/or evaluative thinking. It has recently published eleven individual *Integrating Evaluative Thinking Bulletins* covering the following topics: evaluation basics and definitions, evaluative thinking basics and assessment of evaluative thinking, evaluation and non-profit boards, commissioning evaluation, collecting, analyzing and using evaluation data, communicating about evaluation, evaluation and technology, evaluation and HR, evaluation and alliances, increasing participation in evaluation, and sustaining evaluative thinking. Each bulletin is brief and full of practical suggestions made by non-profit partners who reviewed the work. A complete set of all bulletins, as well as other complementary tools and resources are available via the [Bruner Foundation](http://www.brunerfoundation.org), under the *Evaluative Thinking* component of their website: www.evaluativethinking.org.
2. *Checklist to Evaluate a Non-profit Board of Directors*. (Edited by Carter McNamara for the *Greater Twin Cities United Way*). The checklist indicators represent what is needed to have a healthy, well-managed organization.
<http://managementhelp.org/organizationalperformance/nonprofits/boards.htm>
3. *Diagnosing the Effectiveness of your Board* is a newsletter article from Canadian Co-operative Association that focuses on how to diagnose problem areas of board effectiveness, including board leadership and board functioning, the role of the chair, meeting dynamics, board behaviour and board relationships. Also includes some practical tips and ideas that you can implement to address the various problems you may diagnose.
www.coopscanada.coop/assets/firefly/files/files/GovMatArchives/GM14_Mar07.pdf
4. *Board Building: Recruiting and Developing Effective Board Members for Not-for-Profit Organizations*. The Muttart Foundation. A tool for assessing the work of the board.
www.muttart.org/sites/default/files/downloads/publications/recruiting_development.pdf

CHAPTER 7: ADDITIONAL TOOLS AND RESOURCES

This resource guide was designed to assist individuals with no, or little, board governance experience or those who are working with boards that have gotten a little off track. Each section provides activities and resources that will hopefully provide direction, but may also point to areas that need work. It may seem overwhelming to do all the things suggested in each section, and at the end of the day the reality is that not everything is possible, especially all at once. Sometimes boards experience dysfunction but don't recognize the warning signs. Going through several of the exercises in this resource guide, can highlight areas that boards need to work on to strengthen their board governance practices and create a more dynamic organization.

Your work doesn't have to end with this resource guide. People who are interested in further training and resources on building organizational capacity in board governance have limitless options. There are many helpful and free online training courses, podcasts, wikis and webinars on the topic on board governance. As well, this issue is widely discussed on social media. In short, you can find a wealth of valuable information with a click of your mouse whenever you need it.

Following are just a few examples of additional resources:

- **Imagine Canada**
 - A wide variety of online tools, webinars, podcasts and other resources are available through [Imagine Canada](#). In particular, be sure to check out their 'Sector Source', which provides a goldmine of information for non-profit organizations: <http://sectorsource.ca/>
 - Facebook: www.facebook.com/ImagineCanada
 - Twitter: @ImagineCanada
- **Imagine Canada's** [Standards Program for Canada's Charities & Nonprofits](#).
- **Volunteer Canada**
 - Website: <http://volunteer.ca/>
 - Facebook: www.facebook.com/VolunteerCanada
 - Twitter: @VolunteerCanada
- **Better Boards:** <http://betterboards.net/>

- **Ontario Nonprofit Network**

- Website: <http://theonnc.ca/>
- Facebook: www.facebook.com/OntarioNonprofitNetwork
- Twitter: @o_n_n

- **Charity Village**

- Website: <http://charityvillage.com/>
- Facebook: www.facebook.com/CharityVillage
- Twitter: @CharityVillage

- **National Council of Nonprofits**

- Website: www.councilofnonprofits.org
- Twitter: @NatlCouncilNPs
- Facebook: www.facebook.com/NationalCouncilofNonprofits

- **Board Source**

- Website: www.boardsource.org
- Facebook: www.facebook.com/BoardSource
- Twitter: @BoardSource

- **Non-profit Conversation** is a blog that provides a forum for discussion, advice, observations and solutions for the non-profit community.

<http://nonprofitconversation.blogspot.ca/>

- **Nonprofits on Facebook** is devoted to sharing resources and information to build capacity in nonprofit organizations. www.facebook.com/nonprofits

And, be sure to also follow **Community Literacy of Ontario:**

- Facebook: www.facebook.com/CommunityLiteracyOntario
- Twitter: @Love4Literacy

FEEDBACK TO THIS GUIDE

We would love to hear your feedback! Please email us at info@communityliteracyofontario.ca



80 Bradford Street, Suite 508, Barrie, Ontario L4N 6S7

TEL 705-733-2312 | FAX 705-733-6197

EMAIL clo@bellnet.ca | WEBSITE www.communityliteracyofontario.ca

TWITTER @Love4Literacy | FACEBOOK www.facebook.com/CommunityLiteracyOntario

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Throw away your old board recruitment matrix

February 29th, 2012

Gayle Gifford

Just yesterday I was asked if I had a “matrix” for board recruitment.

So when my colleague Jane Garthson happened to share this wonderful piece on another list on which I participate, I just had to ask her if I could share it with you.

Jane is President and Principal Consultant of the [Garthson Leadership Centre](#), based in Toronto, Ontario, Canada. Jane’s been a part of an online peer

circle of consultants that I've known and relied on for advice almost as long as I've been consulting. It's always great to share advice with you from a such a wise international colleague .

Thank you, Jane.

P.S. We do have a sample "board matrix." You can find [here](#) it in our free [toolbox](#). You'll see we've already taken Jane's advice.

Four reasons to throw away your old board recruitment Matrix

By Jane Garthson



I remember when we first started plotting board member skills and demographics in a table—we felt so organized. We could put check marks on a grid; plan our board recruitment to fill current and upcoming gaps, and document that plan. It was a big step forward over just brainstorming to get a list of people we knew, with no thought to what we really needed. And consultants like me started routinely recommending the board grid or matrix to governance clients.

That started about twenty years ago, and I see the same old formats and lists still being used. We have learned much since then, but these outdated matrices

have not been updated to match. Here are four key reasons the old matrix format is critically flawed.

1. The matrix demographics encourage “representational” thinking.

Here’s how the thinking plays out. “Given our current composition, we need one member under 30, one member from Quebec, one director who is a visible minority and one (insert your custom specification here).”

There are three major problems with this thinking. One is that passion for your mission, and skills to govern, should always be considered; never recruit for demographics alone. You should be looking for people who have the passion, skills AND knowledge of some part of your community. Don’t look at different parts of your matrix in isolation.

The second is thinking that any one person can “speak for” a whole community. No one can speak for all young people, all members from the prairies, or any other such group. These individuals often feel like, and are made to feel like, tokens. The retention level is poor for people who feel that way, and often their contributions are lessened while they are on the board.

The third problem, not unique to boards that use matrices, is that the individuals may feel they represent their demographic group. When that happens, they may vote in the best interest of one part of your community or membership and not in the best interests of the whole. They then fail to carry

out their duty of care to your organization.

The problem is often made worse by having people elected by segments of your membership, such as provinces, and then failing to educate them on their true board role. Such election processes often also lead to boards of unwieldy size as more segments are added. I have yet to hear of any organization that retained this system of electing board members after a facilitated and independent governance review.

Bylaw changes, however, take time, and in the meantime you can readily communicate to both the directors and the communities that elect them that once on the board, they can bring knowledge of their community to the table so everyone can make informed votes. And they can be a communications link back the group that elected them or is part of their demographic. But they must put the whole community and whole organization first.

2. The traditional matrix skills encourage operational thinking and meddling.

There are dozens of accepted lists of roles and responsibilities of board members, and **CSAE** among others sells a monograph on the topic. The lists quite properly focus on governing the organization, such as hiring and managing the chief staff officer and carrying out fiduciary duties.

In twenty years of reviewing, and creating, such lists, I've never seen a reference to engineering, information technology, marketing, operations management or public relations as board

responsibilities. But these operational areas and others like them appear on many board matrices under skills or knowledge. There are even organizations that will help recruit board members for nonprofits that foolishly list ONLY such operational skills. If you try to sign up as a candidate and indicate skills in an area like strategic planning or audit, there is no place to do so.

Once you tell candidates they are being considered because of their operational specialty, they quite naturally expect to use it in their board work. One of two things then happens. The board, operating well, avoids getting into operational details and areas for which the chief staff officer is being held accountable—and the new board members are confused. Or the board has set up board committees in operational areas such as facilities management or newsletters, that often duplicate the work of staff and blur the lines of accountability.

Of course many Canadian associations are not large enough to have all the operational skills they need within the staff, or enough staff time to carry them out. Wise organizations know that the board cannot delegate board work, but both the board and the chief staff officer can find other volunteers to help with operational work, often on operational or program committees properly reporting to or through the chief staff officer. Board members can also volunteer for such committees, but only after making sure they have enough time for their board commitments.

Your matrix should list only the skills and knowledge

directly relevant to board work. It can be very valuable to have someone with experience in hiring and evaluating senior leaders, and overseeing high level human resource policies, but a check mark against “human resources” won’t help you know that kind of detail.

3. The traditional matrix focuses on occupation not knowledge.

In the next few years, most Canadian associations will be redoing their bylaws, due to new federal or provincial laws. Do you think it will help to have a lawyer who specializes in real estate and isn’t even aware of the new legislation, let alone how to develop nonprofit bylaws? Or would you prefer directors who understand the legal framework applicable to your nonprofit, and maybe even have recent bylaws experience?

Remember that while lawyers make excellent board members because their education teaches them to ask good questions, others can ask good questions too. And the lawyer on your board is primarily a board member, not a lawyer, so solicitor-client privilege likely does not apply. You can’t just recruit a lawyer to save legal fees.

Similarly, do you want someone with a current understanding of financial reporting methods, risk management and investment policies to head the audit committee? Not all accountants have that sort of expertise. A CFO, or someone who has chaired an audit committee before, may fill the bill better for you, so don’t restrict your search to professional

accountants.

In other words, specify the knowledge or skills you need, rather than the professional designation or occupational title.

4. A two-dimensional matrix is not helpful for board education planning.

Finally, it is just no longer appropriate to have yes/no answers in areas where all the board members need to have enough knowledge for informed decision-making. Yes, you want a few people with good financial backgrounds, but EVERY board member needs to be able to understand the financial reports and statements. You need to find out what level directors rate themselves at for such comprehension. If eight out of ten members say they cannot read the financial statements at all, you need an in-house workshop for all directors, so the two that do understand can help the others (and perhaps fill in gaps of their own). If eight of ten can read the statements, you could schedule a coaching session for those two or send them to a local public workshop for nonprofit leaders.

Every board member needs to be a positive ambassador to the community, to participate in group decision-making, to comprehend reports to the board, and, now in many organizations, to be comfortable in electronic communications and virtual meetings. You do not need IT expertise from your board members, but you do need to know which directors need

training to participate between meetings.

So learn from the hot trend in movies. Put on the 3D glasses and see skills and knowledge as a cube and continuum, not as yes/no. Have the training needs jump out at you! You can ask people to rate themselves. Have a scale from “I need training” to “I have expertise” with several points between.

For candidates, ensure they understand that low scores in certain areas will require a willingness to take training. And of course, you are able to more readily see which candidates come closest to having the skills and knowledge you need.

Start Over

The old matrices are so detrimental to your recruitment that I truly suggest you just throw them away. Rethink your needs from scratch, based as with all board work on the Vision, Values and Mission Statements, and the current strategic priorities in your plan.

I predict you will have a stronger pool of candidates, more satisfied directors, and more directors prepared to take an active role, become committee chairs or officers, and be your next leaders.

Sidebar:

A national association that was a client of mine in governance in 2009 had one-half of the board seats reserved for a particular demographic, to match the

fact that half of their programs served that demographic. They thought this would be important to the communities being served, but my consultations showed hardly anyone in those communities were even aware of the board composition.

These directors tended to speak only when the board agenda topic was about their community, and be much less involved in overall governance of the organization than the directors at large. Also, while they were legally part of the demographic in question, many were not living in the same areas as the programs were being delivered, and were poorly connected with those geographic communities.

Once those issues were disclosed to the board, there was unanimous consent to change the bylaws and focus more on skills and knowledge, and much less on demographics. That actually made the board more appealing to the most qualified candidates from that demographic, as they no longer saw themselves being asked to fill the quota specified in the bylaws. And the board had more ability to seek directors from another demographic that had been identified as greatly needed at that time.

They threw away their old matrix, and they are glad they did.



From: Better Boards

Tagged: governance, nonprofit boards, nonprofit governance, recruitment

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7 responses to 'Throw away your old board recruitment matrix'

Sherry Truhlar

Thanks for sharing, Gayle.

I have been inspired with a kernel of an idea ... applying something like this to volunteers serving on fundraising auction committees. I'm off to mull over this new thought.

Reply

February 29th, 2012

Gayle Gifford **POST AUTHOR**

I can't wait to hear what you are thinking about, Sherry.

Reply

March 1st, 2012

Mazarine

Hi Gayle,

thanks for talking about not having diversity for its own sake. It's not Noah's ark here, and we definitely don't need one of everyone, just for the sake of a quota!

That said, board matrices are encouraged by some grant applications, so let's not throw the baby out with the bathwater. Specifically, some grant applications want you to have a member of the community you serve on your board, which leads to the quota system with a certain number of people of different ethnicities or income brackets.

I also think that it's always a good idea to have a younger voice on your board, because there are often not enough resources for young people to move up in their nonprofit careers, and having a role on a board (through a quota or no) allows them to understand the higher workings of a nonprofit and gets them ready for leadership.

In 2010 a New York Times article talked about the quota system that Norway put in place to get 40% representation of women on corporate boards by 2010. They did do it. This link talks about it: <https://www.nytimes.com/2010/01/28/world/europe/28iht-quota.html>

Now France and Spain are following suit.

The idea behind it was that women would have more power if they had greater representation on these boards. I don't know if it actually works that way, but I would like to hear how it works over time. Norway is ahead of the US in a lot of ways, when it comes to arts in healthcare, as well as a system that allows everyone to get an education at no personal cost to themselves. So this might also be a good idea.

Just trying to say that quota systems aren't necessarily bad. Because there's no upper limit on board members, you can have TONS of people who are passionate about the mission while still having representatives from various groups.

You know?

Peace,

Mazarine

Reply

March 1st, 2012

Gayle L. Gifford

Mazarine,
Thank you for your thoughtful comment.

Jane's point, and I agree, is that we shouldn't put people on our boards just to check a box on some matrix that may or may not be relevant to our organizational needs.

That said, I'm in complete agreement that it benefits our organizations to make serious commitments to seeking out and finding categories of people who may be underrepresented on our boards – who also fit the other competencies and characteristics we are seeking.

In Francine Ostrower's 2007 report "Nonprofit Governance in the US", it was pretty shocking that 51% of boards are solely made up of white, non-Hispanic members, with the smallest organizations the least diverse. In organizations with budgets over \$40 million, only 29% of board members are women.

And of course, a number of funders do require constituent/client members on boards. There it particularly requires our boards to be astute about power relations and ensure that everyone has a voice.

So, yes. We can accomplish both. The ideal board matrix is the one uniquely suited to each organization.

Reply

March 3rd, 2012

Sandy Rees

I'm a big advocate of the matrix as a place to get people started thinking. And I totally agree that passion and dedication to the mission trump skill and knowledge.

Thanks for sharing, Gayle!

Sandy Rees

Reply

March 4th, 2012

Fundraising Headlines: March 5, 2012 | Growing Your Donors

[...] Away Your Old Board Recruitment Matrix

<http://ow.ly/9oIHg> The Butterfly Effect [...]

Jane Garthson

Gayle, thank you so much for boosting the signal on my thoughts about this important topic.

To Mazarine's comment about grant requirements: I find that a focus on skills and knowledge, including a respect for local knowledge, ends up with more directors from the community than the old style matrix ever would. And where voices are needed to share knowledge about specific groups, three voices are strong where one voice feels like a token, and puts far too much pressure on the individual.

Reply

October 28th, 2014

Leave a reply



Basic HTML is allowed. Your email address will not be published.

GREAT BOARDS

November 18, 2010

Competency-Based Succession Planning

Building a board with the right skills, diversity, and culture

Even before the Enron scandal, which featured directors who didn't understand the company's complex financial transactions, and before the Sarbanes-Oxley Act required publicly owned corporations to disclose whether their boards include directors with financial expertise, it should have been self-evident that relevant knowledge and experience are prerequisites for effective governance.

Until recently, though, many governing boards, including those at community hospitals and health systems, approached the nominating process without a great detail of precision or planning. Community hospital boards filled vacancies from the same social and business circles as current members.

Without question, many visionary, dedicated, and accomplished individuals have joined boards through this pathway over the years. However, as the expectations for governance accountability and effectiveness have increased, the limits of traditional, informal board recruitment are becoming apparent.

Some boards have found themselves rich in directors with certain backgrounds, such as finance or law, but short of individuals with needed backgrounds in healthcare, audit,

As the expectations for governance accountability and effectiveness have increased, the limits of traditional, informal board recruitment are becoming apparent.

quality, advocacy, or community health. Diversity—or rather the lack of it—also has been a problem. The “good old boy network” plentifully produced older white males but has a harder time unearthing mid-career individuals, women, and ethnic minorities. Health systems that populate parent board seats with “representatives” from local boards can find these directors protect back-home interests and fail to appreciate their fiduciary responsibility to the system as a whole. Some physician directors have a hard time recognizing they are system fiduciaries and not medical staff representatives.

Boards may elect new members based on limited information. A lack of careful vetting sometimes produces new directors who, despite good intentions, simply lack sufficient training, experience or time to master the high-level, complex issues they are asked to address. Asked to candidly assess their boards, it’s common to hear the board chair or CEO observe, “We have some great people, but we have other trustees who don’t add a lot to discussions.”

Succession Planning Process

Ironically, hospitals and health systems have formal skills requirements and hiring practices for every other job, from the lowest-level technician to the CEO and medical staff, but not for their highest position: the board. The same rigor that goes into choosing managers and clinicians certainly ought to be applied to governance.

An explicit, competency-based succession planning process is the best guarantee a board has for recruiting and developing directors who bring a range of needed professional skills,

The same rigor that goes into choosing managers and clinicians certainly ought to be applied to governance.

backgrounds, and diversity that is reflective of the community served. These 10 elements are integral to a competency-based succession planning process:

1. **Committee responsibility.** The board delegates specific responsibility for succession planning to a committee, such as the Governance and Nominating Committee or the Executive Committee.
2. **Competency-based criteria.** The governance committee develops and recommends to the board competency-based criteria to be used as a guideline for recruiting and electing board members. Competency criteria may be grouped into two categories:
 - “Universal competencies” that all directors should possess, such as commitment to the mission, leadership skills, communications, and teamwork abilities; personal integrity; strategic and critical thinking skills; and a demonstrated understanding of the difference between governance and management.
 - “Essential collective competencies” that one or more members bring to help the board execute its responsibilities effectively. Common collective competencies include backgrounds in executive leadership, business management, healthcare, investments, audit, clinical care and quality improvement, law, and community health needs.

The board delegates specific responsibility for succession planning to a committee, such as the Governance and Nominating Committee or the Executive Committee.

3. **Skills matrix and “gap” analysis.** At least annually, the governance committee should identify near and long-term recruitment needs by analyzing a matrix that displays the board’s competencies, current members who fill each competency, and “gaps” based anticipated vacancies and emerging subject area needs.
4. **Continuously updated pipeline.** The committee should maintain a running list of prospective members and their backgrounds. All board members should be invited to submit suggestions. The board and committee chairs and the CEO should connect with various community leaders to identify prospective board members, including those who might broaden the board’s diversity and not be identified traditional recruitment channels.
5. **“Short list” interviews.** Focusing on “gaps,” the committee should agree on a “short list” of prospective directors to be interviewed. Usually, the chair of the board and/or governance committee interviews prospective directors. The interviews should include an explanation of a board member’s responsibilities, a discussion of the prospect’s background, and a candid exploration of the prospect’s interest and ability to devote the time required for board work.
6. **Recommendation.** The committee should finalize a recommended slate of candidates for election to fill board vacancies.

Interviews with prospective directors should include an explanation of a board member’s responsibilities, a discussion of the prospect’s background, and a candid exploration of the prospect’s interest and ability to devote the time required.

7. **Performance-based reelection.** Directors who are eligible for election to an additional term should not be automatically reappointed. They should be asked to confirm their interest in reelection and undergo a clearly defined, performance-based reelection process. The governance committee should review a performance profile that summarizes the director's attendance record, participation in education and community events, noteworthy contributions, and evaluations from committee chairs and the board chair.
8. **Board leaders.** The governance committee should also ensure there is a line of succession for future board chairs and committee chairs.
9. **Term limits.** Reasonable term limits, such as a maximum of three or four consecutive three-year terms, encourage the board to keep its pipeline fueled with prospective new members and board leaders. Although term limits have the disadvantage of forcing retirement of some highly productive directors, their advantage is encouraging a continuing flow of fresh thinking, objectivity, and community connectedness into the work of the board.
10. **Self-renewal.** Like all governance elements, the succession planning process should be evaluated as part of ongoing board self-assessment. The governance committee should update its competency-based recruitment criteria every one or two years to ensure currency.

Directors who are eligible for election to an additional term should not be automatically reappointed.

Reasonable term limits, such as a maximum of three or four consecutive three-year terms, encourage the board to keep its pipeline fueled with prospective new members and board leaders.

Competencies + Diversity + Culture

Professional skills and experience by themselves do not ensure governance effectiveness. Two other components are needed: diversity and culture.

Diversity. When coupled with subject matter competencies, a diversity of backgrounds enhances a board's credibility with its community and brings different life experiences and ways of thinking to group interactions. Many boards believe that the addition of women and ethnic minorities to the board table makes them better as deliberative and decision-making bodies. Diversity doesn't happen by itself. Boards need to broaden their connections with organizations and individuals who can connect them to women, minorities, and rising stars in business, academia, and community life.

Culture. The final ingredient to realizing the full value of board members' individual competencies is the board's culture. Does the board's culture, its way of doing things, allow directors to make their voice felt? Does the board chair encourage members to engage and raise challenging questions? Will new directors find their questions and insights welcome or resisted by the current leadership?

It's also important to choose directors who are a good fit with a board's core values. Most boards value collegiality. Thus, while challenging conventional wisdom can be a good thing, boards with a collegial culture should recruit directors who don't personalize criticism and know to frame tough questions in a non-confrontational manner. Similarly, Catholic hospital boards need directors who are bring "hard

When coupled with subject matter competencies, a diversity of backgrounds enhances a board's credibility with its community and brings different life experiences and ways of thinking to group interactions.

It's also important to choose directors who are a good fit with a board's core values.

skills such as finance and business but aren't tone deaf to the mission. The interview and conversations with executives and directors of organizations where the prospect has served are good ways to assess an individual's cultural fit with the board.

Power of Succession Planning

As it evaluates potential new directors, the governance committee should consider all three components—professional competence, diversity, and cultural fit—to find and nominate individuals who will blend into a strong working team.

Composition can be transformational. This year's class of new directors will be the board's leaders in the future.

Organizations that need governance to be more visionary, strategic, accountable, and action-oriented rather than risk averse can look to succession planning to establish a foundation for long-term change. They can look for new directors among executives from other industries that have undergone transformational change, such as banking and airlines. Systems that want to move from representational governance to system thinking can seek members who understand complex systems.

Succession planning, like board orientation and education, is a good governance practice that pays long-run dividends.

Barry S. Bader is the Publisher of the *Great Boards* newsletter and the President of Bader & Associates, governance consultants.

*Composition
can be a trans-
formational
strategy.*

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Published by :
Bader & Associates
10050 East Calle de Cielo
Scottsdale, Arizona 85258

Phone: 480-614-0422
GreatBoards@gmail.com

Resources for Competency-Based Composition

American Hospital Association's Center for Healthcare Governance, Competency-based Governance: A Foundation for Board and Organizational Effectiveness

Available for \$45 or download free at

<http://www.americangovernance.com/american-governance/BRP/BRPmain.html>)

The Governance Institute, Board Recruitment (Elements of Governance series)

Available to Governance Institute members only at

<http://www.governanceinstitute.com/>

Great Boards newsletter and resources

Diversity and Competence: Recruiting for Both, May 2002

Recruiting a More Diverse Board, Winter 2007/2008

Sample Policy on Board Composition, including Sample Competency Guidelines for Board Selection

Available free at www.GreatBoards.org

Trustee magazine

Why Board Diversity Matters: Practical ways to meet community needs, September 2010

Available for download at

http://www.trusteemag.com/trusteemag_app/index.jsp

Modern Healthcare

Raising the bar for boards, March 2, 2009

Available at <http://www.modernhealthcare.com/>

“Boards need to move beyond personality-driven governance to leadership based on the knowledge, skills, and behaviors best suited to helping organizations achieve their mission and goals.”

—AHA Report

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Bader & Associates

10050 East Calle de Cielo

Scottsdale, Arizona 85258

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GreatBoards@gmail.com

mainly to provide community perspective for activities such as strategic planning, or convene town-hall meetings in local communities for the same purpose. They also begin to employ other mechanisms to maintain connections with the communities they serve. These include holding system board meetings at various locations across the service area, convening “listening sessions” with community leaders and

elected officials or including local leaders on system board committees.

A critical role for boards to play at this stage of development is to ensure their systems remain disciplined about future growth. Boards must continually ask, “How would new organizations add value?” and have the discipline to say “no” unless the value they would contribute is clear. Boards that impose

this discipline will help their systems optimize the benefits that appropriate scale and integration can deliver and add substantial value at this and future stages of system development.

Casey Nolan can be reached at casey.nolan@navigant.com. Mary Totten can be reached at marykaytotten@gmail.com.

Board Development: A Marathon Not a Sprint

by Barry S. Bader

What does it take for a governing board to truly excel, adding tangible value to the organization through its work in the boardroom and its connections to key stakeholders?

Whether a board’s starting point is average performance or mediocrity, the journey to the top echelon of governance effectiveness cannot be achieved with a few quick steps. Board development is more like a marathon than a sprint. Similar to a marathon runner’s regimen, board development should be a long-term process requiring personal commitment, honing of critical skills, rigorous training and a disciplined plan to create a sustainable culture of outstanding governance.

Nonetheless, many trustees and CEOs – if they’re honest with themselves – recognize that they are good but not great. For example, year after year, some board practices get the lowest scores in the annual governance surveys by the AHA and other organizations. Boards self-report that they trail their own aspirations when it comes to such practices as:

- Competency-based succession planning for future board leaders and board members.
- Keeping the board educated on changes in a complex, transforming health care system.
- Using the majority of board meeting time for forward-looking, strategic board discussions.

- Understanding and overseeing management of enterprise risks.
- Using the results of board self-assessments to make improvements.
- Evaluating individual trustees to help them improve and to base their re-appointment on performance.

A recent McKinsey survey of 25 large public companies found that board agendas “still spend the bulk of their time on quarterly reports, audit reviews, budgets, and compliance – 70 percent is not atypical – instead of on matters crucial to the future prosperity and direction of their business.” In other words, boards still spend too much time on retrospective review, not the sort of forward-looking work that optimizes the knowledge and experience of directors to advise management and make better informed board decisions.

Exceptional governance requires creation of a board culture of high expectations, continuous learning, active engagement, candor, independence and informed action. Culture development is inherently a long-term process. It can take years for a board to define, nurture and embed the desired culture in its work. For example, to populate a typical board with members serving staggered, three-year terms with the right competencies – i.e., the knowledge, skills, outside connections and diversity it needs – it will take several years to recruit the “board of the future” and then develop the “best of the best” as board leaders.

Case in Point: New England Baptist Hospital

A marathon-style approach to board development is very different from typical board assessment and improvement efforts. In 2009, New England Baptist Hospital in Boston had a new CEO, Trish Hannon, and an incoming board chair, entrepreneur Richard Maloney. They recently reflected on the board’s multi-year board development process.

Top-level commitment. Hannon would formally come on board in November, but after observing her first board meeting in September, she and Maloney began conversations about the future work of the board. “The idea wasn’t hers or mine but ours,” says Maloney. They began to solicit feedback from other board members and determined that a new governance committee would steer the future direction of the board.

“For me the driving focus was strategic planning,” says Hannon. “As a new CEO, I needed a board that would be fully engaged in the work that would be required under health care reform. We needed board leadership to guide the medical staff and support the CEO in moving the Baptist beyond its deeply held traditions and market position.”

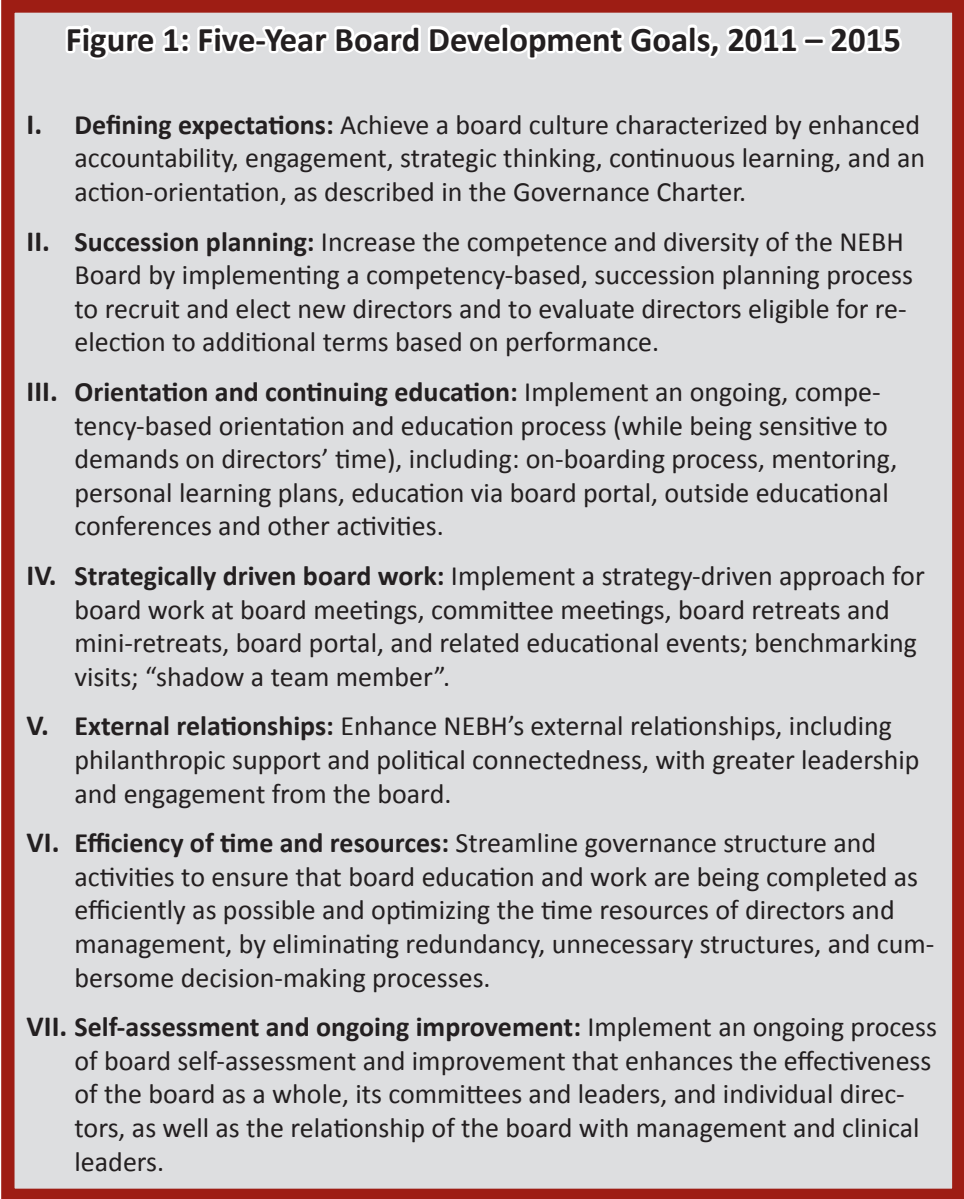
Among the board and medical staff leaders there were “four schools of thought” about the Baptist’s future, recalls Hannon:

- “Restore the glory days” of being a full-service community hospital.
- Being a surgical specialty hospital, in the tradition of Baptist’s role as the Lahey Clinic’s surgical hospital before that group moved to suburban Burlington, MA.
- Merging with a larger system and becoming a highly focused, center of excellence for bone and joint surgery for that institution.
- Becoming a niche specialty institution providing an accountable care system for musculoskeletal disease that would partner with *multiple* networks in the marketplace.

Passions were strong around each vision, “but there had been no formal, board-driven planning process to decide,” says Hannon. So the board development journey began by educating the board about the health care environment and engaging the board deeply in the strategic planning process. The board chose the fourth alternative vision, becoming an accountable care system for musculoskeletal care, and in so doing began to change its governance culture. “We needed to move from being an operationally focused board to being a strategic, forward-looking, and competency-based board that relied on the management team for great execution and operational effectiveness, with appropriate board oversight,” says Hannon.

Governance committee and coach. “To change the board’s culture, its role and the skill set needed wasn’t a one-time fix,” says Maloney. A governance committee was formed, its composition thoughtfully crafted. The committee chair was an attorney with both vision and strong connections with the Baptist’s traditions; members included a retired executive from an international financial services company and two highly respected medical staff leaders, along with the board chair, CEO and the hospital general counsel.

Maloney recalls, “I had a sense of what was needed” to create a best practices strategic board but not “how to get



there. We needed an expert to assist in the journey.”

The committee chose a governance consultant to provide insight from other organizations that had upgraded their governance and to serve as a “coach,” asking challenging questions, offering expertise on best practices and keeping the committee focused on its goals. “It was important that the board saw the driver as the governance committee, not the CEO,” adds Hannon.

Multi-year board development plan. With the consultant’s guidance, the committee crafted a five-year board development plan with specific goals in seven areas (see Figure 1):

- Defining expectations.
- Filling vacancies based on competencies.
- Orientation and continuing education.
- Strategically driven board work.
- External relationships, including philanthropy.
- Efficient use of time and resources.
- Self-assessment and continuous improvement process.

Annual board development action plans. After an educational retreat about best practices in governance, the full board approved the long-term

board development goals and implementation plan in 2011. In building block fashion, the plan called for specific activities under each goal, year by year, to develop the new culture.

First, the board defined the responsibilities and expectations of the full board and individual trustees in a “governance charter.” Next, the governance committee built a sustainable board succession planning process based on needed competencies. To identify potential trustees with the right backgrounds, committee members spoke with “connectors” in key stakeholder groups (e.g., board, business community, academic community, local community, medical staff, and honorary trustees). The committee winnowed down the suggested names to a short list who were interviewed, and who over time may be invited to join board committees and possibly the board. Already, Baptist has filled a half-dozen vacancies with individuals with specific, needed competencies, including banking, quality improvement, entrepreneurship, community leadership, real estate development, venture capital and media—all important assets as NEBH charted its course for the future.

Board committees have been strengthened with charters, competency-based composition, improved oversight

Key Elements of the Baptist’s Board Development Journey

- Commitment from the top.
- Long-term goals.
- Multi-year board development plan with annual evaluation and updates.
- Competency-centric culture related in all board practices, starting with succession planning.
- Leadership from the Governance Committee assisted by a coach.

reports and more substantive agendas. Board meetings have grown steadily more strategic, and senior management changed presentations to discussions. A board portal facilitates trustee access to meeting materials and other educational resources. Thick board books that once frustrated trustees are a thing of the past, says Maloney.

The board completed a customized version of the Center for Healthcare Governance’s “GAP” board assessment tool and used the results to refine the board development plan. In 2013, the board instituted a competency-based individual trustee assessment process.

Taking Stock

Mary R. Wittenberg, president of the New York Road Runners Club, puts marathon running in the context of the long and dedicated preparation that’s required to complete an eventual marathon: “A marathoner is a marathoner regardless of time,” she writes. “Virtually everyone who tries the marathon has put in training over months, and it is that exercise and that commitment, physical and mental, that gives meaning to the medal, not just the day’s effort, be it fast or slow. It’s all in conquering the challenge.”

So too is the challenge of achieving great governance.

“From management’s view, any transformational journey takes an investment of time to work,” says Hannon. “We didn’t take the position that the current board is ineffective” and requires “sweeping changes.” Rather, the board development plan called for education to build the competencies of current board members and gradually incorporated new competencies as trustees reached tenure limits and created vacancies.

As Baptist’s board development journey nears its fifth year in 2015, the results are evident in the organization’s strategic performance. With the board’s leadership and support, New England Baptist, says Hannon, has achieved a

strong brand position in the marketplace. It is becoming the market leader in musculoskeletal care, has added outpatient locations and doubled volumes, posted excellent clinical outcomes, and improved both community and philanthropic support. The hospital has reopened service lines it shed a decade ago, including occupational medicine and the spines service. In the highly competitive New England market, it has joined the Beth Israel Deaconess network as a “full partner providing accountable care.”

Going forward, Baptist’s board development won’t require the same intensity of effort; the board has built a self-sustaining governance culture to ensure governance continues to perform well. Each year, the governance committee updates the board development plan for the following year. Earlier this year, the governance committee began compiling a list of potential trustees to fill expected vacancies in 2015 and 2016. A leadership succession planning process is underway to choose a chair-elect and other future board leaders. Each year, the governance committee will develop new goals, consistently nurturing its culture.

“We wanted to make ‘forever-type changes,’” Maloney says. He hands to his successor a board with the capacity to do exactly that.

Barry S. Bader is a governance consultant and the founder of *Great Boards*. This will be his final, regular commentary for the newsletter, which Bader and Associates began in 2001. *Great Boards* continues under the aegis of the American Hospital Association’s Center for Healthcare Governance.

Editor’s Note: The AHA and the Center would like to thank Barry Bader for the wealth of information and resources he provided through the Great Boards newsletter and Web site at no cost to health care board members and leaders. Governance of our nation’s hospitals is better because he turned a vision of more informed and educated boards into action.

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HR Planning

Succession Planning

What would you do in your organization if a key employee resigned, fell ill or had to be fired tomorrow? Would you be prepared?

In this Section:

- [Introduction](#)
- [What is succession planning?](#)
- [Why is succession planning important?](#)
- [Who is responsible for succession planning?](#)
- [What are some challenges to effective succession planning?](#)
- [Succession planning in small and mid-sized organizations](#)
- [Succession planning in larger organizations](#)
- [Tips for successful succession planning](#)

Introduction

Succession planning is not an issue that many organizations address in any systematic way. Because many nonprofits are small (with fewer than 10 employees) and because they may be facing other organizational challenges, thinking about who the next executive director might be or what would happen if the director of finance suddenly left is not high on their priority list.

There are many reasons why organizations need to be thinking about succession planning. The most important reason, of course, is that we rely on staff to carry out our missions, provide services and meet our organization's goals. We need to think about what would happen to those services or our ability to fulfill our mission if a key staff member left.

Another reason to focus on succession planning is the changing realities of workplaces. The impending retirement of the baby boomers is expected to have a major impact on workforce capacity. Teresa Howe in "Succession Planning and Management" identified other emerging realities about the workforce in Canada:

- Vacancies in senior or key positions are occurring in numerous organizations simultaneously and demographics indicate there are statistically fewer people available to fill them
- Baby boomer retirements are on the rise just at the time when the economy is growing and increasing the demand for senior management expertise





Looking for a specific checklist, tool, template or sample policy?

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- There is no emerging group of potential employees on the horizon as in past generations (i.e. baby boomers, women entering the workforce, large waves of immigration)
- Many organizations eliminated middle manager positions during restructuring in the 1980s and 90s and no longer have this group as a source to fill senior level vacancies
- Younger managers interested in moving up do not have the skills and experience required because they have not been adequately mentored. This is because middle managers, who would normally perform this type of coaching role, were eliminated

With careful planning and preparation, organizations can manage the changes that result from a generational transfer of leadership as well as the ongoing changes that occur regularly when key employees leave an organization.

Although the type and extent of planning will be different, organizations both large and small need to have some sort of succession plan. Effective succession planning supports organizational stability and sustainability by ensuring there is an established process to meet staffing requirements. Boards and executive directors can demonstrate leadership by having the strategies and processes in place to ensure that these transitions occur smoothly, with little disruption to the organization.



What is this?

Related HR Management Standards:

Standard 3.3

All employees have a work plan and performance objectives that identify the tasks/activities and expected results for future performance.

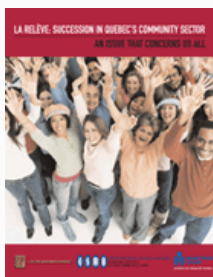
Standard 6.2

Backup plans are documented to address any key employee leaves of absence.

Standard 6.3

Critical positions in the organization are identified and succession plans are established.

Recommended Reading



La Relève: Succession in Quebec's Community Sector

Commissioned by Quebec's *Comité sectoriel de main-d'œuvre, Économie sociale et Action communautaire*, and translated with the generous support of the Institute for Nonprofit Studies at Mount Royal College, *La Relève* is a combination discussion paper and workbook, aimed at raising awareness about succession and workforce demographics in the province's community sector. While the majority of the statistics found in the document are specific to Quebec, the issues and concepts about succession have broad and universal applications for the sector in provinces and territories in the rest of Canada.

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What is succession planning?

! Important

While the term executive director is used throughout this discussion it is understood it is only one of many terms (such as president & CEO, senior manager and general manager) used by organizations in the sector to refer to their most senior staff person. The same is true of terms used for other positions so that an accountant in one organization may be a financial officer or CFO in another. The important consideration is not the title but the work-related responsibilities and

their value within the organization.

A succession plan, simply put, is a component of good HR planning and management. Succession planning acknowledges that staff will not be with an organization indefinitely and it provides a plan and process for addressing the changes that will occur when they leave. Most succession planning focuses on the most senior manager - the executive director, however, all key positions should be included in the plan. Key positions can be defined as those positions that are crucial for the operations of your organization and, because of skill, seniority and/or experience, will be hard to replace.

Whenever size and resources permit, a succession plan should involve nurturing and developing employees from **within an organization**. Employees who are perceived to have the skills, knowledge, qualities, experience and the desire can be groomed to move up to fill specific, key positions. Organizations should:

- Assess their current and future needs based on either their strategic plan, goals and objectives, or priority programs and projects
- Match these to the capabilities of the existing workforce
- Develop a plan to manage the gaps that will arise when individuals in key positions leave or are promoted

The plan will generally include a combination of training and developing existing staff, and external recruitment.

★ Good Practice

To avoid a potential constructive dismissal or other claim, include a statement to specify that a succession plan is not a guarantee of a position; rather it represents a developmental plan to prepare an individual should opportunities arise within the organization.

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Why is succession planning important?

The benefits of good succession planning include:

- A means of ensuring the organization is prepared with a plan to support service continuity when the executive director, senior managers or key people leave
- A continuing supply of qualified, motivated people (or a process to identify them), who are prepared to take over when current senior staff and other key employees leave the organization
- An alignment between your organization's vision and your human resources that demonstrates an understanding of the need to have appropriate staffing to achieve strategic plans
- A commitment to developing career paths for employees which will facilitate your organization's ability to recruit and retain top-performing employees and volunteers
- An external reputation as an employer that invests in its people and provides opportunities and support for advancement
- A message to your employees that they are valuable

The absence of a succession plan can undermine an organization's effectiveness and its sustainability. Without a succession planning process, an organization may not have a means of ensuring that the programs and services that are crucial to its operation are sustained beyond the tenure of the individual currently responsible for them.

📄 Example

A mid-sized arts organization lost an employee who had been hosting, organizing and managing a major fundraising event for a number of years. When he left, staff knew very little about how it was put together and there was no

operations manual documenting the event. This very important event ended up being abandoned by the organization because they simply did not know how to run it.

A succession plan ensures that there are qualified and motivated employees (or a means of recruiting them) who are able to take over when the executive director or other key people leave an organization. It also demonstrates to stakeholders such as clients, funders, employees and volunteers that the organization is committed to and able to provide excellent programs and services at all times, including during times of transition.

Example

A mid-sized organization relied heavily on the corporate memory, skills and experience of a longtime employee. In her final position, she was responsible for office administration including payroll, budget monitoring and the organization's major annual fundraising event. Over the course of her employment she held a variety of positions and had a very good understanding of the organization's operations and history.

Her unexpected death was both an emotional blow and a wake up call to her colleagues. Everything she had known about the organization was "in her head." While discussions had occurred regularly concerning the need to document this information and to pass this knowledge on to others - this had never happened. The organization was able to regroup and survive the transition but the employees experienced high levels of stress as they struggled to determine what needed to happen when. A great deal of time and effort was spent recreating systems and processes and even then, some things fell through the cracks resulting in the need to rebuild relationships with supporters.

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Who is responsible for succession planning?

Both the board and the executive director have pivotal roles to play in succession planning.

The board is responsible for succession planning for the executive director position. The board hires the executive director to ensure it has a skilled manager at the helm to implement the organization's mission and vision. It is therefore very important for boards to spend some time reflecting on what they would do if, or when, the executive director leaves. All too often, boards find that they are unprepared for such an occurrence and are left scrambling to quickly replace that person. There are many examples of an executive director leaving only to have the organization fall into disarray: funders withdraw resources, and other key staff members leave due to lack of effective leadership. Even when provided with adequate notice, boards sometimes find themselves in the position of having to scramble to find an interim solution.

The executive director is responsible for ensuring a succession plan is in place for other key positions in the organization. These will likely be developed with help from the management team with input from implicated employees.

Good Practice

To ensure the process is fair and the succession plan considers different perspectives, ask for input from all key stakeholders.

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What are some challenges to effective succession planning?

Some challenges to succession planning are:

- **Size of the organization:** some nonprofits have so few positions that they may not have the ability to offer opportunities for advancement; employees with the potential and the desire to advance their careers may move to larger organizations as a result
- **Lack of financial resources:** employees may leave for better salaries and benefits offered in other workplaces

- The nature of funding: as more and more organizations depend on project funding as opposed to core funding, there are fewer core staff members available to take up positions in the organizations
- Project staff come and go and may not be seen to be part of the talent pool available to organizations
- In some cases, senior leaders are staying on in their positions, despite the fact that the skills needed for the job may have changed or they are no longer making a meaningful and productive contribution to the organization
- Indiscriminate inclusion of employees in the succession plan including those who are disinterested, unmotivated or lack capacity to advance
- Inadequate training and development resulting in an employee who is not prepared for a promotion
- A plan that does not promote people in a timely fashion, leading potential successors to leave the organization to seek new opportunities
- Poor communication resulting in confusion and turmoil within the organization as staff speculate about what the succession plan really is
- Potential candidates for promotion cannot be guaranteed that they will be promoted; a lot depends on timing and need of the organization

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Succession planning in small and mid-sized organizations

In many smaller organizations, succession planning may be viewed as a luxury, but it isn't. At the very least, boards of directors have a responsibility to consider and plan for the departure of the executive director, who is often critical to the existence and sustainability of the organization.

When faced with the loss or impending loss of an executive director, these kinds of questions quickly surface:

- Should we hire from within or look for an external candidate?
- Do we have anyone internally who is qualified?
- Whether we hire internally or externally; does anyone really know the specifics of what that person was doing?
- What kind of impact will this change have on our capacity to deliver on our mandate and on our relationships with our clients, donors and volunteers?
- What do we tell our stakeholders?

Developing a succession plan for the executive director

In some instances, the board may decide that there needs to be a "second in command" who has the capacity to replace the executive director in the future. This means:

- Identifying that person in collaboration with the executive director
- Ensuring that the person is motivated to take on the top job
- Developing a plan to ensure that the eventual successor gains the requisite skills and knowledge to take the job on
- Ensuring that the second in command is exposed to a broad range of experiences so that he or she has a wider understanding of the operations of the organization

The plan could include a formalized process of mentoring or coaching and training in more specific aspects of the job. When

the size of the organization permits, it would be preferable to have more than one person identified as a potential successor to the executive director.

In a small nonprofit, it may not be possible to groom a successor from within the ranks of existing staff. To ensure continuity and stability when an executive director leaves, employees may be paired to cross-train each other to ensure there are two people on staff who know each job.

The board chair should have a conversation with the executive director on an annual basis regarding his or her career aspirations. While the executive director is not required to share any career goals, the conversation can allow for a frank discussion about future plans.

Steps to put in place

First and foremost, the board is responsible for drawing up a plan of action and effectively communicating it to the rest of the staff as soon as possible. This is necessary to demonstrate that the board is taking decisive action, to deal with any misinformation that may be generated by a quick departure and to ensure that all of the employees' questions are answered.

The board must also communicate its plan of action for replacing the executive director in a timely manner with its funders. Funders will need to be assured that plans and programs are on target and deliverables will not change.

With no succession plan or second in command identified, the board may want to name an interim executive director until a replacement is selected. This choice should be made wisely because someone with the right skills and knowledge needs to be chosen. If a person is asked to take on the executive director responsibilities in addition to his or her job, there should be an adjustment in that employee's compensation to reflect the additional responsibilities and work load.

Another option is to ask a qualified group of two or three employees to co-manage the organization by sharing the executive director responsibilities. In order for this approach to be effective, it requires a clear understanding of the various aspects of the executive director 's position so that tasks may be given to those with ability to take them on. It also requires ongoing communication and coordination between the employees that are part of the co-management team.

If there are no employees able or willing to take on the task on an interim basis, a board member may be asked to temporarily assume these functions. Of course, the board member will have to resign from the board if he or she takes on a paid position with the organization.

Links and Resources

HR Toolkit: Transitioning to a new executive director

Learn more about things board members should consider when hiring a new executive director.

Ideas for recruiting for other key positions

The following ideas can be incorporated into your succession plan for key positions in the organization other than the executive director.

Look to other organizations for exceptional employees

New employees are often found in other nonprofits. While some may view this as poaching, the reality is that employees who aren't being challenged or aren't happy will leave the organization for a better opportunity. In some cases, employees have been known to leave for a position in another organization but return years later with new experiences and skills. Helping to keep exceptional employees in the sector by allowing them to move around to develop their careers should be seen not as a loss for individual organizations, but as a gain for the capacity of the sector.

An innovative approach would be to develop a pool of candidates with other organizations and develop a rotational program to allow key employees to move from one organization to the next. This approach would ensure key individuals remain challenged and motivated while a group of nonprofits all benefit from the expertise.

Look to your organization's volunteers

There may be board members or volunteers in other positions within the organization with the talent, knowledge and experience who can effectively make the transition to a paid position.

Look to project staff (either current or those who did project work for your organization in the past)

As a result of a shift from core funding to project-based funding, there are more and more project staff who move from organization to organization with short contracts. These people will often have gained information about your organization's operations and could move seamlessly into a core staff position.

Look to consultants (either those that have worked with your organization or other similar organizations)

While most consultants may prefer to stay in their line of business, there are those who would like to become staff members, if asked. In some cases, consultants worked for a nonprofit before becoming a consultant and are interested in moving back into the sector to work.

 Good Practice

Knowledge transfer is a key component of the succession plan. Ensure that core organizational processes are well documented. Whenever possible, ensure an overlap of time so the exiting employee can help orient and train the new employee.

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Succession planning in larger organizations

The steps outlined below provide a roadmap for larger organizations interested in developing succession plans. Different organizations will implement these activities differently. While there is no right or wrong way to develop a succession plan, the following provides important components that need to be considered.

Capacity and needs assessment

Step 1

Identify key positions for your organization. These include the executive director, senior management and other staff members who would, for their specialized skills or level of experience, be hard to replace. Ask yourself which positions would need to be filled almost immediately to ensure your organization continues to function effectively.

Step 2

Review and list your current and emerging needs. This will involve examining your strategic and operational plans to clearly articulate priorities.

Step 3

Prepare a chart that identifies the key positions and individuals in the organization. The positions might include those listed in step 1 and/or others that are pertinent to your organization, such as volunteers.

Step 4

Identify and list the gaps by asking questions such as:

- Which individuals are slated to or likely to leave (through retirement, project completion, etc.) and when?
- Which new positions will be required to support the strategic plan?
- Which positions have become or will become obsolete (for example, those related to a program that has been terminated)?
- What skills and knowledge will need to be developed (for example, to support a new program)?

Step 5

Evaluate/assess all staff members with the goal of identifying those who have the skills and knowledge or the potential **along with the desire** to be promoted to existing and new positions.

- The evaluation can be formal or informal and can include, but is not limited to, performance reviews, 360 degree assessments and informal conversations with the individuals under consideration.

- The executive director may be aware that an employee has aspirations to and the capacity to move up. This may be an opportunity to recognize this goal and support it.
- Take this opportunity to give younger workers a chance. Many young people enthusiastically enter the sector and then, finding few opportunities for advancement, leave. Younger workers can remain engaged if you help to match their interests to opportunities provided through effective succession planning.

Develop and implement the plan

Based on the evaluation and on the requirements of your strategic plan, identify the key person or people you will want to develop and nurture for the future, the position you would like to groom them for, and the timeframe required to prepare them. Consider different ways of developing your employees like: self-development, books/journals, mentor programs, special project work.

Identify the career paths that the selected individuals should be following. Customize the path to fit the individual's abilities and talents by developing an action plan. The plan must be dynamic - able to be changed as the individual's and the organization's needs change. It must also consider the specific needs, learning styles and personalities of the individuals involved in order to be effective.

Formalize education, training, coaching, mentoring and assessment activities. The mix of activities included within the action plan should be linked to timelines and specific outcomes.

If possible, move people into different areas for experience and training before they are needed in critical positions. Have individuals job-shadow for an agreed upon period of time to give the successor a real sense of the responsibilities and to allow the organization the chance to determine whether the individual really is suited for the new position.

Monitor and manage the plan

As people leave and new people assume their responsibilities, the plan will have to be updated to identify the next person to be groomed for promotion and the requirements of his or her individual action plan. For organizations that engage in an annual (or regular) strategic planning process, the succession plan should be included in that discussion.

Be prepared to address issues such as concerns of staff who have not been selected for career advancement. Ensure alternative paths are identified to allow all employees who are interested in career enhancement to be given some type of professional development opportunity. Professional development can include such wide ranging activities as formal education and training, workshops and seminars as well as less formal learning opportunities such as the chance to represent the organization at a consultation.

Recognize that no matter how well you plan, something can still happen which the succession plan doesn't address. For example, you may have dutifully trained a "second" only to have that person leave. Even though there may be no one able to fill the breach immediately, the succession plan will ensure that there is a process for you to follow in filling the position.

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Tips for successful succession planning

Secure senior management and board support for a succession planning process. This gives employees and staff an understanding of how important succession planning is to the organization.

Review and update your succession plan regularly. This ensures you reassess your hiring needs and determine where the employees identified in the succession plan are in their development.

Develop procedure manuals for essential tasks carried out by key positions. Include step-by-step guidelines.

Adequate time should be provided to prepare successors. The earlier they are identified, the easier it is on the individual to be advanced and on other employees within your organization who will know whether certain options are available to them.

Understand that your succession plan will be a unique reflection of your organization. Succession plans are as different from each other as the organizations for which they are developed.



[Leadership Transitions - Checklist of Key Interventions](#) (PDF 249KB)

[Guide to Setting up a Leadership Transition Committee](#) (PDF 65KB)

[Transition Committee - Duties and Responsibilities Checklist](#) (PDF 85KB)

Next Section: [Risk Assessment in HR](#)

Links and Resources

Related sections in the HR Toolkit:

[Getting the Right People](#)
[Learning, Training and Development](#)

External links on succession planning:

[Coaching, mentoring and succession planning](#) (PDF 362KB)
Guide prepared by the Cultural Human Resources Council

Transition Guides

Website providing tools, ideas and services to strengthen organizations during leadership change. Their provides a sample succession planning policy which deals with the issue of executive leadership transition.

Books and articles referenced in this section:

Axelrod, Nancy. Chief Executive Succession Planning. BoardSource. This book may be purchased through the BoardSource web site: www.boardsource.org

Howe, Theresa. January 19, 2004. *Succession planning and management*. Charity Village Library. Available online at: www.charityvillage.com/topics/human-resources/hr-planning/succession-planning.aspx

Nonprofit Quarterly. *Leadership Transitions: Critical Thresholds*. Winter 2002.

Luhn Wolfe, Rebecca. 1996. *Systematic Succession Planning: Building Leadership from Within (Crisp Fifty-Minute Series)*.

Robinson, Maureen. 2004. *Nothing Succeeds like Succession*. Contributions Magazine, Chronicle of Philanthropy.

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Tools for nonprofit leaders: Succession planning in the not-for-profit world

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Written by: Paulette Vinette

September 18, 2006

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This article is the 10th in our Nonprofit Toolkit series. You can find past articles in our library which have dealt with how staff can support their board of directors; the strategic plan tool; policies and procedures; a communication plan tool; risk management; competency-based boards; creating a volunteer handbook; how to conduct your own member survey; and using templates. This month's article deals with succession planning for both paid staff and elected volunteer leaders.

What would happen to your not-for-profit organization if the chief staff or chief volunteer leader were incapacitated and not able to serve for several months or forever? What about your accountant or perhaps your director of finance? What about your major event leaders (staff or volunteer)? What about your government relations team leaders? What about the staff person in charge of your golf tournament if it happened the day before the event? Even if you are fortunate enough to not experience such traumas, eventually all of these folks will complete their maximum term of office, retire, or move to greener pastures. They will have to be replaced. Getting fired is another scenario to consider; if your volunteer leader loses his/her job or a key member of your staff deserves to be dismissed, are you prepared?

These situations have occurred in not-for-profit organizations and there are lessons to learn from the experience of others. As part of your planning process you need to plan to replace key people if required to do so. It is called success planning.

Before we get into the how of succession planning, consider this. According to the [HR Council](#), paid employment in Canada's voluntary/nonprofit sector totals 1.2 million employees who make up 7.2% of the country's paid workforce, involving more than 68,000 employers paying \$22 billion in annual payroll. Voluntary sector leaders know that the sector is not competitive when it comes to wages and benefits compared to government and industry. The HR Council also reports that the state of the labour force in Canada is one of high employment rates, labour shortages, and the pending retirement of baby boomers, and that these realities are going to grow in scope. It's safe to predict that competition for employees and volunteers is going to get a lot stiffer in the next 10 to 15 years.

So how can you go about introducing succession planning in your organization? Here is a suggested list of steps to take now:

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1. Develop a list of key positions, volunteer and paid, who could disrupt the execution of your strategic plan and its components by their departure.
2. Next, develop an inventory of skill sets required for each key position. Don't just copy the skill set that the current volunteer or staff occupant possesses; seize the opportunity to aim high or make changes based on your organization's vision.
3. Identify current staff or volunteers who could step up to replace the vacancy, either on a temporary or long-term basis.
4. Document sources of people with the required skills, again either on a temporary or long-term basis. There are people skilled in the not-for-profit sector who work on short-term contracts to fill in temporary needs on an "interim" basis to allow leaders time to fill the void(s).
5. Document what information will need to be readily accessible to those choosing the successor and for the successor.

In a recently published article in *Association*TM magazine, Jack Shand, CAE, President of LeaderQuest Inc. the job expertsTM offered the following examples of documentation that should always be up-to-date and available:

1. Board of directors (list of directors; terms of reference; meeting schedule; briefing/orientation binders; committees of the board; minutes, etc.).
2. Staff (names; titles; job descriptions; personnel policies; reporting relationships; contract personnel; performance appraisals; salaries; staff meetings, etc.).
3. Organizational details (policies; organization chart; by-laws; strategic plan; business plan; annual budget; filing system; manuals for operating systems; key suppliers; contracts; official documents such as letters patent and leases).
4. Comprehensive status and operating details regarding the key business lines or member services, such as major events (contracts, contacts, project timelines); publications; and advocacy.
5. Financial (budget; signing authorities; financial reporting to the board; auditor and audit; banking and investment details).

Your organization needs to plan for staff retirements. In her article on succession planning and management posted on Charity Village.com, Theresa Howe, CHRP suggested that a simple starting point for the identification of succession needs is an organization chart that includes key staff and their expected retirement dates. Succession management also requires a clear view of the organization's unique and specific information. Such items include:

- positions that may need to be filled
- job and industry specific competencies/descriptions,
- expected timeframe
- assessment of internal talent and identification of gaps
- creation of high potentials or talent pool through a variety of methods
- development plans
- ability to track and retain the talent pool
- support for succession candidates
- sourcing external candidates if necessary.

Your succession plan needs to be developed and also routinely reviewed and updated. So who should do this?

It depends on your leadership model. If your board/council works under a policy governance framework, your senior volunteer leaders need to plan how to replace the chief staff officer and, of course, their peers in key leadership positions. Staff leaders typically own the equally important role of identifying skills sets and competencies for staff succession planning.

As with all plans, your succession plan deserves champions who will support and promote its execution and implementation. Such champions should come in the form of key board members and the chief staff officer.

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And what happens if one of your volunteer leaders wants to either conduct the search or apply for vacant positions? In her Ethics Q & A column, ethics consultant Jane Garthson explains the delicate steps that must be taken before this can be considered:

Plans are road maps; if you do not lose key leaders, you don't need to take the trip. But you should have a detailed map - just in case!

Paulette is President of [Solution Studio Inc.](#), a consulting practice that serves the nonprofit association community. She can be reached at 1-877-787-7714 or Paulette@solutionstudioinc.com.

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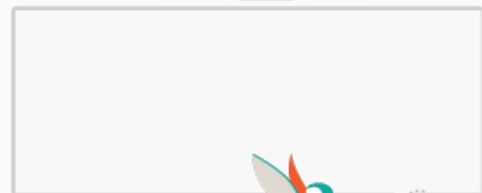
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Backgrounder for Board Recruitment 2013 Ethics Practitioners Association of Canada

Vision and Mission

The Ethics Practitioners Association of Canada envisions a world where people in organizations are ethically aware and act ethically.

EPAC promotes ethical knowledge, wisdom and competency in Canadian organizations.

Organization Status

EPAC is a federally incorporated nonprofit created in 1996. It was formed by ethics practitioners wishing to raise the bar on ethics in Canadian organizations through education and information sharing among those giving ethics advice to organizations. EPAC has always included ethics officers, consultants, academics and emerging practitioners as members.

EPAC has had some remarkable successes in the past, for example in establishing a Competency Profile of Ethics Practitioners and a Magazine with quality material. The challenge now is to adapt the association to the current external environment and to involve a younger cohort of practitioners.

The EPAC Board and committees work in English. Major documents are on the EPAC website in both languages, communications with members can be conducted in French, and EPAC encourages use of French at workshops, etc. to the extent possible. Some communications must be translated in order for our partners to distribute them.

Governance Approach

The governing board sets direction, leads strategically and provides oversight of assets, strategic plan status and compliance. Board members serve as officers, committee chairs and committee members of both board and working committees since there are no staff members. Non-board members can serve on committees.

Board meetings are held monthly by teleconference, and last up to two hours. The current schedule is late afternoon of the last Monday of each month. Documents are sent in advance for review, and there is active online discussion between meetings. EPAC tries for at least one in-person board meeting a year in addition to the short one after the AGM, and for at least one in-person all-day planning session.

Committees also meet virtually and each determines its own processes. Current externally focussed committees are Communications, Education, Membership and Revenue Generation. Committees supporting the board are Governance, and Audit and Risk Management. The Committees need more members. There is an active sub-committee of Education putting on workshops.

Due to having critical mass only in Ottawa at this time, national events are scheduled there, with other events in Toronto and where they can be hosted by partner organizations. In the past meetings and events were moved around the country. The 2011 Annual General Meeting will be May 27th in Ottawa.

Strategic Plans

The 2013-2015 Strategic Plan was approved on November 26, 2012 and is on the web site. A Strategic Action Plan, primarily consisting of committee plans, is being used to monitor progress. An update on progress will be given at the AGM as part of the President's report.

Backgrounder for Board Recruitment 2013 Ethics Practitioners Association of Canada

Administration

The board receives fee-for-service administrative support from Virtual Option for mail-outs, memberships, event registrations, voting eligibility at AGMs, posting website updates and more.

Resources

EPAC operates on a minimal budget and must generate more revenue in order to achieve its priorities. In the interim, monies are leveraged as much as possible, and membership dues form the core funding. A Sponsorship approach is under development.

Directors and Officers liability insurance is in place through EPAC's membership in Volunteer Canada. There are no funds at this time to pay travel expenses.

Partners/Regionalization

The partnership with the federal Values and Ethics Network is working well, and CBERN sponsored an event in 2011. The EthicsCentre CA, based in Toronto, predates EPAC and throughout much of EPAC's history there was a considerable membership and volunteer overlap; good will remains. EPAC is in discussions with the Canadian Centre for Ethics in Public Affairs, based in Halifax.

The fastest-growing area in Canada for ethics practitioners was the Quebec Region of EPAC, which has now formed a separate legal organization to make finance and administration easier. It still supports and promotes EPAC membership. Its annual conference is a highlight of ethics in Canada.

The Ottawa Ethics Round Table predated EPAC and always supported it well; it is now inactive. EPAC round tables also existed in Toronto, North Bay/Sudbury, Calgary/Edmonton, Victoria and Halifax but these have been inactive for some time. Given current resources, social media is a better way to engage practitioners across Canada for now. As significant numbers become engaged in different locations, in-person events can again become possible. EPAC currently has active discussions on its Linked In group.

Events

A number of workshops take place in Ottawa each year, and EPAC partnered with the BizEthics Series for an event in Toronto in 2012. More Toronto activity is being planned.

Oversight

A financial review engagement is carried out each year by an accounting professional. The results are made available to members at the AGM and on request.

The organization is in compliance with its bylaws, governing statute and government filing requirements. A new federal act governing nonprofits was enacted in November 2011. EPAC, like all other federally incorporated nonprofits, has three years from that date to revise its bylaws and renew its registration. New bylaws have been drafted for legal review and member consultation.



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Taking a Structured Approach to Board Succession Planning

A subject on which we have been asked to advise on Boardworks International increasingly in recent years is board succession planning. Given the performance pressures on boards it is a very positive sign that organisations are becoming less inclined to leave board composition to chance. We would argue that taking a deliberate and structured approach to director succession planning is as important in organisations where boards are 'elected' as it is in those where they are 'selected'. This article is in two parts to reflect the different challenges of these two situations.



Succession planning when boards are 'selected'

Where board members can be selected on the basis of predetermined criteria a well understood and well structured process should be conducted as a matter of routine. To that end there should be a formal **director succession planning and renewal program** in place. If the selection planning process is not conducted by the board itself but, for example, by an electoral college or dominant shareholder, the program should be conducted by that appointing/selecting authority, in association with the board. This program should be focused on identifying and recruiting new directors (perhaps even in advance of vacancies). The primary purpose of this program is to ensure that the composition of the board is systematically refreshed to ensure the board contains directors with:

- skills and experience relevant to the company's strategic direction and operating environment; and
- the knowledge and ability to work with colleagues to deliver the high standard of governance performance expected by stakeholders.

When recruiting new directors it is important to be clear what competencies, skills and experiences are needed on the board and which ones, if any, are missing. To assist in clarifying this information the board should ensure that there is an up-to-date **director competency matrix**. The process of developing the matrix should

describe the competencies, skills, and experiences of the current directors and the key ones required for new directors.

Whether the board is the primary selecting authority or not, a board committee may be helpful in giving focus to this process. Committees with this responsibility are often referred to as 'nominating' committees.

The key steps in the competency matrix development process are likely to be as follows:

1. Assess what competencies the board *needs* given the challenges faced by the business and taking into account the strengths and weaknesses of the executive team. The roles and responsibilities of board and management are different but the capabilities of each need to be complementary. Consideration should also be given to weighting particular competencies. Note this first step is not an assessment of the competencies and skills the board *currently* contains.
2. Assess what competencies each *existing* director possesses. This is done by asking current board members to self assess themselves and their colleagues relative to the matrix. Those self assessments should be reviewed by, for example, the board chair or the nominating committee as some directors tend to be excessively modest while others overestimate themselves.
3. Evaluate the extent of any competency gaps resulting from a comparison between steps 1 and 2.
4. Define a '**recruitment specification**' for the competencies a new director would need to bring to the board to fill defined competency gaps. It is quite likely that a new director will need to 'tick a number of boxes'. Consequently, it may be desirable, in the first instance, to develop recruitment specifications separately for
 - individual directors (reflecting generic governance capabilities);
 - board content specialists (e.g. to the extent that a director may be recruited to ensure there is a specific capability within the board); and
 - board leadership roles (e.g. board and committee chairs).

Candidates for the first two of these categories will be sought from outside the board but board leadership roles should, ideally, be filled from among incumbent board members.

Even though these will vary in importance according to organisational context, recruitment specifications should be sufficiently thorough that they will provide the basis to assess potential candidates':

- academic and professional qualifications;
- relevant experience;
- demonstrated ability;
- understanding of the industry;
- character;
- personality and likely boardroom behaviours; and
- ability to devote the time required.

In some contexts, competition for directors of the calibre needed is likely to be strong and the availability of suitable candidates limited both by actual numbers and potential conflicts of interest. Therefore, consideration should be given to establishing and maintaining a list of *potential* appointees ahead of an active recruitment process. Identifying suitable candidates ahead of time facilitates a rapid response when either an unplanned vacancy occurs or when there a change in a

potential candidate's availability. In some situations it may be appropriate to approach such candidates well ahead of time to assess and engage their interest. It was suggested recently by one client that boards often need to be 'cleverly opportunistic' with key board appointments.

Once the active recruitment process is underway, recruitment specifications can be translated into clear statements of the contribution expected of appointees and contained in a letter of appointment that also sets out relevant conditions (e.g. remuneration, tenure, etc).

Ideally, recruitment specifications would also become the basis of **position descriptions** contained within the board's own governance documentation (e.g. board charter). This would facilitate transparency in the subsequent evaluation of appointees' performance against applicable expectations.

Both recruitment specifications and position descriptions should be reviewed on a regular basis. They should be benchmarked against emerging organisational challenges and evolving thinking about governance best practice.

Succession planning when boards are elected

There is a tendency for boards whose members are elected to be somewhat fatalistic about succession planning. They seem to feel that it is a waste of time because matters are beyond their influence. Alternatively, they feel that it would be inappropriate to attempt to influence an electoral process because that might be perceived as 'manipulation'. Our view, and that of a number of our clients, is that succession planning is perhaps even more important when boards are elected. In organisations where board elections tend to be a popularity contest it is easy to end up with a board that lacks the wherewithal to do the job.

To minimise that risk, the board's approach to succession planning should be about creating a transparent process and an informed electorate. It can do that by following the same steps described above. The equivalent of the 'recruitment specification' becomes an information memorandum that is made available to potential candidates and to the board's electors.

To avoid leaving it entirely to electors to make an assessment against such a specification, an added dimension in some organisations is an independent, pre-election assessment process. Typically, all candidates for election would put through an assessment process (probably interview-based) that compares their candidacy against the desired director profile. Often this assessment will be conducted by an independent panel which then publishes the list of candidates in rank order according to their fit with the succession planning criteria. Electors can still vote for whomever they please - and for whatever reason. Should they wish, however, they can enjoy the benefit of being well-informed about the degree of fit each candidate has with the published criteria.

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BoardWorks International is a specialist governance effectiveness consultancy dedicated to assisting governing boards to provide effective strategic leadership to their enterprises and to fulfil their fiduciary and stewardship responsibilities to their stakeholders. It is also our aim to make 'board work' a satisfying and enjoyable experience for all who serve on or provide support to, governing boards.

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Board Development

Board development is a cycle that includes training, recruitment and the often overlooked area of succession planning. The United Way's board development resource highlights a cycle for effective planning, recruitment and maintenance for organizational governance that includes:

- Developing a board profile/job descriptions (covered in Board Roles and Responsibilities) (please link to that section)
- Recruiting and selecting new board members
- Electing board members
- Providing ongoing support and recognition
- Providing orientation and training

Recruitment

Recruitment is a key part of the organizational development cycle. Recruiting is not just about how, but who and what—*who* do you want on your board and *what* skills and qualities are you seeking to help govern your organization. Recruitment should be an ongoing process for boards so that ideally when it's time to select new members organizations have a pool of skilled, appropriate and diverse individuals to draw from.

While some organizations have recruiting protocols similar to hiring paid staff such as advertising and interviewing, others keep the process more informal. Regardless of the approach, boards at a minimum should:

- Assess their needs in terms of skills, experience and diversity
- Have clear board job descriptions
- Have an application and screening process

Some boards have specific requirements in terms of representation. For example, regional literacy networks in Ontario are expected to have at least 50 % of their board members from literacy agencies. CLO has a regional board structure where board members must come from all the diverse regions of the province. Other non-profit organizations may have bylaws that specify representation based on gender, culture, geography and/or age. Boards may also have designated seats for clients. During the recruiting process, boards need to ensure that any designated positions or representatives are covered. Regardless of what interests and organizations your board members represent, they are expected to act in the best interests of your organization (see Section Four: Duty of Diligence). (please link to appropriate section)

Other attributes boards look for when recruiting are related to skills. For example, a board may want to have someone experienced in finance and accounting or public relations and marketing. Professional, such as accountants and lawyers who hold volunteer positions on a board can be valuable because of the expertise they bring, but it's important not to treat this as free access to services and advice.

When recruiting members, boards will also want to take into consideration personal characteristics. These characteristics are often listed in the job description and can include:

- Dedication
- Ability to make a time commitment
- Good judgement
- Strong communication skills
- Compassion and respect for others
- Willingness to learn
- Ability to work well with others
- A sense of wider community and passion for the mission of the organization

Past experience on other non-profit boards can also be an asset. Once you know what you need on the board, compare that to what you currently have and what you expect to have in the near future. Recruitment efforts should then focus on the gaps.

In the end, a substantial board that is comprised of talented, forward-thinking and connected individuals can give your organization the profile it needs to get things done. In the words of one Community Literacy of Ontario board member, find the best people you can and ask them to "give everything they've got to your organization."

A board composition analysis tool related to recruitment can be found in *Board Building: Recruiting and Developing Effective Board Members for Not-for-Profit Organizations* from The Muttart Foundation. It lists general criteria (i.e., being a willing team member), specific criteria (i.e., fundraising skills) and a desired community balance (i.e., contributing to the urban/rural mix). It provides a chart to make notes and track criteria met by current board members and criteria required from new board members.

Ideas for recruiting potential board members include advertising and outreach to:

- The broader membership of the organization
- Friends, family and associates of current board members
- Associations and stakeholder organizations affiliated with the organization's target population/client base
- The business and corporate community
- Other volunteer organizations and service clubs
- Faith-based organizations
- Educational organizations and institutions
- Volunteer centres and online volunteer database organizations

Some organizations hold open houses where they provide information about what the organization is about and how people can get involved. Having a package of materials (both in print form and on your website) to distribute to prospective board members (and also ready for those who may contact you looking to get involved!) can help with recruitment efforts. It can include items such as a:

- Board member job description
- Brochure or pamphlet about the organization
- Fact sheet about board time commitment, meetings, committee and other organization events
- Copy of the most recent annual report
- Copy of recent newsletter of the organization
- Business card of the Executive Director with email and website link
- Orientation and development opportunities
- List of other board members
- Summary of major funding sources
- Board member application form

Potential board members can be invited to visit the organization, attend an event or attend an upcoming board meeting. They should then complete an application form for the board and/or nominating committee to review. If the potential members appear to be a good match for the organization, the next steps in the selection process, which usually includes nomination and election, should be explained.

Organizations that do not have an application form can find a template available [here](#).

Boards need to keep in mind that people who say no now may say yes in the future so they should continue to keep names on file of those who are a good match for the organization and consider having them join a committee or help out at a special event.

Elections

The role of selecting and recommending new board members usually falls to the nominating committee of the board. Even in policy-governance structured organizations with few or no committees, a nominating committee often exists. Some boards have replaced a nominating committee with a governance committee. In both situations, the work focuses on identifying gaps and recruiting skilled individuals.

Nominating committees should work throughout the year, not just as board vacancies and Annual General Meetings approach. The committee is responsible for identifying potential candidates to fill vacancies and any gaps identified. Ideally, more candidates are recruited than there are positions available so that an election, rather than acclamation, occurs. In this instance it's important that candidates are aware of the nominating and election process and that just because they have been recruited doesn't mean they will automatically be elected or appointed to the board.

The nominating committee usually prepares a slate of candidates that is presented to members at an Annual General Meeting for voting. Members cast their votes for the candidate(s) of their choice, and the board is formed. This process is always the responsibility of the membership, the board and the nominating committee although staff may be asked to play a supporting role. To view a sample of an organization's nominating committee terms of reference see the Toronto Central Local Health Integration Network director's manual.

The nominating and election process can sometimes be an awkward one for non-profit organizations, especially if no one is experienced or familiar with the procedures. Herb Perry's *Call to Order: Meeting Rules and Procedures for Non-Profit Organizations* provides a reader-friendly overview of election rules and voting methods.

Support and Recognition

Once a board has recruited and selected board members it will want to keep them! Building in support and recognition will make members feel valued and loyal to the organization. Volunteer websites and organizations have countless ideas for recognition. CLO's online training module on volunteer recruitment provides a number of ideas for volunteer recognition.

AGMs are often a good time to publically recognize the work of board members through a gift, a certificate or a thank you note. Throughout the year board members can be recognized and supported through training opportunities which show the person their contribution is valuable and worth the time and money associated with training and professional development.

Board mentorship is another way to support new members and to show how the skills and knowledge of existing members are valued. Mentoring is in addition to, and a complement to, the governance training and orientation provided to members.

The Maytree Foundation of Ontario has produced a board mentoring handbook that talks about activities, benefits and steps to mentoring. It offers a semi-structured program that involves a one-on-one mentoring relationship between a new board member and a more experienced board member that takes place face-to-face, over the phone and online for a total of nine hours over a six-month period.

The Maytree handbook lists some of the benefits to new board members such as:

- Having a more immediate connection to the organization
- Being better able to contribute more effectively to the governance of the organization
- Seeing the big picture better and therefore be better able to make informed decisions

For the mentor, benefits of a mentorship program include:

- New insights
- New, fresh perspectives
- Leadership and skill building opportunities

And for the organization as a whole, mentorship programs:

- Provide a more cohesive board
- Minimize the risk of errors in judgment by new board members
- Allow for succession planning

Being a mentor may be an ideal role for a long-term or former board member who has lots of historical information about the organization but who is no longer able to serve as a director.

Orientation and Training

Orientation occurs when a new member joins a board, and training occurs throughout the term of the board. Both are important for sustaining members' interest and contributing to a healthy organization.

Orientation may take the form of a meeting or workshop complemented by a manual or guidebook. Whatever the format, it is more than just reviewing the organization's policies. It includes discussion about the values and mission of the organization, details about governance and bylaws, information about committees, and getting familiar with the organization's office and staff.

Each board member should be given his or her own copy of a board member orientation manual. As well, the manual could be posted online for easy access. It could also be the basis for an informal orientation process. Ideally, orientation should occur prior to a member's first meeting, but realistically this often occurs at some point during the first few months of a new term. It may be led by staff or senior board members and can be beneficial to returning members as well.

An orientation manual will contain a variety of resources but should at a minimum contain:

- The organization's mission statement
- A history of the organization
- A description of the board's governance structure and operations
- Meeting dates and format

- Board member job descriptions
- Bylaws
- Policies and procedures, especially related to board meetings and directors
- The most recent copy of the organization's strategic plan
- The most recent copy of the organization's budget and other financial information such as core funders
- A list and description of the board's committees and their terms of reference
- Information about membership
- Minutes of recent meetings and the last AGM
- Contact information for each director and staff
- Forms related to board members such as expense forms

If it seems overwhelming to print and bind all this information, boards should consider loading the documents onto a CD or memory stick or posting documents on an organizational website or wiki. Once the main orientation has been completed, a personal check in with new members should occur three to six months later to see if further support is needed. For more ideas about orientation, click [here](#).

Boards should think outside the box when it comes to training. Retreats, online courses, podcasts, online training and attending conferences are alternatives to tried and true workshops and guest speakers.

Elizabeth DeBergh, former CLO board member and the Executive Director of the Wellington County Learning Centre in Arthur, Ontario, believes strongly in social activities and interaction with her board as a form of orientation and team building. Ideas she suggests include:

- Taking the board to tour a company or business in the area
- Taking a historical tour of the region it serves
- Having a BBQ and inviting board members to bring their significant other and family
- Making a float for board members to join a holiday parade
- Planning golfing days and/or a tournament
- Holding a book exchange amongst board members
- Inviting board members' families to the Annual General Meeting or other organizational events
- Getting together to socialize at a unique restaurant or coffee shop

For skill-specific training and orientation, conduct regular surveys with board members to determine their training needs and plan accordingly. Training topics may coincide with trends and challenges facing organizations (e.g., fundraising or risk management) but should also focus on continuous learning required and related to board development and the organization's specific governance structure. Also, look to evaluations and feedback from previous training sessions that board members rated as useful and valuable for training topic ideas. You may also learn what might be useful through your regular board evaluation processes.

As emphasized already, if a board only provides one type of training for its members it should focus on *understanding its governance structure and how to operate within that structure*. There are training opportunities (both face-to-face and online) that relate to every specific governance structure (type in your organization's governance structure to www.google.ca to find information on training and resources).

Other possible training topics for boards could include:

- Board evaluation
- Special event management
- Working with teams
- Conflict management
- Advocacy
- Organizational ethics
- Cultural diversity
- Strategic planning

If an organization has a budget or has individual board members interested in investing in their own professional development, specific training can include how to chair effective meetings, how to take meeting minutes, working with financial software, etc. As well, don't overlook the skills of board members who may be able to provide in-service training on a variety of topics.

The United Way's board development resource lists links to several organizations in Ontario (and other provinces) that provide board training. Compass Point has an article posted on its website about unique ideas for board retreats (see *Where To Have A Board Retreat*).

Be creative! Many training topics are freely available online as downloadable print resources, podcasts, Webinars or online training courses. For example, CLO provides online training opportunities through its Literacy Basics website. The final section of this module (*Additional Training and Resources*) lists online training opportunities for board members. (*please link to appropriate section*)

Succession Planning

As the baby boom generation nears retirement and the competition for volunteers increases, it's safe to say the need for succession planning in non-profit organizations will become increasingly important. Succession planning means not only preparing for the loss of key positions but also being pro-active. Organizations need to ensure they are able to retain leadership, skills and experience, while at the same time allow for growth and introduction of new people. Succession planning also looks at the current and future needs of an organization so that work can be done to ensure staff and board members are recruited to match those needs.

Part of ensuring the good health of an organization is having a good balance of new and experienced board members. We all know stories about organizations that have a 'lifetime' board member, someone who is not interested in retiring and yet is not bringing fresh life to the organization. Or what about the horror of having all experienced board members leave at the same time, taking the skills, knowledge and background of the organization with them?

Planning for board succession can be incorporated into the strategic planning of an organization and should be a regular part of board meetings. The board as a whole and the organization's Executive Director should be involved in the succession planning process. The plan should look three to five years into the future and be reviewed annually. It's also important incoming board members know what is in the plan.

Literacy Link South Central is a non-profit organization that developed a Succession Planning Toolkit. It is targeted to Literacy and Basic Skills agencies in Ontario but includes a variety of generic tools, including an agency succession planning needs assessment and a succession planning policy template.

The kit notes the first step in succession planning is to determine what you already have in place at your organization and then determine the gaps. The needs assessment includes 40 questions, including:

- How well informed and up-to-speed is the board on the issues, trends and challenges facing the agency?
- Does the board know where corporate records are kept in the office?
- Does the board secretary or chair keep a separate copy of board corporate records, such as letters of incorporation and letters patent, off-site?
- Does the board have, or do they know who to ask, to easily get a list of key stakeholders for crisis/emergency/transition communications?
- Does a board member and/or key staff member have an extra copy of the office keys?
- Is there a staff person designated as board liaison in the absence of the Executive Director?

Who is responsible for succession planning in an organization depends largely on its governance structure. For example, in a policy-governance model the board is responsible for preparing for succession related to the organization's management (i.e., Executive Director) and key board positions. The ED is usually responsible for succession planning for other staff.

Charity Village suggests that organizations take the following steps in a succession planning process:

1. Develop a list of key positions, volunteer and paid, who could disrupt the execution of your strategic plan and its components by their departure.
2. Develop an inventory of skill sets required for each key position.
3. Identify current staff or volunteers who could step up to replace a vacancy, either on a temporary or long-term basis.
4. Document sources of people with the required skills, either on a temporary or long-term basis.
5. Document what information will need to be readily accessible to those choosing the successor and for the successor.

The First Non-Profit Foundation based in Chicago has developed a series of transition papers for non-profit organizations including *Sustaining Great Leadership: Succession Planning for Non-profit Organizations* by Tom Adams.



Activity

Have your current board members develop your board recruitment materials. Devote a special meeting (or part of a meeting) to the board development process each year. Use the following questions and format adapted from *How to Be a Winning Board* by the Alberta Association of Rehabilitation Centres to understand the benefits of being a board member.

Ask current members the following questions:

1. What attracted you to become a board member with the organization?
2. What do you find most rewarding about your role on the board?
3. How can the board make board roles more attractive to both current and prospective board members?
4. What things make you feel valuable as a board member?
5. What activities do you feel are appropriate for you to be involved in on the board? What activities do you think aren't appropriate?

Record the answers on a flip chart (you may consider having board members complete these questions privately and then present the collated data to the whole board). Encourage group discussion about the items. Write up the results in a summarized format. The results will be useful for promoting positive benefits of being involved on the board but also to help identify improvements that could encourage greater participation from current members.



Additional Resources

1. *Caution: Do Not Inflate Beyond Capacity: A Network's Guide to Responsible Growth and Stakeholder Communication*. Literacy Link South Central. A strategic planning resource with a focus on growth that results in increasing your stakeholder base.
2. *Seven Steps to Renewing Your Board* © 2005 Canadian Co-operative Association, April 2005.
3. Mentoring Canada's online *Fundamentals of Effective Board Involvement* provides modules to help new board members understand their goals and motivations for joining a board.
4. Suite 101: *Selecting Optimal Non-Profit Board Members*.
5. *Succession Planning and Sustainability in Non-profit Organizations*. The second in a series concerning leadership succession planning from the Executive Transitions Initiative by Mindy Lubar Price.
6. Nathan Garber & Associates: *What You Need to Know about the Board of Directors of ABCs* is a useful template to use when recruiting new board members.

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GreenIT
(mailto:greenit@greencommunitiescanada.org)

Memorandum

To: Rob Willson, P. Eng., Chair, Council Term Limits Task Force

From: Ewald Kuczera, P. Eng., Chair, Legislation Committee

Date: January 19, 2017

Subject: Council Term Limits Task Force Report and Recommendations - December 2016

Thank you for attending our meeting on January 6, 2017 to discuss the Task Force's Report and Recommendations, and for answering our questions.

As we indicated to you at the meeting, the Legislation Committee is not a policy-making committee. Our mandate and role is to examine the legislative requirements of, and authority for, policy proposals and to determine if PEO has the jurisdiction to enshrine changes in its Act, Regulations and By-Laws based on its regulation or by-law making powers in the Act.

We note the Task Force's recommendation for term limits, as listed on page 25 of the report:

"The TF recommends the following next steps for implementation of term limits:

- Immediately, include in the election material information on recommended term limits for each position and provide information on all candidates' service on Council to date.
- Amend the *Professional Engineers Act* such that governance matters regarding election procedures are in the by-laws rather than the regulations and thereafter that the by-laws be amended to specifically include specific term limits for each position on Council."

Paragraphs 2, 3 and 4 of Section 7(1) of the Act currently allow Council to make regulations:

2. respecting and governing the qualifications, nomination, election and *term or terms of office of the members to be elected to the Council*, and controverted elections"; [our emphasis].
3. prescribing the conditions disqualifying members of the Council from sitting and governing the filling of vacancies on the Council;
4. prescribing positions of officers of the Association and providing for their election or appointment.

Therefore, Council currently has the authority and scope to draft regulations concerning term limits for elected Councillors. We would also like to clarify that the process for Regulation changes, while time-consuming, is considerably shorter and simpler than seeking an Act amendment to move regulation-making powers to by-law making powers. Moreover, the process of amending regulations is also more within PEO's control than Act changes, which move at the discretion of Cabinet and the Legislative Assembly.

Task Force Response - We appreciate your comment and will modify the report to incorporate this information.

While we are not offering an opinion on the merits of imposing term limits on elected Councillors, we are, nonetheless, advising your Task Force that enforcement of term limits by voluntary means as you propose are less likely to succeed than if you have the authority to do so anchored in regulations. PEO has the current power to draft regulations to impose term limits on elected

Councillors, should it choose to do so, rather than wait for an indeterminate time for a future opportunity for Act changes.

Task Force Response - Agreed.

If further assistance or explanation is required, please do not to hesitate contacting the undersigned.

Regards,

Ewald Kuczera, P. Eng.

Chair, Legislation Committee

CTLTF Recommendations and HRC Feedback

RECOMMENDATION	HRC FEEDBACK	CTL TASK FORCE RESPONSE
5.1 Term Limits		
<p>General Member of Council</p> <ul style="list-style-type: none"> - Members may serve a lifetime maximum of three terms as General Member of Council (Regional Councillor or Councillor at Large (only two if they have previously served as an LGA)) - LGA's may be appointed to serve two terms as a lifetime maximum (one only, if they have previously served on Council as a Regional Councillor or Councillor at Large) 	<p>Do not fully agree with "lifetime" restrictions.</p> <p>Would prefer to see maximum amount of 2-year terms set at 3. (If a member did the 3 terms for a total of 6 years and had to leave Council for say a minimum of 4 years, they chose to run again their advantage as an incumbent would be minimized.)</p> <p>Same as noted above for LGA's. If either a general member or lay LGA have been on for 6 years they need to be off for a minimum of 4 years before they can apply to do either.</p>	<p>The Task Force is strongly in favour of a lifetime ban, ie. No cooling off period with opportunity to return to Council. However, if Council is unable to support a lifetime ban, any cooling off period should be significant, at least 10 years, to accommodate career and family stages.</p> <p>A shorter cooling off period is equivalent to no term limit. The evidence from PEO elections is that a hiatus does not eliminate incumbent advantage.</p>
<p>Executive Member of Council (<i>excludes serving as council appointed VP</i>)</p> <ul style="list-style-type: none"> - Members may serve just one term as VP - Members may serve just one term as President-Elect - A member having served as President may not hold any subsequent position on Council 	<p>As much as a stronger approach to succession planning than currently in place is required, these parameters are too strict. Perhaps only a one-year term for VP is reasonable in the context of using the position as a succession plan for PE. One term for PE is fine however once the PE cycle is completed being away from the table for 3 additional years seems reasonable (what's currently in place). Forever is not reasonable.</p>	<p>See above.</p> <p>The one year as Vice President supports succession planning for President-Elect.</p>
<p>Immediately include in the election material information on recommended term limits for each position and provide information on all candidates' service on Council to date</p>	<p>[DB] Until we can change our by-law I would agree. A little shame tactic but it might work?</p>	<p>Agreed</p>

<p>Amend the <i>Professional Engineers Act</i> such that governance matters regarding election procedures are in the by-laws rather than the regulations and thereafter that the by-laws be amended to specifically include specific term limits for each position on Council</p> <p>5.2 Succession Planning</p>	<p>[DB] I'm not sure this statement is correct however I am in favour of putting the amending legislation into a vehicle that can be addressed on an as needed basis without jumping through a ton of hoops.</p>	<p>The Task Force recommends the most expedient approach be taken to enshrine these changes. Term limits should be enforceable</p>
<p>In addition to a Council decision to adopt term limits for service on Council, even more important is that a new, or renewed, task force must be constituted to focus specifically on succession planning as identified herein. While PEO works on legislative changes to institute term limits through the by-law structure, a more immediate exercise is to develop a solid succession plan to begin producing qualified candidates for Council.</p>	<p>This absolutely needs to be done. Without succession planning in place term limits are not feasible.</p>	<p>Agreed.</p>
<p>The Council Term Limits Task Force strongly endorses succession planning activities to improve the calibre of all candidates standing</p>		

<p>for election. Several strategies are necessary for the best electoral outcome:</p>		
<p>1. Council must identify the skills and experience that the best councillors would exhibit.</p>	<p>Similar to other boards – this recommendation makes sense. It would also allow Council or HRC to address less than satisfactory contributions by members of Council and actually do something about it.</p>	<p>Agreed</p>
<p>2. The search committee/employs the defined skills list to find suitable candidates in the engineering community.</p>	<p>Any movement towards doing away with the randomness of the nomination process now would be a benefit.</p>	<p>Agreed</p>
<p>3. PEO must develop a leadership program and provide training opportunities for interested candidates to upgrade their skill sets in the areas that are deemed of value.</p>	<p>Again, a must in a modern organization. HRC with the leadership of George Comrie have begun this process.</p>	<p>The Task Force believes that implementation of succession planning be undertaken by an independent task force. This task force should review the mandates and the practices of several committees (eg. CESC, ACV, HRC, RCC), which will have to change for PEO to implement succession planning.</p>
<p>4. A Future Leaders Symposium should be held yearly or bi-annually to introduce PEO, the organization and leadership possibilities within the organization, to young volunteers.</p>	<p>Great idea however not sure the cost outweighs the benefits. The first step in attracting a higher quality of recruits is to reduce the current workload on Council and pay an honorarium. If we really want to attract younger candidates we need to offset the loss in wages volunteering at this level creates.</p>	<p>While we agree that compensation for Councillors is something that Council should look at, it is not the same as a future leaders symposium. Our recommendation is a first step in this process and should be combined with the creation of a Young Engineers group sponsored by PEO. This will be clarified in the revised report.</p>
<p>5. The electorate must be educated on the necessary skills and competencies to look for in Council candidates.</p>	<p>[DB] I agree but this is not dissimilar to pushing a rope.</p>	

6. Council undertakes a gap analysis on an annual basis to identify weaknesses in current council make-up, and identifies appropriate criteria for strengthening the team.	This is normally accomplished with a matrix. However, without completely changing how we nominate candidate for election do not see a way to populate the field with the required gap in skills. On the LGA side this is more feasible.	The gap analysis should be straightforward but filling the gaps may be more difficult. That is why the communication piece is so important.
7. The engineering public must be educated in the importance of Council's role in regulating the profession. This may increase the interest of suitable candidates to aspire for service to their profession.		
8. PEO must work with engineering companies to encourage ways to facilitate their employees to consider service to the profession.	This is a long shot given the wide spread apathy of the profession. Functional engineering companies run such a tight ship that the cost to provide volunteers would only factor in with perhaps...very large firms.	True, and the successor task force will address implementation of this recommendation.
9. Determine if it is possible to remove barriers that impede certain volunteers of a specific demographic (specifically age and family status) from serving on Council.	Agreed...this is really the first step in getting the noted demographic to step up and consider running. The biggest barrier is the time commitment...it's unrealistic to think younger or family aged volunteers could add this to their plate. Even having a full time day job without kids it's a huge commitment.	See 8.
10. PEO must set aside money for training and possibly employer compensation.	Yes...or lower the amount of work involved.	See 8.
11. The Council Manual should be updated and made more complete so that it		

<p>can be used for information and training.</p>		
<p>12. A mentorship program should be set up for new councillors.</p>	<p>Good idea.</p>	
<p>13. HRC must communicate to the Public Appointments Secretariat our skills/competencies guideline for Lieutenant-Governor Appointed Councillors. These appointments (if staggered in time) may also assist in fulfilling our gap analysis.</p> <p>5.3 Future Work</p>	<p>Agreed and HRC is in fact doing this to some degree however a more refined matrix of skills required should be established and utilized when considering new LGA's.</p>	<p>Agreed.</p>
<p>It is important to recognize that governance changes can only be realistically evaluated through implementation and feedback. The TF recommends that Council implements as much as possible term limits and succession planning as outlined in this report. Subsequent adjustments could be made after experience is gained. The benefits of the recommendations can be evaluated and any changes made. Establishing another task force with similar resources is unlikely to push the agenda forward and will unnecessarily delay progress in this important area.</p>	<p>Sadly, this is yet another "cherry picking" portion of what is really needed...a full governance review. This along with reducing the overall size of Council would greatly enhance our ability to react in a much more progressive manner. Things simply take too long to debate in Council and far too many people waste Councils time commenting on issues they barely understand or get far too deep into the weeds...an occupational hazard.</p> <p>Setting standards and educating our licensees on what Councils work really is would be a start. Adopting a skills matrix and empowering a real nomination committee to find candidates with real world experience to</p>	<p>While a comprehensive governance review would be advantageous, it is not necessary to implement our recommendations.</p>

	run for Council would be the game changer. Paying them for their time would be the icing on the cake.	
	GENERAL COMMENTS	
	<p>We'd like to thank the members of this taskforce for their valuable time and input to this matter.</p> <p>[DB] As a current member of Council I support the overarching need to have term limits for all of Council respecting the parallel requirement of succession planning.</p>	Thank you.

The chart below was developed for the Human Resources Committee as part of their peer review of the Council Term Limits Task Force Draft Report.

The chart has been amended for use by the CESC at the January 26, 2017 meeting.

CTLTF Recommendations and CESC Feedback

RECOMMENDATION	CESC FEEDBACK	CTL TASK FORCE FEEDBACK
5.1 Term Limits		
<p>General Member of Council</p> <ul style="list-style-type: none"> - Members may serve a lifetime maximum of three terms as General Member of Council (Regional Councillor or Councillor at Large (only two if they have previously served as an LGA)) - LGA's may be appointed to serve two terms as a lifetime maximum (one only, if they have previously served on Council as a Regional Councillor or Councillor at Large) 	<p>A lifetime maximum is too restrictive.</p> <p>A cooling off period from Council as a whole after reaching maximum should be considered.</p> <p>You cannot be in one position for more than two terms. Then you should either run for another position or go to a cooling off period with a maximum for all positions.</p> <p>Three year cooling off period to allow someone to for transition in leadership.</p>	<p>The Task Force is strongly in favour of a lifetime ban, ie. No cooling off period with opportunity to return to Council. However, if Council is unable to support a lifetime ban, any cooling off period should be significant, at least 10 years, to accommodate career and family stages. A shorter cooling off period is equivalent to no term limit.</p>
<p>Executive Member of Council (<i>excludes serving as council appointed VP</i>)</p> <ul style="list-style-type: none"> - Members may serve just one term as VP - Members may serve just one term as President-Elect 	<p>A lifetime maximum is too restrictive.</p> <p>A cooling off period from Council as a whole after reaching maximum should be considered.</p>	<p>See above.</p>

<p>- A member having served as President may not hold any subsequent position on Council</p>	<p>You cannot be in one position for more than two terms. Then you should either run for another position or go to a cooling off period with a maximum for all positions.</p> <p>Three year cooling off period to allow someone to for transition in leadership</p>	
<p>Immediately include in the election material information on recommended term limits for each position and provide information on all candidates' service on Council to date</p>	<p>Not helpful</p> <p>Not recommend under the current rules.</p>	<p>The Task Force strongly recommends this be an interim measure until the term limits are officially implemented. The election procedures should be updated. The Task Force believes it is important to inform the electorate of this significant change.</p>
<p>Amend the <i>Professional Engineers Act</i> such that governance matters regarding election procedures are in the by-laws rather than the regulations and thereafter that the by-laws be amended to specifically include specific term limits for each position on Council</p>	<p>This should be done through regulation rather than through by-laws.</p>	<p>The Task Force recommends the most expedient approach be taken to enshrine these changes.</p>
<p>5.2 Succession Planning</p>		
<p>In addition to a Council decision to adopt term limits for service on Council, even more important is that a new, or renewed, task force must be constituted to focus specifically on succession planning as identified herein. While PEO works on legislative changes to institute</p>	<p>The committee supports the Succession Planning section of the report</p> <p>The CESC should be tasked with Succession Planning rather than a new Task Force.</p>	<p>The Task Force believes that implementation of succession planning be undertaken by an independent task force. This task force should review the mandates and the practices of several committees (eg. CESC, ACV, HRC, RCC), which will have to</p>

<p>term limits through the by-law structure, a more immediate exercise is to develop a solid succession plan to begin producing qualified candidates for Council.</p>		<p>change for PEO to implement succession planning.</p>
<p>The Council Term Limits Task Force strongly endorses succession planning activities to improve the calibre of all candidates standing for election. Several strategies are necessary for the best electoral outcome:</p>		
<p>1. Council must identify the skills and experience that the best councillors would exhibit.</p>		
<p>2. The search committee/employs the defined skills list to find suitable candidates in the engineering community.</p>		
<p>3. PEO must develop a leadership program and provide training opportunities for interested candidates to upgrade their skill sets in the areas that are deemed of value.</p>		
<p>4. A Future Leaders Symposium should be held yearly or bi-annually to introduce PEO, the organization and leadership possibilities within the organization, to young volunteers.</p>		

5. The electorate must be educated on the necessary skills and competencies to look for in Council candidates.		
6. Council undertakes a gap analysis on an annual basis to identify weaknesses in current council make-up, and identifies appropriate criteria for strengthening the team.		
7. The engineering public must be educated in the importance of Council's role in regulating the profession. This may increase the interest of suitable candidates to aspire for service to their profession.		
8. PEO must work with engineering companies to encourage ways to facilitate their employees to consider service to the profession.		
9. Determine if it is possible to remove barriers that impede certain volunteers of a specific demographic (specifically age and family status) from serving on Council.		
10. PEO must set aside money for training and possibly employer compensation.		

<p>11. The Council Manual should be updated and made more complete so that it can be used for information and training.</p>		
<p>12. A mentorship program should be set up for new councillors.</p>	<p>Past Councillors encouraged to mentor newly-elected Councillors</p>	<p>The Task Force believes that sitting Councillors are best positioned to undertake this task.</p>
<p>13. HRC must communicate to the Public Appointments Secretariat our skills/competencies guideline for Lieutenant-Governor Appointed Councillors. These appointments (if staggered in time) may also assist in fulfilling our gap analysis.</p> <p>5.3 Future Work</p>		
<p>It is important to recognize that governance changes can only be realistically evaluated through implementation and feedback. The TF recommends that Council implements as much as possible term limits and succession planning as outlined in this report. Subsequent adjustments could be made after experience is gained. The benefits of the recommendations can be evaluated and any changes made. Establishing another task force with similar resources is unlikely to push the agenda forward and will unnecessarily delay progress in this important area.</p>		

From: George Comrie

Subject: CTLTF Report

Date: January 23, 2017 at 10:22:37 PM EST

To: Robert Willson

Cc: Fern Goncalves, Gerard McDonald, Bob Dony, Thomas Chong

Reply-To: George Comrie

Hi, Rob.

As I mentioned when you discussed your TF's recommendations with the Legislation Committee, I had an action item to get back to on the HRC's consideration of the report, which took place on January 5th.

The logistical part of my comments you have already heard, namely that we have set aside time at the Council's plenary session on the evening of Thursday, February 2nd for discussion of your report and recommendations in committee of the whole. You should by now have received an invitation to join us for dinner before hand and to present as the first item on the evening's agenda.

We won't be considering any motions related to your report at that meeting. This will provide you with the opportunity to hear Councillors' reactions to your report, and to take them back to your TF for any refinement and for preparation of a Briefing Note for decision at the March Council meeting on March 24th.

After HRC's January 5th discussions, the way it was left was that individual HRC members would forward any written comments they had to Fern, who would pass them on to you. What follows, then, is a combination of my own personal reactions and points that were raised by others; so apologies if you have heard some of this already.

1) The TF's rejection of options involving assessment and improvement of Councillor performance.

We're not sure you should be so quick to dismiss the possibility that Councillors' individual performance could be evaluated and communicated to the electorate. You may remember that, some years ago, Council agreed to evaluate its performance annually. So HRC has started conducting annual surveys of Council in the spring to gauge its collective performance. We are now contemplating taking this to the next level, which would involve assessments of individual Councillor performance. As you can imagine, not everyone is keen on this, but collective assessments of the group do not incent behaviour modification.

Task Force Response - While we agree with that performance evaluation is important and should be implemented and communicated, term limits are also necessary particularly in the current political structure at PEO. We note that for the MEC board, which has a robust evaluation process, term limits are still utilized.

We are also strongly committed to ensuring that all PEO volunteers have a common understanding of important PEO-specific domain knowledge (such as PEO's mandate, role, and responsibilities, its governance, how we regulated, etc.), and have opportunities for meaningful leadership development. In the absence of this, no amount of turnover will ensure that folks arrive on Council with a common understanding of what they are there to do.

Task Force Response - We agree that as part of succession planning, all volunteers should have an understanding of PEO's mandate, role and responsibilities.

2) **Recommending the most "severe" term limits**

Candidly, I think if you just present what appears to be your final recommendation in terms of term limits, you will get a polite "no thank you" from Council, and you will have wasted your time and effort.

If that is the consensus of your TF, by all means present it. But a better strategy, I think, would be to present some options for less severe constraints. You've got the "three mile island" option down - now how about a medium and mild option?. I don't want to put words in your mouths, but even something as simple as once someone has been in the same office for two consecutive terms, he/she must run for another Council position or wait out 2-3 years. To that you could add a limit on the total consecutive time on Council regardless of position (to prevent someone who is popular from just "recycling" himself endlessly in different positions). But I would stop short of a lifetime limit: what's wrong with someone who has been out for several years staging a comeback?

Task Force Response - The Task Force is strongly in favour of a lifetime ban, i.e. No cooling off period with opportunity to return to Council. However, if Council is unable to support a lifetime ban, any cooling off period should be significant, at least 10 years, to accommodate career and family stages.

A shorter cooling off period is equivalent to no term limit. The evidence from PEO elections is that a hiatus does not eliminate incumbent advantage.

3) **Succession planning**

Given the nature of the demands of the Presidency (which few seem to understand), I believe it should be open only to those with current Council experience in another position (e.g., regional councillor or councillor at large). The notion that someone can walk in off the street with no Council experience (i.e., not having had the opportunity to build working relationships of trust with other Councillors) and lead effectively is pure nonsense. We need to put back the experience requirement we had for President-elect and Vice President prior to 2007.

Task Force Response - In principle the Task Force is not in favour of limiting candidates from running for any position on Council. The Task Force supports high profile engineers, who would not be interested in serving as Councillors, becoming the face of PEO as President.

Hope this is helpful.

Regards,
George

2016 AUDITED FINANCIAL STATEMENTS

Purpose: To approve the Audited Financial Statements for the year ended December 31, 2016 and the Auditor's report thereon.

Motions to consider:

That Council:

- a) approve the Audited Financial Statements for the year ended December 31, 2016, and the Auditor's report thereon, as presented to the meeting at C-511-2.2, Appendix A; and
- b) authorize the President and President-elect to sign the Audited Financial Statements on Council's behalf.

Prepared by: Chetan Mehta – Director, Finance

Motion Sponsor: Danny Chui, P.Eng. – Chair, Audit Committee

1. Need for PEO Action

PEO's governing legislation and its By-laws require that Council approve the audited financial statements of the Association for presentation to members at PEO's Annual General Meeting and that the statements be published on PEO's website for access to all members.

The Audit Committee's legislated mandate approved by Council is to:

- Oversee the auditing of the Association's financial statements by an external auditor; and
- Monitor the accounting and financial reporting processes and systems of internal control.

PEO By-Law No. 1, section 51 states:

The Council shall lay before each Annual Meeting of the members a financial statement prepared in accordance with generally accepted accounting principles for the previous fiscal year of the association (made up of a balance sheet as at the end of such fiscal year and statements of revenue and expenditure and members' equity for such fiscal year) together with the report of the association's auditors on the financial statement. The financial statements with (a summary of) the auditor's report shall be published in the official publication of the association after its approval by the Council.

2. Proposed Action / Recommendation

That Council approve the Audited Financial Statements and the auditor's report thereon for the year ended December 31, 2016 for presentation to members at the 2017 Annual General Meeting, and that the statements be published on PEO's website and in the next edition of *Engineering Dimensions*, as required by legislation and PEO's by-laws.

3. Next Steps

Once the 2016 Financial Statements are approved and signed by the President and President-elect, the audited financial statements will be available to members at the 2017 Annual General Meeting and the statements will be published on PEO's website in April and in the next edition of *Engineering Dimensions*. A Financial Report and financial statement analysis will be prepared and published as well.

A Q&A on PEO's operations for 2016 will be developed for the 2017 Annual General Meeting based on anticipated questions.

4. Peer Review & Process Followed

Process Followed	On March 7, 2017 at the joint Audit / Finance Committee meeting, the 2016 Audited Financial Statements and auditor's report were presented to the Audit and Finance Committees for review and discussion. The 2016 Audited Financial Statements were approved by the Audit committee during this meeting.
Council Identified Review	
Actual Motion Review	On March 7, 2017, the Audit Committee approved the 2016 Audited Financial Statements and auditor's report and recommended that these be presented to Council for approval.

5. Appendices

Appendix A – 2016 Audited Financial Statements and Auditor's report

Appendix B – Audit Committee Report – year ended December 31, 2016

Financial statements of

**Association of Professional
Engineers of Ontario**

December 31, 2016

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Association of Professional Engineers of Ontario

December 31, 2016

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Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan, ON, L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6610
www.deloitte.ca

Independent Auditor's Report

To the Members of
Association of Professional Engineers of Ontario

We have audited the accompanying financial statements of the Association of Professional Engineers of Ontario, which comprise the balance sheet as at December 31, 2016, and the statements of revenue, expenses and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association of Professional Engineers of Ontario as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants
Licensed Public Accountants
_____, 2017

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Association of Professional Engineers of Ontario

Statement of revenue, expenses and changes in net assets year ended December 31, 2016

	2016	2015
	\$	\$
Revenue		
P. Eng revenue	15,300,492	15,134,271
Application, registration, examination and other fees	6,186,429	6,064,234
Building operations (Note 4)	2,044,589	2,127,016
Advertising income	437,187	292,679
Investment income	171,538	97,219
	24,140,235	23,715,419
Expenses		
Staff salaries and benefits/Retiree and future benefits	11,262,243	10,708,685
Building operations (Note 4)	2,485,858	2,444,678
Purchased services	1,402,475	1,352,825
Amortization	1,242,064	924,528
Engineers Canada	977,311	938,579
Occupancy costs (Note 4)	857,468	765,874
Chapters (Note 13)	765,181	793,066
Volunteer expenses	660,736	786,767
Computers and telephone	628,847	715,813
Postage and courier	626,926	475,676
Legal (corporate, prosecution and tribunal)	614,293	567,744
Transaction fees	500,306	508,253
Consultants	410,711	362,605
Contract staff	399,882	496,237
Recognition, grants and awards	196,051	162,239
Professional development	168,011	155,251
Office supplies	132,379	131,955
Insurance	111,637	105,784
Advertising	107,711	83,942
Printing	98,841	128,446
Staff expenses	83,808	104,307
	23,732,739	22,713,254
Excess of revenue over expenses before the undernoted	407,496	1,002,165
Council discretionary reserve expenses (Note 8)	36,871	70,989
Excess of revenue over expenses	370,625	931,176
Remeasurement and other items	1,342,820	(2,136,510)
Net assets, beginning of year	14,326,143	15,531,477
Net assets, end of year	16,039,588	14,326,143

The accompanying notes to the financial statements are an integral part of this financial statement.

Association of Professional Engineers of Ontario

Balance sheet

as at December 31, 2016

	2016	2015
	\$	\$
Assets		
Current assets		
Cash in interest bearing accounts	1,449,325	1,851,432
Marketable securities at fair value	6,552,646	6,403,767
Accounts receivable	499,016	527,314
Prepaid expenses and deposits	265,014	225,778
Other assets	401,365	390,279
	9,167,366	9,398,570
Capital assets (Note 3)	37,061,925	37,711,302
	46,229,291	47,109,872
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 15)	1,813,785	2,174,710
Fees in advance and deposits	8,862,418	9,067,119
Current portion of long-term debt (Note 5)	952,000	928,000
	11,628,203	12,169,829
Long-term		
Long-term debt (Note 5)	6,587,000	7,539,000
Employee future benefits (Note 6)	11,974,500	13,074,900
	30,189,703	32,783,729
Net assets (Note 7)	16,039,588	14,326,143
Total liabilities and net assets	46,229,291	47,109,872

Approved by the Board

Director

Director

The accompanying notes to the financial statements are an integral part of this financial statement.

Association of Professional Engineers of Ontario

Statement of cash flows year ended December 31, 2016

	2016	2015
	\$	\$
Operating activities		
Excess of revenue over expenses	370,625	931,176
Add (deduct) items not affecting cash		
Amortization	2,171,172	1,798,805
Amortization - other assets	63,914	67,395
Employee future benefits expensed	1,445,000	1,274,700
Change in unrealized losses on marketable securities	(23,259)	98,181
Loss (gain) on disposal of marketable securities	10,736	(22,636)
	4,038,188	4,147,621
Change in non-cash working capital items (Note 10)	(576,564)	963,043
	3,461,624	5,110,664
Financing activities		
Repayment of mortgage	(928,000)	(901,000)
Contributions to employee future benefit plans	(1,202,580)	(1,489,410)
	(2,130,580)	(2,390,410)
Investing activities		
Net change in marketable securities	(136,356)	(147,608)
Additions to capital assets	(1,521,795)	(2,447,378)
Additions to other assets	(75,000)	(13,722)
	(1,733,151)	(2,608,708)
(Decrease) increase in cash	(402,107)	111,546
Cash, beginning of year	1,851,432	1,739,886
Cash, end of year	1,449,325	1,851,432

The accompanying notes to the financial statements are an integral part of this financial statement.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

1. Nature of operations

The Association of Professional Engineers of Ontario ("PEO") was incorporated by an Act of the Legislature of the Province of Ontario. Its principal activities include regulating the practice of professional engineering, and establishing and maintaining standards of knowledge, skill and ethics among its members in order to protect the public interest. As a not-for-profit professional membership organization it is exempt from tax under section 149(1) of the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following accounting policies:

a) *Financial instruments*

PEO initially recognizes financial instruments at fair value and subsequently measures them at each reporting date, as follows:

<u>Asset/liability</u>	<u>Measurement</u>
Cash and marketable securities	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists the asset shall be written down and the resulting impairment loss shall be recognized in the Statement of revenue and expenses and changes in net assets for the period.

Transaction costs are expensed as incurred.

b) *Hedge accounting*

PEO entered into an interest rate swap in order to reduce the impact of fluctuating interest rates on its long term debt. The policy of PEO is not to enter into interest rate swap agreements for trading or speculative purposes.

The interest rate swap held by PEO is eligible for hedge accounting. To be eligible for hedge accounting, an instrument must meet certain criteria with respect to identification, designation and documentation. In addition, the critical terms of the derivative financial instrument must match the specific terms and conditions of the hedged item. The fair value of derivative instruments eligible and qualifying for hedge accounting is generally not recognized on the balance sheet. Gains and losses on such instruments are recognized in income in the same period as those of the hedged item.

Interest on the hedged item is recognized using the instrument's stated interest rate plus or minus amortization of any initial premium or discount and any financing fees and transaction costs. Net amounts receivable or payable on the interest rate swap are recorded on the accrual basis of accounting and are recognized as an adjustment to interest on the hedged item in the period in which they accrue.

PEO may only discontinue hedge accounting when one of the following situations arises:

- a) The hedged item or the hedging item ceases to exist other than as designated and documented;
- b) The critical terms of the hedging item cease to match those of the hedged item, including, but not limited to, when it becomes probable that an interest bearing asset or liability hedged with an interest rate swap will be prepaid.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

2. Significant accounting policies (continued)

b) *Hedge accounting (continued)*

When a hedging item ceases to exist, any gain or loss incurred on the termination of the hedging item is recognized as an adjustment of the carrying amount of the hedged item.

When a hedged item ceases to exist, the critical terms of the hedging item cease to match those of the hedged item, or it is no longer probable that an anticipated transaction will occur in the amount designated or within 30 days of the maturity date of the hedging item, any gain or loss is recognized in net income.

c) *Revenue recognition*

License fee revenue, excluding the portion related to the Building Fund, is recognized as income on a monthly basis over the license period. Building Fund revenue is recognized into income at the commencement of the license period. Other revenues are recognized when the related services are provided.

d) *Donated services*

The Association receives substantial donated services from its membership through participation on council and committees and as chapter executives. Donations of services are not recorded in the accounts of the Association.

e) *Employee future benefits*

Pension plans

The cost of PEO's defined benefit pension plans are determined periodically by independent actuaries using the projected benefit method prorated on service. PEO uses the most recently completed actuarial valuation prepared for funding purposes (but not one prepared using a solvency, wind-up, or similar valuation basis) for measuring its defined benefit pension plan obligations. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

Other non-pension plan benefits

The cost of PEO's non-pension defined benefit plan is determined periodically by independent actuaries. PEO uses an accounting actuarial valuation performed every three years for measuring its non-pension defined benefit plan obligations. The valuation is based on the projected benefit method prorated on service.

For all defined benefit plans PEO recognizes:

- a) The defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation in the statement of changes in net assets;
- b) The cost of the plan for the year.

f) *Capital assets*

Capital assets are recorded at cost. Amortization is calculated on the straight-line basis at the following annual rates.

Building	2%
Building improvements	5%
Building improvements - common area	3.3% to 10%
Computer hardware and software	33%
Furniture, fixtures and telephone equipment	10%
Audio visual	20%

The Association's investment in capital assets is included as part of Net assets on the Balance sheet.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

2. Significant accounting policies (continued)

g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include capital assets, accrued liabilities, and employee future benefits.

3. Capital assets

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	19,414,668	3,031,193	16,383,475	16,771,768
Building improvements	8,803,365	2,398,668	6,404,697	6,871,857
Building improvements - common area	9,648,456	2,464,206	7,184,250	6,806,236
Land	4,366,303	-	4,366,303	4,366,303
Computer hardware and software	4,549,920	2,568,627	1,981,293	323,283
Furniture, fixtures and telephone equipment	1,428,008	901,151	526,857	638,836
Audio visual	1,008,315	793,265	215,050	345,285
Work in progress	-	-	-	1,587,734
	49,219,035	12,157,110	37,061,925	37,711,302

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

4. Building operations

PEO maintains accounting records for the property located at 40 Sheppard Avenue West, Toronto, ON as a stand-alone operation for internal purposes. The results of the operation of the building, prior to the elimination of recoveries and expenses related to PEO, are as follows:

	2016	2015
	\$	\$
Revenue		
Rental	742,060	748,664
Operating cost recoverable - tenants	1,052,318	1,120,249
Parking	124,035	130,500
Miscellaneous	126,176	127,603
	2,044,589	2,127,016
Operating cost recoverable - PEO	752,467	708,282
	2,797,056	2,835,298
Recoverable expenses		
Utilities	570,506	516,349
Amortization	540,813	485,984
Property taxes	446,086	449,510
Payroll	246,932	236,916
Janitorial	195,000	204,674
Repairs and maintenance	157,446	179,295
Property management and advisory fees	84,856	82,618
Security	35,928	34,070
Administrative	23,781	20,045
Road and ground	14,040	18,720
Insurance	18,104	18,691
	2,333,492	2,246,872
Other expenses		
Interest expense on note and loan payable	396,398	441,172
Amortization of building	388,293	388,293
Amortization of deferred costs	63,916	61,172
Other non-recoverable expenses	56,226	15,451
	904,833	906,088
	3,238,325	3,152,960
Excess of expenses over revenue	(441,269)	(317,662)

For purposes of the statement of revenue, expenses and changes in net assets, the operating cost re-imbursements from PEO have been eliminated. The portion of costs allocated to PEO is reallocated from Building operations and is included in Occupancy costs.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

4. Building operations (continued)

	2016	2015
	\$	\$
Building revenue per above	2,797,056	2,835,298
Eliminated PEO portion	(752,467)	(708,282)
	2,044,589	2,127,016
Building expenses per above	3,238,325	3,152,960
Eliminated PEO portion	(752,467)	(708,282)
	2,485,858	2,444,678

5. Building financing

In 2009, the Association financed \$14,100,000 of the cost of its building acquisition with a credit facility from the Bank of Montreal, Capital Markets Division. The facility is secured by a first mortgage on the property located at 40 Sheppard Avenue West, a general security agreement, and a general assignment of tenant leases. The facility is repayable in monthly installments of principal plus interest maturing on March 11, 2019 and bears a floating interest rate based on variable bankers' acceptances. The balance outstanding at December 31, 2016 is \$7,539,000.

Principal repayments are due as follows:

	\$
2017	952,000
2018	980,000
2019	5,607,000
	7,539,000

The Association has entered into a swap agreement related to this loan, whereby the floating rate debt is swapped for a fixed rate debt with an interest rate of 4.95% and settled on a net basis. The Notional value of the swap is \$14,100,000. The start date of the swap was March 11, 2009 with a maturity date of March 11, 2019.

6. Employee future benefits

The Association's pension plans and post-retirement benefits plan covering participating employees (full time and retirees) are defined benefit plans as defined in Section 3463 of the CPA Canada Handbook. The pension plans provide pension benefits based on length of service and final average earnings. The post-retirement benefits plan provides hospitalization, extended health care and dental benefits to active and retired employees. Participation in the pension plans and benefits plan (for post-retirement benefits) has been closed to all new employees as of May 1, 2006. All employees joining after this date have the option of participating in a self-directed RRSP (registered retirement savings plan). During the year, the Association recorded \$214,512 (2015 - \$202,951) in employer contributions to the self-directed RRSP.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

6. Employee future benefits (continued)

The funded status of the Association's pension plans and post-retirement benefit plan using actuarial assumptions as of December 31, 2016 was as follows:

	Basic pension plan	Supplemental pension plan	Other non-pension benefit plan	Total
	\$	\$	\$	\$
Accrued benefit obligation	(23,686,100)	(1,617,100)	(13,692,400)	(38,995,600)
Plan assets at fair value	25,152,300	1,868,800	-	27,021,100
Funded status - plan surplus (deficit)	1,466,200	251,700	(13,692,400)	(11,974,500)
Valuation allowance	-	-	-	-
Defined benefit asset, net of valuation allowance	1,466,200	251,700	(13,692,400)	(11,974,500)

The funded status of the Association's pension plans and post-retirement benefit plan using actuarial assumptions as of December 31, 2015 was as follows:

	Basic pension plan	Supplemental pension plan	Other non-pension benefit plan	Total
	\$	\$	\$	\$
Accrued benefit obligation	(22,882,200)	(1,596,800)	(12,402,500)	(36,881,500)
Plan assets at fair value	22,024,600	1,782,000	-	23,806,600
Funded status - plan surplus (deficit)	(857,600)	185,200	(12,402,500)	(13,074,900)
Valuation allowance	-	-	-	-
Defined benefit asset, net of valuation allowance	(857,600)	185,200	(12,402,500)	(13,074,900)

PEO measures its defined benefit obligations and the fair value of plan assets for accounting purposes as at December 31 each year. The most recently completed actuarial valuation of the pension plans for valuation purposes, was as of December 31, 2014. The most recent completed actuarial valuation of the non-benefit plan for accounting purposes was as of December 31, 2014.

7. Net assets

The net assets of the Association are restricted to be used at the discretion of Council and includes the Association's investment in capital assets of \$29,522,925 (2015 - \$29,244,302).

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

8. Council discretionary reserve

The Council discretionary reserve is an internal allocation from the operating reserve used at the discretion of Council to fund expenses related to special projects approved by Council. Expenses from the discretionary reserve were as follows:

	2016	2015
	\$	\$
Legal Reserve - Elliot Lake/Other	-	45,061
Privacy policy review	-	24,689
Emerging Discipline Task Force	1,790	1,239
Council Term Limits Task Force	30,276	-
Council Composition Task Force	4,805	-
	36,871	70,989

9. Full time salaries and benefits

During the year, the Association incurred a total of \$11,286,681 (2015 - \$10,734,613) for salary and benefits costs for its full time staff of which \$24,438 (2015 - \$25,928) was directly attributable to special projects approved by Council and disclosed under Note 8.

10. Change in non-cash working capital items

	2016	2015
	\$	\$
Accounts receivable	28,298	(29,155)
Prepaid expenses and deposits	(39,236)	(21,446)
Accounts payable and accrued liabilities	(360,925)	789,656
Fees in advance and deposits	(204,701)	223,988
	(576,564)	963,043

11. Custodial account

The Association maintains a separate bank account for the Council of Ontario Deans of Engineering. Cash totaling \$138,330 in this account (2015 - \$134,852) is not reported on the Association's balance sheet, as it is held in trust for the Council of Ontario Deans of Engineering.

12. Commitments

The Association has obligations under non-cancelable operating leases for various service agreements. The payments to the expiry of the leases and agreements are as follows:

	\$
2017	734,114
2018	351,550
2019	291,634
2020	189,008
	1,566,306

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2016

13. Chapters of the Association

The financial information of the 36 chapters of the Association are individually not material and, therefore, have not been consolidated in these financial statements. Furthermore, management believes that the effort and cost required to prepare financial statements for each chapter for consolidation purposes far exceed the benefits of doing so.

During the year, the Association paid chapter expenses totaling \$765,181 (2015 - \$793,066) including \$545,555 (2015 - \$510,000) in chapter allotments and \$219,626 (2015 - \$283,066) in other disbursements to individual chapters. In 2016, the Association also incurred additional costs of \$495,694 (2015 - \$518,375) related to chapter operations including staff salaries and benefits, and for various support activities. These amounts have been included in the various operating expenses reported on the Statement of revenue and expenses and changes in net assets.

14. Financial instruments and risk management

Interest rate risk

PEO is exposed to interest rate risk, which is the risk that the fair values or future cash flows associated with its investments will fluctuate as a result of changes in market interest rates. Management addresses this risk through use of an investment manager to monitor and manage investments.

Liquidity risk

PEO's objective is to have sufficient liquidity to meet its liabilities when due. PEO monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2016, the most significant financial liabilities are: accounts payable and accrued liabilities, and long-term debt.

15. Government remittances

Accounts payables and accrued liabilities include \$294,338 (2015 - \$206,097), with respect to government remittances payable at year end.

Professional Engineers Ontario

Financial highlights for the year ended December 31, 2016

Report to the Audit & Finance Committee – March 7, 2017

Highlights

For the year ended December 31, 2016, Professional Engineers Ontario (“PEO”) generated an excess of revenue over expenses of \$407,496 (before Council discretionary reserve expenses) as compared to a surplus of \$1,002,165 in 2015. This change in surplus is the result of an increase in revenue of \$424,816 and an increase in expenses of \$1,019,485.

The surplus was reduced by Council discretionary reserve expenses of \$36,871 in 2016 as compared to \$70,989 in 2015. The 2016 Council discretionary reserve expenses consist of the council term limits task force, council composition task force and emerging discipline task force.

During the year, management undertook to control and reduce operational costs in light of economic conditions and building requirements.

PEO fees remained frozen for the eighth consecutive year in 2016 and remain the lowest amongst engineering associations in Canada. All other fees remained unchanged.

Revenue

Total revenue of \$24,140,235 was \$424,816 or 1.8 per cent higher than the prior year due to the following:

- \$166,221 increase in P. Eng license revenue representing a 1.1 per cent increase in the membership base, which is slightly lower than in prior years;
- \$122,195 increase largely due to an increase in application fees and an increase in the engineering intern membership base;
- \$144,508 increase in advertising income due the re-issuing of the print version of Engineering Dimensions magazine in 2016; and
- \$74,319 increase in investment income from increased unrealized capital gains on investments due to favourable market conditions.

Offset by:

- \$82,427 decrease in building operations revenue due to a decrease in rental and recoverable income arising from unleased units.

Expenses

Total expenses of \$23,732,739 were \$1,019,485 or 4.5 per cent higher than the prior year, due primarily to the following:

- \$553,558 increase in Staff salaries and benefits due largely to the annual approved cpi/merit salary increase, as well as the filling of positions vacant in 2015;
- \$317,536 increase in Amortization due to almost a full year of depreciation on the Aptify software project which closed in April 2016 and a full year of amortization on the new reception area rebuild;
- \$151,250 increase in Postage and courier costs primarily due to sending out the paper copies of Engineering Dimensions magazine, offset by lower postage costs related to election mailing;
- \$91,594 increase in Occupancy costs due to an increase in building operating costs, an increase in security costs, and an increase in costs for offsite storage;
- \$49,650 increase in Purchased services due to higher catering costs for various committees, printing costs for Engineering Dimensions magazine, a survey for the policy and professional affairs team, and an increase in meals costs for various events like OOH, AGM, CLC, etc;
- \$48,106 increase in Consultants due to consulting support for the Aptify go-live, costs for the GLP audit; an engineering report for Pride Signs matter and an online candidate feedback survey for the ERC; and
- \$46,549 increase in Legal (corporate, prosecution and tribunal) largely due to higher costs for

complaints investigations and prosecution, costs for administrative law counsel and other legal costs related to miscellaneous matters.

Offset by:

- \$126,031 lower Volunteer expenses due to lower meals, mileage, parking, car rental air and train fair, taxi, and other travel related expenses;
- \$96,355 decrease in Contract staff due to fewer contractors this year;
- \$86,966 decrease in Computers and telephone largely due to lower costs for the IT infrastructure and network maintenance; and
- \$29,605 decrease in Printing due to lower photocopier usage, lower costs for photocopier and mailroom equipment rentals and costs for printing forms.

Capital Assets

Total capital spending in 2016 was \$1,521,795 compared to \$2,447,378 in 2015. Building improvements both to PEO space and common space totaling \$920,389 were made to the building in 2016. The net book value of the building of \$34,338,725 had a mortgage of \$7,539,000 outstanding at December 31, 2016.

TYPE	FY16-ACT Additions	FY15-ACT Additions	\$ Difference
<u>Building Improvements</u> The \$1.6k spend in 2016 was for the replacement of the exterior signage on the ground level. The 2015 spend was for the completion of the reception area.	\$1,560	\$593,219	\$(591,659)
<u>Building Improvements (recoverable)</u> The spend for 2016 includes pedestrian paving around the building, emergency generator, elevator mechanical upgrade in the parking garage, and painting the underground garage walls.	918,829	2,267,757	(1,348,928)
<u>Computer hardware and software</u> The spend for 2016 includes the spend on the Aptify project, hard upgrades to LAN room equipment and replacement of PCs, laptops and a graphics printer.	2,147,889	237,772	1,910,117
The 2016 spend is largely for filing cabinets to accommodate filing requirements.	7,187	27,534	(17,347)
The 2016 spend is for audio-visual equipment which includes the overhead projector and the camera for the video and audio conferencing solution in room 1C	34,064	0	34,064
<u>Work in progress</u> The 2016 spend includes completed costs for the Aptify implementation which were transferred to computer software.	(1,587,734)	(678,904)	908,830
TOTAL	\$1,521,795	\$2,447,378	\$(922,583)

Building Operations

The operating statement for the building is included in Appendix A-2 and is also summarized in Note 4 of the 2016 Audited Financial Statements. The building generated \$2,797,056 in revenue including PEO's share of recoverable expenses but excluding base rent had PEO paid market rent for its space. Total recoverable expenses were \$2,333,492 and other expenses totaled \$904,833, thereby creating a deficit of \$441,269 as compared to a deficit of \$317,662 in the prior year. The increase in deficit over 2015 was primarily due to higher recoverable operating costs in the building of \$86,620 related to higher utility and amortization expenses. A decrease in revenue of \$38,242 also contributed to this deficit. This was partially offset by a decrease in financing costs of \$44,773 on a lower mortgage balance. The portion of recoverable expenses attributable to vacant space was not recovered.

Appendices:

Appendix B-1 - 2016 Draft Statement of Revenue and Expenses - variance analysis

Appendix B-2 - 2016 Draft 40 Sheppard Statement of Revenue and Expenses - variance analysis

Professional Engineers Ontario
Statement of Revenue and Expenses - Variance Analysis
Year Ended December 31, 2016

C-511-2.2
Appendix B-1

S.No	REVENUE	2016	2015	2016 Vs 2015		2016	2016		2016	2016		2014
		Actual	Actual	Actual	Vs Actual	Budget	Actual	Vs Budget	Forecast	Actual	Vs Forecast	Actual
		\$	\$	\$	%	\$	\$	%	\$	\$	%	\$
1	P.Eng Revenue	\$15,300,492	\$15,134,271	\$166,221	1.1%	\$15,494,884	(\$194,392)	-1.3%	\$15,559,654	(\$259,162)	-1.7%	\$14,840,457
2	Application, registration, exam and other fees	6,186,429	6,064,234	\$122,195	2.0%	6,933,243	(746,814)	-10.8%	6,506,273	(319,844)	-4.9%	5,884,172
3	Building operations	2,044,589	2,127,016	(\$82,427)	-3.9%	2,403,544	(358,955)	-14.9%	2,060,432	(15,843)	-0.8%	2,083,065
4	Advertising income	437,187	292,679	\$144,508	49.4%	375,000	62,187	16.6%	415,000	22,187	5.3%	355,572
5	Investment income	171,538	97,219	\$74,319	76.4%	315,000	(143,462)	-45.5%	225,000	(53,462)	-23.8%	219,885
	TOTAL REVENUE	\$24,140,235	\$23,715,419	\$424,816	1.8%	\$25,521,671	(\$1,381,436)	-5.4%	\$24,766,359	(\$626,124)	-2.5%	\$23,383,151
	EXPENSES											
6	Staff salaries and benefits/Retiree and future bene	11,262,243	10,708,685	553,558	5.2%	11,876,370	(614,127)	-5.2%	11,778,173	(515,930)	-4.4%	10,303,016
7	Building operations	2,485,858	2,444,678	41,180	1.7%	2,500,585	(14,727)	-0.6%	2,496,420	(10,562)	-0.4%	2,362,885
8	Purchased Services	1,402,475	1,352,825	49,650	3.7%	1,576,340	(173,865)	-11.0%	1,563,182	(160,707)	-10.3%	1,090,528
9	Engineers Canada	977,311	938,579	38,732	4.1%	928,426	48,885	5.3%	945,160	32,151	3.4%	901,420
10	Amortization	1,242,064	924,528	317,536	34.3%	1,401,753	(159,689)	-11.4%	1,270,575	(28,511)	-2.2%	978,437
11	Chapters	765,181	793,066	(27,885)	-3.5%	902,095	(136,914)	-15.2%	877,450	(112,269)	-12.8%	722,121
12	Volunteer expenses	660,736	786,767	(126,031)	-16.0%	929,290	(268,554)	-28.9%	839,736	(179,000)	-21.3%	761,264
13	Occupancy costs	857,468	765,874	91,594	12.0%	860,341	(2,873)	-0.3%	834,545	22,923	2.7%	732,760
14	Computers and telephone	628,847	715,813	(86,966)	-12.1%	731,315	(102,468)	-14.0%	727,722	(98,875)	-13.6%	773,951
15	Legal (corporate, prosecution and tribunal)	614,293	567,744	46,549	8.2%	606,120	8,173	1.3%	597,428	16,865	2.8%	649,465
16	Transaction fees	500,306	508,253	(7,947)	-1.6%	520,000	(19,694)	-3.8%	523,587	(23,281)	-4.4%	508,034
17	Contract staff	399,882	496,237	(96,355)	-19.4%	431,318	(31,436)	-7.3%	63,211	336,671	532.6%	666,368
18	Postage and courier	626,926	475,676	151,250	31.8%	639,465	(12,539)	-2.0%	638,549	(11,623)	-1.8%	424,151
19	Consultants	410,711	362,605	48,106	13.3%	278,300	132,411	47.6%	410,800	(89)	0.0%	240,431
20	Recognition, grants and awards	196,051	162,239	33,812	20.8%	187,560	8,491	4.5%	180,017	16,034	8.9%	187,667
21	Professional development	168,011	155,251	12,760	8.2%	250,000	(81,989)	-32.8%	242,300	(74,289)	-30.7%	109,170
22	Office supplies	132,379	131,955	424	0.3%	104,975	27,404	26.1%	100,771	31,608	31.4%	121,723
23	Printing	98,841	128,446	(29,605)	-23.0%	119,592	(20,751)	-17.4%	100,600	(1,759)	-1.7%	161,002
24	Insurance	111,637	105,784	5,853	5.5%	103,212	8,425	8.2%	110,858	779	0.7%	97,304
25	Staff expenses	83,808	104,307	(20,499)	-19.7%	153,695	(69,887)	-45.5%	124,299	(40,491)	-32.6%	91,355
26	Advertising	107,711	83,942	23,769	28.3%	104,000	3,711	3.6%	96,100	11,611	12.1%	90,348
	TOTAL EXPENSES	23,732,739	22,713,254	1,019,485	4.5%	25,204,752	(1,472,013)	-5.8%	24,521,483	(788,744)	-3.2%	21,973,400
	EXCESS OF REVENUE OVER EXPENSES BEFORE THE UNDERNOTED	\$407,496	\$1,002,165	(\$594,669)	-59.3%	\$316,919	\$90,577	28.6%	\$244,876	\$162,620	66.4%	\$1,409,751
	COUNCIL DISCRETIONARY RESERVE EXPENSES	36,871	70,989	(34,118)	-48.1%		36,871		17,500	19,371	110.7%	60,515
	EXCESS OF REVENUE OVER EXPENSES	\$370,625	\$931,176	(\$560,551)	-60.2%	\$316,919	\$53,706	16.9%	\$227,376	\$143,249	63.0%	\$1,349,236

Professional Engineers Ontario
40 Sheppard Statement of Revenue and Expenses
For the Twelve Months Ending Dec 31, 2016

C-511-2.2
Appendix B-2

	2016 Actual	2016 Budget	Var \$	Var %	2015 Actual	Var \$	Var %
REVENUE							
Rental	742,060	854,437	(112,377)	-13.2%	748,664	(6,605)	-0.9%
Operating cost reimbursements	1,804,784	2,063,538	(258,754)	-12.5%	1,828,531	(23,747)	-1.3%
Parking	124,035	143,100	(19,065)	-13.3%	130,500	(6,465)	-5.0%
Miscellaneous	126,176	100,230	25,946	25.9%	127,603	(1,426)	-1.1%
REVENUE	2,797,056	3,161,305	(364,250)	-11.5%	2,835,298	(38,242)	-1.3%
RECOVERABLE EXPENSES							
Utilities	570,506	548,646	21,860	4.0%	516,348	54,158	10.5%
Property taxes	446,086	461,982	(15,896)	-3.4%	449,510	(3,424)	-0.8%
Amortization	540,813	563,145	(22,332)	-4.0%	485,984	54,829	11.3%
Payroll	246,931	246,931	(0)	0.0%	236,916	10,014	4.2%
Janitorial	195,000	207,452	(12,452)	-6.0%	204,674	(9,673)	-4.7%
Repairs and maintenance	157,446	172,247	(14,801)	-8.6%	179,295	(21,850)	-12.2%
Property management and advisory fees	84,856	84,856	(0)	0.0%	82,618	2,238	2.7%
Road and ground	14,040	18,838	(4,798)	-25.5%	18,720	(4,680)	-25.0%
Administration	23,781	26,420	(2,639)	-10.0%	20,045	3,736	18.6%
Security	35,928	23,015	12,913	56.1%	34,070	1,858	5.5%
Insurance	18,104	18,895	(791)	-4.2%	18,691	(587)	-3.1%
	2,333,492	2,372,427	(38,935)	-1.6%	2,246,872	86,620	3.9%
OTHER EXPENSES							
Interest expense on note and loan payable	396,398	396,605	(207)	-0.1%	441,171	(44,773)	-10.1%
Amortization of building	388,293	388,293	0	0.0%	388,293	-	0.0%
Amortization of deferred costs	63,914	74,017	(10,103)	-13.7%	61,172	2,741	4.5%
Other non-recoverable expenses	56,227	27,004	29,223	108.2%	15,451	40,777	263.9%
	904,833	885,919	18,913	2.1%	906,088	(1,255)	-0.1%
EXPENSES	3,238,325	3,258,346	(20,021)	-0.6%	3,152,959	85,366	2.7%
EXCESS OF REVENUE OVER EXPENSES	(441,269)	(97,041)	(344,228)	354.7%	(317,662)	(123,607)	38.9%
Gross Revenue	2,797,056	3,161,305			2,835,298		
Revenue Interco reclass	(752,467)	(757,761)			(708,282)		
PEO Reported Revenue	2,044,589	2,403,544			2,127,016		
Gross Expense	3,238,325	3,258,346			3,152,959		
Recoverable Exp Interco reclass	(752,467)	(757,761)			(708,282)		
PEO Reported Expense	2,485,859	2,500,585			2,444,678		

RECOMMENDATION OF THE APPOINTMENT OF AUDITOR FOR 2017

Purpose: To approve the recommendation of the appointment of an auditor for 2017 to members.

Motions to consider:

That Council recommend to members at the April 2017 Annual General Meeting, the appointment of Deloitte LLP as PEO’s auditor for 2017 to hold office until the next annual meeting or until their successor is appointed.

Prepared by: Chetan Mehta – Director, Finance

Motion Sponsor: Danny Chui, P.Eng. – Chair - Audit Committee

1. Need for PEO Action

It is necessary for Council to recommend the appointment of an auditor for 2017 to members at the upcoming Annual General Meeting for their approval.

Section 52 of By-Law 1 states:

The members of each annual meeting shall appoint one or more auditors who shall be chartered accountants to hold office until the next annual meeting and if an appointment is not so made, the auditor in office shall continue in office until a successor is appointed.

2. Proposed Action / Recommendation

That Council approve the recommendation of the Audit Committee that Deloitte LLP be recommended to the members as PEO’s auditor for 2017.

3. Peer Review & Process Followed

Process Followed	As part of every five year cycle, an RFP for audit services was issued to reputable firms in late July 2016. After a review of the proposals submitted, the AUC unanimously decided to appoint Deloitte as PEO’s auditor for the next five years with the appointment to be confirmed every year.
Council Identified Review	
Actual Motion Review	On March 7, 2017, the Audit Committee approved the recommendation of the appointment of Deloitte LLP as PEO’s auditor for 2017 be presented to Council for approval.

4. Next Steps

Once the appointment of Deloitte LLP is approved by Council, members will be asked to approve the appointment at the Annual General Meeting in April.

REGULATORY CONFLICT PROTOCOL

Purpose: To adopt a protocol for PEO to use to address current and future possible regulatory conflicts between external statutes and regulations and the Professional Engineers Act and its regulations

Motion(s) to consider: (requires a majority of votes cast to carry)

That Council approve and adopt the Regulatory Conflict Protocol as provided in Appendix A, and authorize the Registrar to take the necessary actions.

Prepared by: J. Max, Manager, Policy

Moved by: E. Kuczera, P.Eng., Chair, Legislation Committee

1. Need for PEO Action

- In 2006, PEO sought a judicial review of the Ministry of Municipal Affairs' proposal to require professional engineers (and architects) to pass MMAH tests on Building Code knowledge. This was a clear case in regulatory infringement of our Act. PEO was ultimately successful in obtaining a judicial ruling that confirmed PEO's exclusive authority under the PEA to determine how engineering was to be qualified and performed in Ontario.
- Over the past few years, the Ministry of Environment and Climate Change (MOECC) has embarked on a Modernization initiative to devolve some of its review activities to "qualified persons", which may or may not involve the exclusive practice of professional engineering. This trend is expected to continue, and the Legislation Committee felt that overall policy direction was required.
- Over the past few months, the Legislation Committee has undertaken to review all external legislation and regulations that refer to or involve the practice of professional engineering, and that may conflict with PEO's exclusive authority under the *Professional Engineers Act* or its Regulations (O. Reg. 941/90 or 260/08) to regulate the practice of professional engineering in the public interest. A table of those references has been posted on PEO's website (Act, Regulations and By-laws page) to guide practitioners.
- Our review (see Appendix B) identified 94 separate statutes and regulations aside from the PEA that refer to "engineer" or "engineering". We analyzed those references and developed five objective, principle-based categories or levels of potential regulatory conflict, namely;
 - Infringement
 - Overlap
 - Non-alignment
 - Practice Guidance, and
 - No Apparent Conflict
- Based on those categories, the proposed Regulatory Conflict Protocol addresses PEO's required action(s) pertaining to external legislation (Ontario statutes and regulations)

that appear to conflict with the PEA, and drafted the necessary steps that the Registrar should take in addressing them.

2. Proposed Action / Recommendation

- Council approval of the Protocol is required to give the Registrar *pro forma* direction on how to proceed on each piece of external legislation or regulation, depending on the category of regulatory conflict. This would allow for more expeditious action without having to wait until the next Council meeting for each item.

- For example;
 - infringement items could require legal opinions and legal action through the courts;
 - overlap would require seeking clarifications from the authoring ministry;
 - non-alignment could require advocating for changes with the authoring ministry or awaiting opportunities to do so;
 - guidance could require developing professional practice guidelines; and
 - no apparent conflict would require thanking the authoring ministry and promoting its compliance to other ministries.

3. Next Steps (if motion approved)

- The Legislation Committee will work with the Registrar to determine the priority criteria for action
- The Registrar will take appropriate action in accordance with those prioritization criteria, including consulting with the Enforcement Committee, Complaints Committee, or Professional Standards Committee as needed.
- Funds for legal opinions and possible court actions will be drawn from PEO’s existing budgets for Legal Services

4. Peer Review & Process Followed

Process Followed	<ul style="list-style-type: none"> • Over the past few months, the Legislation Committee has undertaken to review all external legislation and regulations that refer to or involve the practice of professional engineering, and that may conflict with PEO’s exclusive authority under the <i>Professional Engineers Act</i> or its Regulations (O. Reg. 941/90 or 260/08) to regulate the practice of professional engineering in the public interest. A table of those references has been posted on PEO’s website (Act, Regulations and By-laws page) to guide practitioners. • The draft Protocol and this briefing note were reviewed by the Legislation Committee at its January 6, 2017 meeting
Council Identified Review	<ul style="list-style-type: none"> • For each item on the list, based on its prioritization and category, the Registrar will consult with the Enforcement Committee, Complaints Committee, and Professional Standards Committee.
Actual Motion Review	<ul style="list-style-type: none"> • This is the first time this Protocol is being presented to Council or the Executive Committee. • The proposed Motion was reviewed and approved by the Legislation Committee at its February 10, 2017 meeting

5. Appendices

- Appendix A – Regulatory Conflict Protocol
- Appendix B – Regulatory Conflict Log

Appendix A: REGULATORY CONFLICT PROTOCOL (DRAFT)

Purpose:

The Regulatory Conflict Protocol addresses PEO's required action(s) pertaining to external legislation (Ontario statutes and regulations) that appear to conflict with the *Professional Engineers Act* or its Regulations (O. Reg. 941/90 or 260/08).

The *Professional Engineers Act* provides exclusive authority for PEO to regulate the practice of professional engineering in Ontario and to govern its members in the public interest. Any other piece of provincial legislation or regulation must not interfere with PEO's exclusive legislative authority. (Note: Some statutes like the *Environmental Protection Act* and the *Ontario Human Rights Code* have a clause which states that certain sections are paramount over all other provincial statutes).

There are five categories or levels of potential regulatory conflict;

1. Infringement
2. Overlap
3. Non-alignment
4. Practice Guidance, and
5. No Apparent Conflict

These are further described below, along with their respective action(s).

1. Infringement

Definition: Containing a clause or clauses which infringe on PEO's authority to regulate the practice of professional engineering in Ontario by duplicating or frustrating provisions of the *Professional Engineers Act*.

Examples from legislative review: improper use of term "engineer"; requiring a professional engineer to sign and seal a document; reference to "licensed to practice professional engineering in Ontario"; required to supervise a non-engineer or to hold a Certificate of Authorization; certify engineering work; declare compliance with regulations or requirements, to declare something as safe for the public despite its non-compliance with standards, codes, or rules; or to specify additional engineering educational or experience requirements or designations beyond those required for licensure by PEO.

Actions to be taken: (some or all)

- a. Registrar to raise and discuss the issue with the custodial¹ Ministry's staff.
- b. Registrar to seek evidence of public interest harm stemming from the infringement.
- c. Registrar to seek a legal opinion on the infringement.
- d. Legislation Committee to recommend a draft Position Statement for Council approval.
- e. Council to decide on the Position Statement, which may include political action and legal action.

¹ Refers to the specific Ontario government ministry responsible for the legislation and its regulations

- f. Registrar to alert the Ministry of the Attorney General.
- g. President to write to the appropriate custodial Minister seeking redress.
- h. PEO to apply to courts where necessary.

2. **Overlap**

Definition: Containing clause(s) that include professional engineers among a list of “qualified persons” eligible or required to carry out certain legislated requirements, and which require more detailed analysis to determine whether the activity is exclusively the practice of professional engineering as defined in the *Professional Engineers Act*.

Examples from legislative review: Professional engineer licensees are included in lists of “qualified persons” to perform certain activities that may or may not be considered the practice of professional engineering

Actions to be taken (some or all):

- a. Registrar to contact the custodial ministry to seek clarification on the required activity.
- b. Registrar to seek evidence of that Ministry’s experience with the activity and/or any deficiencies in the work of those carrying out such activities.
- c. Registrar to obtain determination whether the activity requires the exclusive practice of professional engineering and to seek evidence of harm to the public;
 - i. If the Registrar determines that the activity for “qualified persons” is exclusive to engineering practice, then the matter is to be treated as an “infringement” category item as above in 1.
 - ii. If the Registrar determines that the regulatory requirement concerns declaratory statements underwritten through the instrument of a licence for public accountability, but is not the practice of professional engineering, the Registrar will clarify for the custodial Ministry and licence holders the implications of licence holders carrying out this work.
 - iii. if the Registrar determines that the regulatory requirement does not involve the practice of professional engineering, the Registrar may need to instruct licence holders of their obligations under the PEA in carrying out this work.

3. **Non-Alignment**

Definition: Definitions and uses of the term “engineer”, “professional engineer” or the like that do not match the language found in the *Professional Engineers Act*

Examples from legislative review: references to “registered under the Professional Engineers Act”; “member in good standing with the Association of Professional Engineers of Ontario”; exclusion of limited licence holders among those permitted to carry out a certain activity; reference to title or membership with PEO rather than to a licence instrument.

Actions to be taken (some or all):

- a. Registrar to alert the Ministry of the Attorney General.
- b. Registrar to raise the issue with custodial Ministry staff.

- c. President to write letters to the custodial Minister to address the problem.
- d. For Regulations, the Registrar to monitor Environmental Bills of Rights and Regulatory Registry postings to identify opportunities to amend Regulations on our Regulatory Conflict list.
- e. For Acts, the Registrar to monitor the Legislative Assembly website to identify opportunities to amend introduced Acts on our Regulatory Conflict list, and to make submissions to the Legislature for those amendments at Standing Committee. This may require political action as well.

4. **Practice Guidance**

Definition: Qualitative measures or references to non-technical engineering professional practice standards that should instead be defined by PEO

Examples from legislative review: use of terms “good engineering practice”, “appropriate engineering standards” or certification

Actions to be taken (some or all):

- a. Registrar to determine whether references are to technical matters or professional practice activity, and to act on the latter. If the former, then treat as “no apparent conflict” category (see below in 5.)
- b. Registrar to raise the issue with the custodial ministry staff to determine their understandings and expectations for those standards and practice, along with any perceived deficiencies.
- c. Registrar to bring the issue to Professional Standards Committee for review and consideration through its criteria.
- d. Professional Standards Committee may develop, issue, and promote Professional Practice Guidelines or Standards to clarify the engineer’s professional responsibilities under the PEA in meeting requirements of external legislation. Consultation with custodial Ministry staff in drafting those guidelines or standards is preferred.
- e. If performance standards are required, Registrar to prepare policy intents for Council approval, and following that, alert the Ministry of the Attorney General and PEO’s Legislation Committee to draft and review Regulation changes, as per Council’s Regulatory Policy Protocol.

5. **No Apparent Conflict**

Definition: References in external legislation are in compliance with definitions and requirements contained in the *Professional Engineers Act*.

Examples from legislative review: inclusion of licence, limited licence and temporary licence; activities required to be performed are not specifically involving the practice of professional engineering.

Actions to be taken:

- a. Issue letter signed by the President to thank the custodial ministry for its compliance.
- b. Use these examples for future work with same or other custodial ministries

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

C-511-2.4 – Appendix B

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
1.	Advanced Education and Skills Development	<u>ONTARIO COLLEGES OF TRADES AND APPRENTICESHIP ACT 2009, O. REG. 276/11 SCOPE OF PRACTICE — TRADES IN THE INDUSTRIAL SECTOR MULTIPLE SECTIONS</u>	<p>Composite structures technician 4. The scope of practice for the trade of composite structures technician includes the following: 1. Inspecting, evaluating damage, repairing and replacing damaged aircraft components according to approved engineering data and process requirements.</p> <p>Draftsperson — mechanical 7. The scope of practice for the trade of draftsperson — mechanical includes the following: 1. Developing and preparing engineering designs and drawings Draftsperson — plastic mould design 8. The scope of practice for the trade of draftsperson — plastic mould design includes the following: 1. Developing and preparing engineering designs and drawings.</p>	<p>Inspecting and evaluating</p> <p>Developing and Preparing engineering designs</p>	<p>Allows non-engineers to inspect, evaluate, repair and replace damaged components according to approved engineering data and process requirements</p> <p>Allows draftsperson to develop and prepare engineering drawings</p>	<p>Possible PEA conflict to inspect and evaluate damaged components</p> <p>Possible PEA conflict on developing and preparing engineering drawings</p>	<p>Regulatory Infringement</p> <p>Regulatory Infringement</p>	<p>Regulatory Infringement</p> <p>Regulatory Infringement</p>

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
2.	Agriculture, Food and Rural Affairs	<u>DRAINAGE ACT R.S.O 1990, CHAPTER D. 17 MULTIPLE SECTIONS</u>	Professional engineers to examine land requiring drainage, make reports, conduct tribunals, make assessments and apportion costs Sets out rules and procedures for activities to be handled by land drainage engineer	Land drainage expertise – adjudicating disputes between landowners	Definition of “professional engineer” means an engineer registered under the PEA, <u>or a surveyor registered under the Surveyors Act, or a partnership, association of persons or corporation that holds a certificate of authorization under the Professional Engineers Act or the Surveyors Act, as the case may be; (“ingénieur”)</u>	A surveyor is not automatically an engineer, and the CofA requirement is redundant	Regulatory Infringement/ Regulatory Non-Alignment	Regulatory Infringement
3.	Agriculture, Food & Rural Affairs	<u>FOOD SAFETY AND QUALITY ACT 2001 O. REG. 105/09 DISPOSAL OF DEADSTOCK SECTIONS 1, 64(2)(B)</u>	Certification by an engineer or geoscientist that a composting pad at a composting facility meets the specified requirements	Certification as meeting requirements	"engineer" means a person who holds a licence or a temporary licence under the <i>Professional Engineers Act</i> , but not a limited license.	Excludes LL	Regulatory Non-Alignment	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
4.	Agriculture, Food & Rural Affairs	<u>NUTRIENT MANAGEMENT ACT, 2002, O. REG. 267/03 GENERAL MULTIPLE SECTIONS</u>	<p>A professional engineer or geoscientist shall carry out a hydrogeological or geotechnical investigation prior to construction or expansion of a permanent liquid nutrient storage facility.</p> <p>All new or expanded nutrient storage facilities shall be designed by professional engineers.</p>	<p>Hydrological or geotechnical investigation</p> <p>Design of storage facilities</p>	<p>"professional engineer" means a person who holds a licence or a temporary licence under the <i>Professional Engineers Act</i>, but <u>does not include a person who holds a limited licence issued under that Act</u>;</p>	Excludes LL	Regulatory Non-Alignment	Regulatory Non-Alignment
5.	Agriculture, Food, and Rural Affairs	<u>NUTRIENT MANAGEMENT ACT, 2016 GREENHOUSE NUTRIENT FEEDWATER, O. REG 300/14 MULTIPLE SECTIONS</u>	<p>“professional engineer” has the same meaning as in subsection 1 (1) of the general regulation; (“ingénieur”)</p> <p>Many references and requirements for engineers</p>	<p>What is required of engineers designing and constructing greenhouse waste water systems</p>	<p>Definition</p> <p>Site characterization Study</p> <p>52. (2) The following requirements apply with respect to the investigation mentioned in clause (1) (a):</p> <p>1. The person who carries out the</p>	<p>Definition in general regulation excludes limited license holders</p> <p>May require a PSC guideline</p>	<p>Regulatory Non-Alignment</p> <p>Regulatory Guidance</p>	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
					investigation shall be a professional engineer or a professional geoscientist or a person <u>working under the supervision of a professional engineer</u> or a professional geoscientist.	Intrudes with supervision requirements under s. 17 of the PEAct	Regulatory Infringement	
6.	Agriculture, Food, and Rural Affairs	<u>AGRICULTURAL AND HORTICULTURAL ORGANIZATIONS ACT, R.S.O. 1990, REG. 17 NAMES SECTION 1(3)</u>	Agricultural and horticultural organizations cannot use ‘engineer’ or ‘engineering’ in their names, excepting consent from PEO.				No Apparent Conflict	No Apparent Conflict
7.	Attorney General	<u>ARCHITECTS ACT R.S.O. 1990, CHAPTER A.26 MULTIPLE SECTIONS</u> <u>R.R.O. 1990, REGULATION 27 AMENDED TO O. REG. 259/05 GENERAL SECTION 50</u>	Division of services between architects and engineers [equivalent to sections 12(4)-(6) of the Professional Engineers Act]	None in Architects Act – see section 12(4)-(6) of PEA	"professional engineer" means a person who holds a licence or a temporary licence under the <i>Professional Engineers Act</i> , ("ingénieur")	Excludes LL	Regulatory Non-Alignment	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
8.	Attorney General	<u>CONSTRUCTION LIEN ACT</u> <u>R.S.O. 1990 CHAPTER C. 30</u> <u>SECTION 67(4)</u>	Professional engineers included as “payment certifiers” Courts resolving lien claims may obtain assistance from professional engineers (among others).	None Professional advice	Definition of “professional engineer” means <u>member in good standing</u> of the Association	Definition should refer to licences excludes TLs and LLs May need a PSC guideline on certifying or professional advice	Regulatory Non-Alignment Regulatory Guidance	Regulatory Non-Alignment
9.	Community and Social Services/ Children and Youth Services	<u>CHILD AND FAMILY SERVICES ACT</u> <u>R.R.O. 1990, REG. 70 GENERAL</u> <u>AMENDED TO O. REG. 77/02</u> MULTIPLE SECTIONS	Actual capital cost for grant application shall include cost for engineering services Payments from grants for building projects will only be made after a professional engineer or architect certifies that the project is completed	None	Definition of “professional engineer” means <u>member in good standing</u> of the Association	Definition should refer to licence excludes TLs and LLs May need PSC standard for certification of capital cost before construction	Regulatory Non-Alignment Regulatory Guidance	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
10.	Community and Social Services	<u>ELDERLY PERSONS CENTRES ACT R.R.O. 1990, REG. 314 GENERAL AMENDED TO O. REG. 148/99</u> MULTIPLE SECTIONS	Actual cost for grant application shall include cost for engineering services Payments from grants for building projects will only be made after a professional engineer or architect certifies that the project is completed	None None	Definition of “professional engineer” means <u>member in good standing</u> of the Association	Definition should refer to licence; excludes TLs and LLs May need a PSC guideline on certification for payment purposes	Regulatory Non-Alignment Regulatory Guidance	Regulatory Non-Alignment
11.	Community Safety & Correctional Services	<u>FIRE PROTECTION AND PREVENTION ACT, 1997 O. REG. 213/07</u> FIRE CODE MULTIPLE SECTIONS	Fire code requirements for use of “good engineering practice Life Safety Study shall be signed and sealed by a Professional Engineer or Architect Compliance equivalency Alternative solutions	Fire protection and prevention	“Professional Engineer” means a <u>member or licensee</u> of the Association of Professional Engineers of the Province of Ontario under the Professional Engineers Act. Numerous signature & seal requirements	Definition Reference to “good engineering Practice” Signature/ seal requirement may infringe the PEA	Regulatory Non-Alignment Regulatory Guidance Regulatory Infringement	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
12.	Economic Development and Growth	<u>INFRASTRUCTURE FOR JOBS AND PROSPERITY ACT, 2015</u> SECTIONS 8(1), (2) AND (4)	Professional engineers must be involved in infrastructure projects that meet or exceed prescribed construction costs	Design and construction	None	None	No Apparent Conflict	No Apparent Conflict
13.	Education	<u>EDUCATION ACT R.R.O. 1990, REG. 309 SUPERVISORY OFFICERS AMENDED TO O. REG. 189/04</u> SECTION 1(1), 2(1)3(II), 4(A)	Includes professional engineer licence as acceptable qualification for the Business Supervisory Officer’s Certificate (requirement for management position in a school board)	None	Definition of “professional engineer” means a person who is a professional engineer within the meaning of the PEA	Definition: excludes LL	Regulatory Non-Alignment	Regulatory Non-Alignment
14.	Education	<u>CHILD CARE AND EARLY YEARS ACT, 2014 FUNDING, COST SHARING AND FINANCIAL ASSISTANCE, O. REG 138/15</u>	“professional engineer” means a professional engineer who is a member in good standing of the Association of Professional Engineers of the Province of Ontario; (“ingénieur”)	Prepare building plans and specifications		Member may too vague a term to use in this legislation. Definition should reference specific classes of licensee. excludes TLs and LLs	Regulatory Non-Alignment	Regulatory Non-Alignment
15.	Energy	<u>ELECTRICITY ACT, 1998</u> <u>O. REG. 570/05</u> LICENSING OF ELECTRICAL	Professional engineers with at least three years’ experience working for an electrical contractor are eligible for a master electrician’s licence (i.e. can be	None	11(b)(ii) Master electrician may be working for an electrical contractor as a licensed	Definition should not refer to “registered”; excludes LLs	Regulatory Non-Alignment	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		CONTRACTORS AND MASTER ELECTRICIANS MULTIPLE SECTIONS	the owner of an electrical contracting firm)		professional engineer registered with the Professional Engineers of Ontario,			
16.	Energy	ELECTRICITY ACT O. REG 438/07 PRODUCT SAFETY SECTION 2(2)	Deemed approvals by ESA by accepting reports or other evidence of testing from a professional engineer	Testing	No definition of “professional engineer” in Regulation	No definition for term to support enforcement	Regulatory Non-Alignment	Regulatory Non-Alignment
17.	Energy	ELECTRICITY ACT ELECTRICAL DISTRIBUTION SAFETY O. REG 22/04 SECTIONS 7-9, 11, 14	"professional engineer" means a person who holds a licence or a temporary licence under the Professional Engineers Act	ss. 9(1)(b), 11(4)(b) Prepare plans, certify compliance with safety standards, carry out inspections, certifies that non-compliance will not affect public safety	s. 8(2)(b) also allows inspections by “qualified persons identified in a construction verification program developed by the distributor and approved by the Authority”	Certifying that non-compliance will not adversely affect public safety is problematic (and contrary to professional misconduct provisions) Qualified persons other than engineers can do inspections	Regulatory Infringement Regulatory Overlap	Regulatory Infringement
18.	Environment and Climate Change	ENDANGERED SPECIES ACT, 2007, O. REG. 242/08 GENERAL SECTION 23.1(5)8.	Sediment control fencing or other erosion prevention measures for redbreasted dace must be inspected by qualified inspectors or professional engineers.	Certification	Qualifications of “qualified inspector” undefined	No definition for professional engineer` or qualified inspector``	Regulatory Non-Alignment Regulatory Overlap	Regulatory Overlap

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
19.	Environment and Climate Change	ENVIRONMENTAL ASSESSMENT ACT R.S.O. 1990, REG. 334 GENERAL SECTION 5(1.1)	estimate of the cost of an undertaking prepared by an engineer, architect, official, planner or construction contractor	Preparing cost estimate for undertakings	Term “engineer” undefined in Act or Regulation	Definition missing	Regulatory Overlap	Regulatory Overlap
20.	Environment and Climate Change	ENVIRONMENTAL ASSESSMENT ACT R.S.O. 1990, O. REG. 345/93 DESIGNATION AND EXEMPTION - PRIVATE SECTOR DEVELOPERS SECTION 4	Regulation does not apply before November 30, 1993 if plans and documents are submitted to the municipal engineer.		Is the term “municipal engineer” a title? Could they not be a P.Eng.? Is this an enforcement issue?	Title requirement	Regulatory Infringement	Regulatory Infringement
21.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT O. REG. 232/98 LANDFILL SITES MULTIPLE SECTIONS (NOTE: EPA HAS A PARAMOUNCY CLAUSE OVER OTHER LEGISLATION INCLUDING THE PEA)	The report of a suitably qualified geotechnical engineer must confirm that there is no evident cracking in the constructed liner or significant occurrence of clods, stones References to estimating service life of “engineered facilities” Geotechnical engineer must provide report for compacted clay liners for landfills	Prepares report to confirm no cracks in landfill site constructed liners Designing liners	Specifies type of engineer and that they must be “suitably qualified”	Types and “suitably qualified” infringes the PEA May require a Professional Practice guideline	Regulatory Infringement Regulatory Guidance	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
22.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT O. REG. 359/09 RENEWABLE ENERGY APPROVALS SECTION 1(1)	Hydrogeological assessment report by a professional engineer, professional geoscientist or a persons working under their supervision "professional engineer" means a person who holds a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> ;	Prepare a hydrological assessment report for a renewable energy project	Includes provision for professional geoscientists and others Allows supervised persons	Infringes section 17 of PEA (CofA)	No Apparent Conflict Regulatory Infringement	Regulatory Infringement
23.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT O. REG. 194/05 INDUSTRY EMISSIONS - NITROGEN OXIDES AND SULPHUR DIOXIDE S. 17(8)(A), 32(8)(A)	Determination of intensity rate for industrial gaseous emissions and evaluation of new and replaced technology shall be evaluated and certified by a P. Eng.	Determination of intensity rate Certify evaluation of industry nitrous and sulphur dioxide emissions control technology as complete, accurate and compliant with regulations	holds a licence or temporary licence issued under the <i>Professional Engineers Act</i> to <u>engage in the practice of professional engineering, other than a limited licence</u> issued under that Act;	Definition excludes Limited Licence holder, engage in practice ``is redundant	Regulatory Non-Alignment	Regulatory Non-Alignment
24.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT EFFLUENT MONITORING AND EFFLUENT LIMITS O. REG. 537/93 - PETROLEUM SECTOR, SS. 3(3),(4)	Determine by calibration or confirm by means of a certified report of a <u>registered professional engineer</u> of the Province of Ontario	Measurement of dischargers Certify report of flow measurement for effluent monitoring	Registered professional engineer of the Province of Ontario	“Registered” should be “licensed” and include LLs Certified report	Regulatory Non-Alignment Regulatory Infringement	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

		<p>O. REG. 760/93, PULP AND PAPER SECTOR, SS.27(7),(8)</p> <p>O.REG. 560/94, MINING SECTOR, SS.31(9),(10)</p> <p>O.REG. 561/94, INDUSTRIAL MINERALS SECTOR, SS. 30(8),(9)</p> <p>O.REG. 562/94, METAL CASTING SECTOR, SS. 27(7),(8)</p> <p>O. REG. 63/95, ORGANIC CHEMICAL MANUFACTURING SECTOR, SS. 34(12),(13)</p> <p>O.REG. 64/95 INORGANIC CHEMICAL SECTOR, SS. 34(12),(13)</p> <p>O.REG. 214/95 , IRON AND STEEL MANUFACTURING SECTOR, SS. 33(9),(10)</p> <p>O.REG. 215/95 ELECTRIC POWER GENERATION</p>						
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Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		SECTOR, SS. 28(14),(15)						
25.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT O. REG. 98/12 GROUND SOURCE HEAT PUMPS, SS. 3(3),(4)	"licensed engineering practitioner" means a person who holds a licence, limited licence or temporary licence under the Professional Engineers	Prepare work plan for ground source heat pumps			No Apparent Conflict	No Apparent Conflict
26.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT O. REG. 153/04 AMENDED TO O. REG. 366/05 RECORD OF SITE CONDITION MULTIPLE SECTIONS	Professional engineers are qualified persons for purposes of preparing and filling record of site conditions. Professional engineers with appropriate educational background and experience are qualified to provide risk assessments. Certify that “The opinions expressed in the risk assessment are engineering or scientific opinions made in accordance with generally accepted principles and practices as recognized by members of the environmental engineering or science profession or discipline practising at the same time and in the same or similar location.”	None for filing Environmental Risk Assessment	Section 6(1) specifies educational requirements for risk assessment, but EPA is paramount	Sections 5 & 6 allow “qualified persons” (Section 6 does not mention professional engineers, but only those with an engineering degree)	Regulatory Overlap Regulatory Infringement	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
27.	Environment and Climate Change	<u>ENVIRONMENTAL PROTECTION ACT</u> <u>R.S.O. 1990 REG. 347</u> WASTE MANAGEMENT MULTIPLE SECTIONS	A description of how sound scientific or engineering principles have been used to support the statements required by paragraphs 1, 2 and 3.	Prepare work plan on landfill site	Asking engineer to justify their use of engineering principles	Infringes PEA; Could use a PSC guideline	Regulatory Infringement Regulatory Guidance`	Regulatory Infringement
28.	Environment and Climate Change	<u>ENVIRONMENTAL PROTECTION ACT</u> <u>R.S.O. 1990, O. REG. 97/14</u> GREENER DIESEL - RENEWABLE FUEL CONTENT REQUIREMENTS FOR PETROLEUM DIESEL FUEL SECTIONS 5(3)(B) AND 8(2)(E)	Engineers are required to confirm certain calculations.	Making and confirming calculations using expert engineering knowledge	“Expert knowledge” requirement	Could use a PSC guideline	Regulatory Guidance	Regulatory Guidance
29.	Environment and Climate Change	<u>ENVIRONMENTAL PROTECTION ACT REGISTRATIONS UNDER PART II.2 OF THE ACT — SOLAR FACILITIES, O REG 350/12</u> SECTIONS 1(1) & 3(2)	“If the facility does not meet the criterion set out in paragraph 6 of subsection 3 (2), a copy of a report prepared by a professional engineer or a person working under the supervision of a professional engineer, concluding that the sound discharged from the facility does not result in a sound	Preparing a noise pollution report for certain solar facilities	Refers to a “person working under the supervision of a professional engineer” which infringes section 17 (Certificate of Authorization)	Supervision May require a PSC Guideline	Regulatory Infringement/ Regulatory Guidance	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			pressure level that, at any point on the property boundary of any noise receptor, exceeds the sound pressure level described in clause 3 (3) (a) or (b).”		“professional engineer” means a person who holds a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> ;		Regulatory Non-Alignment	
30.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT ALTERNATIVE LOW-CARBON FUELS, O. REG 79/15 SECTIONS 1(1) & 11(1)	“11. (1) For the purposes of paragraph 1 of section 4, the proponent shall ensure that a written carbon dioxide emission intensity report is prepared by a licensed engineering practitioner, consisting of the following:”	Requires engineers to prepare carbon dioxide emission intensity report	Report requirements “licensed engineering practitioner” means a person who holds a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> ;	May require a PSC Guideline	Regulatory Guidance No Apparent Conflict	Regulatory Guidance
31.	Environment and Climate Change	ENVIRONMENTAL PROTECTION ACT REGISTRATIONS UNDER PART II.2 OF THE ACT - WATER TAKING, O REG 63/16	S. 4(2). A person meets the qualifications referred to in subparagraph 1 i of subsection (1) if the person holds, at a minimum, a bachelor’s degree with a specialization in hydrology, aquatic ecology, limnology, biology,	1. Prepare report on water taking criteria for road construction purposes 2. Prepare a Water taking plan for	Engineers are one among many identified individuals who could can submit this report	Potential Regulatory Overlap	No Apparent Conflict	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		SECTION 4(2), 9(2), & 9(3)	<p>physical geography or water resources management or engineering.</p> <p>S. 9(2). A person meets the qualifications referred to in subparagraph 1 i of subsection (1) if the person, (a) holds a certificate of registration under the Professional Geoscientists Act, 2000, and is a practising member, temporary member or limited member of the Association of Professional Geoscientists of Ontario; or (b) is a professional engineer who meets the requirements set out in paragraph 2 of subsection 3 (3) of the Professional Geoscientists Act, 2000.</p> <p>S. 9(3). A person meets the qualifications referred to in subparagraph 1 ii of subsection (1) if the person holds, at a minimum, a bachelor’s degree with a specialization in hydrology, aquatic ecology, limnology, biology, physical geography or water resources management or engineering.</p>	<p>construction site dewatering</p> <p>3. Prepare a discharge plan for construction site dewatering</p>	<p>Improper Definition of Engineer</p> <p>This section permits non-engineers to complete discharge plans for construction site dewatering, elements of which reasonably fall within the practice of engineering</p>	<p>Definition of engineer is taken from Professional Geoscientists Act.</p> <p>Non-engineers permitted to practice engineering</p>	<p>Regulatory Non-Alignment</p> <p>Regulatory Infringement</p>	

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
32.	Environment and Climate Change	ONTARIO WATER RESOURCES ACT R.R.O. 1990, CHAPTER O.40	Engineering fees` as costs				No Apparent Conflict	No Apparent Conflict
33.	Environment and Climate Change	ONTARIO WATER RESOURCES ACT O.REG. 129/04 LICENSING OF SEWAGE WORKS OPERATORS MULTIPLE SECTIONS	Sets rules under which a professional engineer lacking an operator’s licence can be operator-in-charge of a sewage works. Definition of professional engineer as operator of sewage works (7) A professional engineer who does not have the licence required by subsection (1) or (2) may be designated as overall responsible operator if the engineer has been employed in the facility for less than six months Despite subsection (1), the owner may designate a professional engineer who does not have an operator's licence as an operator-in-charge.	none	"professional engineer" means a professional engineer as defined in the <i>Professional Engineers Act</i> ;	Definition excludes LLs	Regulatory Non-Alignment	Regulatory Non-Alignment
34.	Environment and Climate Change	ONTARIO WATER RESOURCES ACT REG. 903 WELLS SECTION 1.0.3 & 6(3.2)	Engineers can drill wells without having a well technician’s licence, and engineering interns need less classroom hours and experience to become a technician		Well Licence Technician 5.(3.2) Paragraph 1 of subsection (3.1) applies to an applicant who, (a) is a member of the Association of	EITs are not PEO members	Regulatory Non-Alignment	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
						Professional Engineers of Ontario as an engineer-in-training;		
35.	Environment and Climate Change	PESTICIDES ACT R.R.O. 1990, O. REG. 63/09 GENERAL SECTION 1(1) & 61	A person shall not cause or permit the fumigation of a vault unless the vault has been confirmed to be air-tight by a professional engineer’s report	Unspecified	"professional engineer" means a person who holds a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> ;	MOECC should define air tightness standard	Regulatory Guidance	Regulatory Guidance
36.	Environment and Climate Change	SAFE DRINKING WATER ACT, 2002 S.O. 2002, CHAPTER 32 MULTIPLE SECTIONS	The Director may require an applicant to submit an engineer’s report. A person shall not be considered to have failed to carry out a duty in this statute when the person relied in good faith on a report from an engineer.	None None	No definition of “engineer”	Definition and licence requirement missing	Regulatory Infringement No Apparent Conflict	Regulatory Infringement
37.	Environment and Climate Change	SAFE DRINKING WATER ACT, 2002 O.REG. 128/04 AMENDED TO O. REG. 256/05	Sets rules under which an engineer lacking an operator’s licence can be operator-in-charge of a drinking water system.	Being an operator-in-charge of a drinking water system	None - “licensed engineering practitioner” means a person who holds a licence, limited licence or		No Apparent Conflict	No Apparent Conflict

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		CERTIFICATION OF DRINKING-WATER SYSTEM OPERATORS AND WATER QUALITY ANALYSTS SECTION 1(1) & 25(3)-25(4)			temporary licence under the <i>Professional Engineers Act</i> ,			
38.	Environment and Climate Change	SAFE DRINKING WATER ACT, 2002 O. REG. 242/05 NO AMENDMENTS COMPLIANCE AND ENFORCEMENT SECTION 3(5)	The Director may order a person responsible for an efficient drinking-water system to obtain a report from a professional engineer certifying that the equipment required in order to comply with the order is being provided.	Preparing an equipment order compliance report	No definition of “professional engineer” listed		Regulatory Non-Alignment	Regulatory Non-Alignment
39.	Environment and Climate Change	SAFE DRINKING WATER ACT, 2002 O. REG. 170/03 AMENDED TO O. REG. 253/05 DRINKING-WATER SYSTEMS MULTIPLE SECTIONS	Determination whether raw water supply of ground water is under influence of surface water Sets out requirements for engineer’s reports. An applicant proposing conditions in an approval shall obtain an assessment prepared by a professional engineer or a professional hydrogeologist.	Determination Preparing report Assessment	None-definition uses “licensed engineering practitioner” = L, TL, LLs		No Apparent Conflict No Apparent Conflict No Apparent Conflict	No Apparent Conflict

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
40.	Environment and Climate Change	SAFE DRINKING WATER ACT, 2002 O. REG.248/03 AMENDED TO O. REG. 254/05 DRINKING-WATER TESTING SERVICES SECTIONS 1(1) & 3(1)5.	Drinking water testing licence not required for professional engineers	None	None-definition uses “licensed engineering practitioner” = L, TL, LLs		No Apparent Conflict	No Apparent Conflict
41.	Finance	COMMODITY FUTURES ACT, RSO 1990 SECTION 31(B)	Engineers are not required to register as an adviser if their service as an advisor is incidental to their principal business or occupation		“Engineer” not defined anywhere in the Act		Regulatory Non-Alignment/Regulatory Overlap	Regulatory Overlap
42.	Government and Consumer Services	CONDOMINIUM ACT, 1998 S.O. 1998, CHAPTER 19 MULTIPLE SECTIONS	Anyone planning to convert rental units to condominium units must obtain a report from an engineer, architect or another qualified person who inspected and reported on <u>all issues of concern.</u> Board shall retain an engineer or architect to conduct a performance audit of all common elements	Inspection and reporting of “all issues of concern” Conduct Performance Audit	Note: “engineer” not defined anywhere in the Act or Regulations “all issues of concern” is too vague Requires engineer to hold a Certificate of Authorization from PEO	Definition Section 9(4) allows “qualified persons” Definition CofA reference instead of licence PSC developing Guideline on	Regulatory Infringement Regulatory Overlap Regulatory Infringement Regulatory Infringement Regulatory Guidance	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			Certify all buildings on the property are constructed in accordance with the regulations	Compliance Audit		Performance Audits	No Apparent Conflict	
43.	Government and Consumer Services	CONDOMINIUM ACT O.REG. 48/01 GENERAL MULTIPLE SECTIONS	<p>The filed description of the condominium must include a certificate by professional engineer indicating that the building has been constructed in accordance with the regulations.</p> <p>Prepare comprehensive assessment of physical analysis of building and components for purposes of Reserve Fund study,</p> <p>(b) the as-built architectural, structural, engineering, mechanical, electrical and plumbing plans for the property that are in the custody or under the control of the corporation;</p> <p>(c) the as-built specifications for the buildings that are in the custody or under the control of the corporation;</p> <p>(d) the plans for underground site services, site grading, drainage and landscaping, and television, radio or other communications services for the property that are in</p>	<p>Section 12 (4-6) of PEA</p> <p>Review of plans, as-built specifications, plans for underground site services, repair and maintenance records and assessment for physical analysis of building and its components</p>	Refers to “Persons who hold a certificate of authorization within the meaning of the <i>Professional Engineers Act.</i> ”	<p>CofA reference instead of licence</p> <p>May need PSC guideline for performance audit</p>	<p>Regulatory Infringement</p> <p>Regulatory Guidance</p>	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			the custody or under the control of the corporation; (e) the repair and maintenance records and schedules in the custody or under the control of the corporation; Confirmation of proper installation of common elements	Writing report on building performance of common elements wrt Building Code Act				
44.	Government and Consumer Services	CONDOMINIUM ACT O. REG 49/01 DESCRIPTION AND REGISTRATION SECTION 14	Requirements for various certificates for registration of different types of condominiums to be provided by professional engineers;	Preparation of structural plans for buildings and common elements on property	Refers to “Persons who hold a certificate of authorization within the meaning of the <i>Professional Engineers Act.</i> ”	CofA reference instead of licence	Regulatory Infringement	Regulatory Infringement
45.	Government and Consumer Services	CORPORATIONS ACT, R.S.O. 1990, REG. 181 GENERAL SECTION 3(1)(4)	Corporations cannot use “engineer”, “engineering”, or their French equivalents in their name without the express permission of PEO.	Title			No Apparent Conflict	No Apparent Conflict
46.	Government and Consumer Services	TECHNICAL STANDARDS AND SAFETY ACT, 2000 O. REG. 214/01 NO AMENDMENTS COMPRESSED NATURAL GAS SECTION 20	Plans for new and altered compressed gas refueling stations must be prepared, signed and sealed by a professional engineer and the engineer must provide a declaration that the design complies with all applicable requirements.	Mechanical design	"professional engineer" means a person licensed under the <i>Professional Engineers Act</i> “Signed and sealed” is redundant with	Definition excludes LLs Signing and sealing requirement	Regulatory Non-Alignment Regulatory Infringement	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
					section 53 of Regulation 941 under the PEA			
47.	Government and Consumer Services	TECHNICAL STANDARDS AND SAFETY ACT, 2000 O. REG. 209/01 AMENDED TO O. REG. 185/03 ELEVATING DEVICES MULTIPLE SECTIONS	All documents for elevating devices must be prepared or approved by a professional engineer. The engineer must provide a declaration that the design complies with all applicable requirements. 5(2) If no code, standard or other technical rule has been authorized under section 36 of the Act so that the new elevating device has not been dealt with, general engineering practice normally applied to elevating devices on the basis of the code adoption document apply, having regard to the particular situation and risk safety assessment.	Safety inspections	"professional "engineer" means a professional engineer within the meaning of the <i>Professional Engineers Act</i> ; General Engineering practice to overcome unauthorized code, standard or other technical rule All documents and designs must bear signature and seal of professional engineer	Definition Excludes LL "General engineering practice" may require a PSC guideline Signing, sealing requirement	Regulatory Non-Alignment Regulatory Guidance Regulatory Infringement	Regulatory Infringement
48.	Government and Consumer Services	TECHNICAL STANDARDS AND SAFETY ACT, 2000 O. REG. 215/01	Professional engineers working in the field of fuel oil or natural gas distribution are deemed to hold certain certificates.	Prepare Mechanical and electrical design, submit drawings, sign and seal,	A professional engineer within the meaning of the <i>Professional Engineers Act</i>	Definition excludes LL	Regulatory Non-Alignment	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		<p><u>AMENDED TO O. REG. 184/03 FUEL INDUSTRY CERTIFICATES</u> MULTIPLE SECTIONS</p>	<p>Design registration 16. (1) Except as provided in subsection (4), a person who plans to construct a central oil distribution system or facility or to make a modification to it shall submit drawings in triplicate of the proposed system or facility to the director for registration. O. Reg. 213/01, s. 16 (1).</p> <p>(4) A person may prepare drawings for the construction or modification of a system or facility under subsection (1) and may, despite that subsection, submit only one copy if,</p> <p>(a) a professional engineer has reviewed them, stamped them with his or her seal and signed them;</p> <p>(b) the professional engineer has submitted a declaration to the director that the drawings are in compliance with the requirements of this Regulation; and</p> <p>(5) In this section, “professional engineer” means a person licensed under the <i>Professional Engineers Act</i>. O. Reg. 213/01, s. 16 (5).</p>		<p>Signing, sealing requirement redundant with sections 53, 72(2)(d) Regulation 941</p>	<p>Redundancy</p>	<p>Regulatory Infringement/ Regulatory Overlap</p>	

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
49.	Government and Consumer Services	TECHNICAL STANDARDS AND SAFETY ACT, 2000 <u>O. REG. 213/01</u> <u>NO AMENDMENTS</u> FUEL OIL <u>O. REG. 217/01</u> <u>NO AMENDMENTS</u> LIQUID FUELS SECTION 20(9) & 20(14)	<p>Rules for submitting drawings prepared by professional engineers when making applications for liquid fuels licence or registering a fuel oil system or facility.</p> <p>20. (9) An applicant may submit only one copy of the drawings if,</p> <p>(a) the plans are reviewed by a professional engineer, are stamped with the seal of the engineer and signed by him or her declaring that the plans comply with all the requirements of this Regulation;</p> <p>(b) the professional engineer submits a written declaration to the director that the plans were reviewed, stamped and signed declaring that the plans comply with this Regulation; and</p> <p>(14) In this section,</p> <p>“professional engineer” means a person who is licensed under the <i>Professional Engineers Act</i>. O. Reg. 217/01, s. 20 (14)</p>	<p>Mechanical and electrical design review, signing, sealing</p>	<p>"professional engineer" means a person licensed under the <i>Professional Engineers Act</i></p> <p>Signing, sealing, requirement redundant with sections 53, 72(2)(d) Regulation 941</p>	<p>Definition excludes LL</p> <p>Redundancy</p>	<p>Regulatory Non-Alignment</p> <p>Regulatory Infringement/Regulatory Overlap</p>	<p>Regulatory Infringement</p>

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
50.	Government and Consumer Services	<p><u>TECHNICAL STANDARDS AND SAFETY ACT, 2000 S.O. 2000, CHAPTER 16 O. REG. 221/01 SECTION 22(3)</u></p> <p>AMENDED TO O. REG. 188/03 AND O.REG. 249/08 AMUSEMENT DEVICES MULTIPLE SECTIONS</p>	<p>Amusement devices must have a technical dossier prepared by a professional engineer that includes a statement that the design of the device complies with the regulations.</p> <p>"professional engineer" means a holder of a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> and, for the purposes of clauses 9 (2) (h), (i) and (j), 9 (3) (c) and subsection 10 (5) with respect to any part of an amusement device manufactured outside Ontario, includes a professional engineer <u>recognized under similar legislation of another jurisdiction in Canada or the United States;</u></p>	<p>Safety inspections</p> <p>signing, sealing</p>	<p>Definition allows for professional engineer recognized under similar legislation in other US jurisdiction</p> <p>Signing, sealing requirement redundant with sections 53, 72(2)(d) Regulation 941</p>	<p>Jurisdiction</p> <p>Redundancy</p>	<p>Regulatory Infringement/Regulatory Overlap</p> <p>Regulatory Infringement/Regulatory Overlap</p>	<p>Regulatory Infringement</p>
51.	Government and Consumer Services	<p><u>TECHNICAL STANDARDS AND SAFETY ACT, 2000 O. REG. 220/01 NO AMENDMENTS BOILERS AND PRESSURE VESSELS SECTION 1(1) & 4(3)</u></p>	<p>Pressure vessels must be designed or the designs must be reviewed by a professional engineer.</p>	<p>Mechanical and electrical design</p>	<p>"professional engineer" means a person licensed under the <i>Professional Engineers Act</i></p>	<p>Definition excludes LL</p>	<p>Regulatory Non-Alignment</p>	<p>Regulatory Non-Alignment</p>

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
52.	Government and Consumer Services	TECHNICAL STANDARDS AND SAFETY ACT, 2000 O. REG. 210/01 NO AMENDMENTS OIL AND GAS PIPELINE SYSTEMS SECTION 16	<p>Before using an oil pipeline the company shall obtain a declaration from a professional engineer stating that the design, testing, etc. of the pipeline comply with the regulations.</p> <p>20(6) An applicant may submit only one copy of the drawings if, (a) the plans are reviewed by a professional engineer, are stamped with the seal of the engineer and signed by him or her declaring that the plans comply with all the requirements of this Regulation; (b) the professional engineer submits a written declaration to the director that the plans were reviewed, stamped and signed declaring that the plans comply with this Regulation;</p> <p>“routine maintenance” means scheduled maintenance or maintenance that is generally accepted as good engineering practice;</p>	<p>Mechanical and electrical design</p> <p>Compliance declaration through signing and sealing</p> <p>“Good engineering practice”</p>	<p>"professional engineer" means a person licensed under the <i>Professional Engineers Act</i></p> <p>Signing, sealing requirement redundant with sections 53, 72(2)(d) Regulation 941</p> <p>Undefined term</p>	<p>definition excludes LL</p> <p>Conflict with the PEA that Professional Engineer must stamp and seal plans</p> <p>May need a PSC Guideline on “routine maintenance”</p>	<p>Regulatory Non-Alignment</p> <p>Regulatory Infringement</p> <p>Regulatory Guidance</p>	<p>Regulatory Infringement</p>
53.	Government and Consumer Services	TECHNICAL STANDARDS AND SAFETY ACT, 2000 O.REG. 211/01	Rules for submitting drawings prepared by professional engineers when making applications for propane filling	Risk assessment and safety management planning	"professional engineer" means a person licensed under the	Definition excludes LL	Regulatory Non-Alignment	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		<p><u>NO AMENDMENTS PROPANE STORAGE AND HANDLING MULTIPLE SECTIONS</u></p>	<p>plant or container refill centre, including compliance with regulations</p> <p>Preparation of a Level 2 Risk and safety management plan for facilities with more than 5,000 USWG (20,000 litres) capacity (Amended by Regulation 440/08 and 464/10)</p> <p>Requirement for a stamped drawing for a site plan of a refilling centre</p> <p>27. (15) An applicant may prepare plans and submit only one copy under subsection (3) (d) if,</p> <p style="padding-left: 40px;">(a) the plans are reviewed by a professional engineer, are stamped with the engineer’s seal and are signed by him or her;</p> <p style="padding-left: 40px;">(b) the professional engineer submits a written declaration to the director that the plans comply with the requirements of this Regulation;</p>	<p>Site planning</p> <p>Compliance declaration</p>	<p><i>Professional Engineers Act</i></p> <p>Signing, sealing requirement redundant with sections 53, 72(2)(d) Regulation 941</p>	<p>No engineering rationale for choice of 5000 USWG threshold</p> <p>27(15(b) requirement for stamp conflicts with PEA.</p>	<p>Regulatory Overlap</p> <p>Regulatory Infringement</p>	
54.	Government and Consumer Services	<u>EXTRA-PROVINCIAL CORPORATIONS</u>	Extra-provincial corporations cannot use their names to indicate they are associated with,	n/a			No Apparent Conflict	No Apparent Conflict

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		<u>ACT, R.S.O. 1990, REG. 365</u> GENERAL SECTION 2(4)(5) & 2(5)(B)	controlled by, or sponsored by an association of engineers.					
55.	Government and Consumer Services	<u>BUSINESS CORPORATIONS ACT, R.S.O. 1990, REG. 62</u> GENERAL SECTION 15(10)	‘Engineer’, ‘engineering’, and their French equivalents can’t be used in corporate names with the permission of PEO.	n/a			No Apparent Conflict	No Apparent Conflict
56.	Health and Long Term Care	<u>HEALTH PROTECTION AND PROMOTION ACT, R.S.O. 1990, O. REG. 318/08</u> TRANSITIONAL- SMALL DRINKING WATER SYSTEMS SECTION 17(1-5)	<p>Engineers must verify the effectiveness of devices if they are different than those specified by the Act.</p> <p>Chlorine residual testing 1-5. If a water sample is required to be taken and tested for chlorine residual, the operator and owner of the drinking water system shall ensure that the testing is conducted using,</p> <p>(a) an electronic direct readout colourimetric or amperometric chlorine analyzer; or</p> <p>(b) another device, if, based on an inspection of the device</p>	Engineering knowledge	“licensed engineering practitioner” means a person who holds a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> ,		No Apparent Conflict	No Apparent Conflict

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>and on a review of relevant records and documentation, a licensed engineering practitioner states in writing that it is equivalent to or better than an electronic direct readout colourimetric or amperometric chlorine analyzer, having regard to accuracy, reliability and ease of use.</p>					
57.	Health and Long Term Care	<p><u>HEALTH PROTECTION AND PROMOTION ACT, R.S.O. 1900, O. REG. 319/08</u> <u>SMALL DRINKING WATER SYSTEMS SECTION 16(1)(B)</u></p>	<p>Engineers must verify the effectiveness of devices if they are different than those specified by the Act.</p> <p>Surface water 16. (1) The owner and operator of a small drinking water system that obtains water from a raw water supply that is surface water shall ensure provision of, (a) water treatment equipment that is designed to be capable of achieving, at all times, primary disinfection including at least 99 per cent removal or inactivation of <i>Cryptosporidium</i> oocysts, at least 99.9 per cent removal or inactivation of <i>Giardia</i> cysts and at least 99.99 per cent removal or</p>	Engineering knowledge and opinion	“licensed engineering practitioner” means a person who holds a licence, limited licence or temporary licence under the <i>Professional Engineers Act</i> ,		No Apparent Conflict	No Apparent Conflict

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			inactivation of viruses by the time water enters the distribution system; or (b) other water treatment equipment that, in the opinion of a licensed engineering practitioner, is designed to be capable of producing water of equal or better quality than the equipment described in clause (a).					
58.	Health and Long Term Care	HEALTH PROTECTION AND PROMOTION ACT, O.REG. 428/05 PUBLIC SPAS SECTION 10(C)	Suction system 10. Every owner shall ensure that the suction system that serves the public spa is equipped with a vacuum relief mechanism that includes, (a) a vacuum release system; (b) a vacuum limit system; or (c) another engineered system designed, constructed and installed to conform to good engineering practice appropriate to the circumstances.	Inspecting a chlorine testing device	Use of “good engineering practice”	May require a PSC guideline	Regulatory Guidance	Regulatory Guidance
59.	Health and Long Term Care	SMOKE-FREE ONTARIO ACT, O. REG. 48/06 GENERAL SCHEDULE 1	For the purposes of paragraph 4 of subsection 18 (1) of the regulation, a qualified person shall perform the following maintenance checks on the controlled smoking area and systems in the controlled smoking area, and correct any thing that is not in compliance with	Engineering inspection	Why is this defined as an engineering inspection? Who can perform an engineering inspection?	Qualified person not defined	Regulatory Infringement/Regulatory Overlap	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			the requirements for the controlled smoking area: 3. An annual engineering inspection including air flow testing.					
60.	Housing	BUILDING CODE ACT, 1992 S.O. 1992, CHAPTER 23	Requires professional engineers to provide general review of construction for buildings that were designed by professional engineers Requires owner to retain professional engineer to provide general review of demolition	General review of construction General review of demolition			No Apparent Conflict	No Apparent Conflict
61.	Housing	BUILDING CODE ACT, 1992, O. REG. 403/97 AMENDED TO O. REG. 389/05, 350/06, 332/12 PART 1 COMPLIANCE AND GENERAL PART 3 FIRE PROTECTION, OCCUPANT	Many references to “good engineering practice”	General review of construction General review of demolition Covered under section 12 (4-6) of PEA	<i>Professional engineer</i> means, for the purposes of the Act and this Code, a person who holds a licence or a temporary licence under the <i>Professional Engineers Act</i> .	Definition; excludes LLs “Good engineering practice” references may infringe on professional practice (PSC to investigate) Section 4.2.2.2 allowed ‘qualified persons’	Regulatory Non-Alignment No Apparent Conflict Regulatory Guidance Regulatory Overlap	Regulatory Overlap

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		SAFETY AND ACCESSIBILITY PART 4 STRUCTURAL DESIGN PART 9 HOUSING AND SMALL BUILDINGS PART 10 CHANGE OF USE (PART 5 OF 5)		<p>Covered under section 12 (4-6) of PEA</p> <p>Generally excluded by PEA</p> <p>Covered under section 12 (4-6) of PEA</p>				
62.	Housing	<u>RESIDENTIAL TENANCIES ACT, 2006 SECTION 27(1)3.</u>	Landlords may allow engineers to enter into units to make a physical inspection required under Section 9(4) of the <i>Condominium Act</i> .		“person who holds a certificate of authorization within the meaning of the <i>Professional Engineers Act</i> ”	Section 27(1)(3) refers to CofA status instead of licence; allows “qualified persons”	Regulatory Infringement/Regulatory Overlap	Regulatory Infringement
63.	Housing	<u>RESIDENTIAL TENANCIES ACT, 2006 O. REG. 394/10</u> SUITE METERS AND APPORTIONMENT OF UTILITY COSTS	Engineers need to make certain estimates related to electricity usage.	Specialized knowledge	an individual who holds a licence under the <i>Professional Engineers Act</i> .	Definition excludes LLs and TLs	Regulatory Non-Alignment	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		SECTIONS 4(6)(1) AND 4(6)(2)						
64.	Labour	LABOUR RELATIONS ACT, 1995 S.O. 1995, CHAPTER 1 SCHEDULE A MULTIPLE SECTIONS	Professional engineers can form bargaining units composed entirely of professional engineers. The Board can include professional engineers in a bargaining unit with other employees if the Board is satisfied that the majority of professional engineers wish to be included in the unit.	None None	"professional engineer" means an employee who is a member of the engineering profession entitled to practise in Ontario and employed in a professional capacity;	Definition refers to member instead of licence	Regulatory Non-Alignment	Regulatory Non-Alignment
65.	Labour	OCCUPATIONAL HEALTH AND SAFETY ACT R.S.O. 1990, CHAPTER O.1 MULTIPLE SECTIONS	Professional engineers are required to provide reports for many safety issues including load limits for floors and roofs of buildings; machine and equipment tests; crane tower inspections. Professional engineers shall design and inspect the installation of scaffolding, formworks, excavations, shoring, tower crane foundations, elevating work platforms, modifications or repairs to crane booms, attachments of derricks or similar hoisting devices to buildings, tunnels, shafts, caisson or cofferdams.	Engineer of the Ministry to carry out certain inspections Mechanical, electrical, structural investigations Design of structures, temporary work Forensic engineering	“engineer of the Ministry” means a person who is employed by the Ministry and who is licensed as a professional engineer under the <i>Professional Engineers Act</i> ,	Definition excludes LLs and TLs Many issues being dealt with through PSC including certifying as not a danger to workers Note: look at all OHS reg for definition of	Regulatory Non-Alignment Regulatory Infringement Regulatory Guidance	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>Professional engineers shall provide opinions regarding the collapse or failure of temporary or permanent structure designed by a professional engineer.</p> <p>Inspections 54 .(k) require in writing an employer to have equipment, machinery or devices tested, at the expense of the employer, by a professional engineer and to provide, at the expense of the employer, a report bearing the seal and signature of the professional engineer stating that the equipment, machine or device is not likely to endanger a worker;</p> <p>(l) require in writing that any equipment, machinery or device not be used pending testing described in clause (k);</p> <p>(m) require in writing an owner, constructor or employer to provide, at the expense of the owner, constructor or employer, a report bearing the seal and signature of a professional engineer stating,</p> <p>(i) the load limits of a building, structure, or any part</p>		<p>Certifying as not a danger to workers</p>	<p>professional engineer</p> <p>Absolute certainty not possible due to human error, climate, etc. factors</p>	<p>Regulatory Infringement?</p>	

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>thereof, or any other part of a workplace, whether temporary or permanent,</p> <p>(ii) that a building, structure, or any part thereof, or any other part of a workplace, whether temporary or permanent, is capable of supporting or withstanding the loads being applied to it or likely to be applied to it, or</p> <p>(iii) that a building, structure, or any part thereof, or any other part of a workplace, whether temporary or permanent, is capable of supporting any loads that may be applied to it,</p> <p>(A) as determined by the applicable design requirements established under the version of the Building Code that was in force at the time of its construction,</p> <p>(B) in accordance with such other requirements as may be prescribed, or</p>					

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>(C) in accordance with good engineering practice, if sub-subclauses (A) and (B) do not apply;</p> <p>(n) require in writing an owner of a mine or part thereof to provide, at the owner’s expense, a report in writing bearing the seal and signature of a professional engineer stating that the ground stability of, the mining methods and the support or rock reinforcement used in the mine or part thereof is such that a worker is not likely to be endangered;</p>					
66.	Labour	<u>OCCUPATIONAL HEALTH & SAFETY ACT RSO 1990, O. REG. 714/94 FIREFIGHTERS-PROTECTIVE EQUIPMENT SECTION 3(2)</u>	<p><u>3. (1)</u> Anything may vary from a standard prescribed by this Regulation if,</p> <p>(a) the variation maintains or increases the protection for the health or safety of workers; and</p> <p><u>(2)</u> The notice under clause (1) (b) is not required if a professional engineer has certified in writing that the variation meets the criteria set out in clause (1) (a).</p>	<p>Certify that variances maintains or increases protection for worker health and safety</p>	<p>“professional engineer” not defined in Regulation</p> <p>“increases or maintains” is too vague and subjective (Similar to Electricity Act Reg. 22/04)</p>	<p>No definition</p> <p>Possible infringement of PEA by requiring certifications of non-compliance</p>	<p>Regulatory Non-Alignment</p> <p>Regulatory Infringement</p>	<p>Regulatory Infringement</p>
67.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT</u>	<p>Professional engineers shall carry out pre-start health and safety reviews and file a report.</p>	<p>Mechanical, electrical and structural investigations</p>	<p>"professional engineer" means a member or licensee of the Association</p>	<p>Definition; member or licensee; excludes LL</p>	<p>Regulatory Non-Alignment</p>	<p>Regulatory Infringement</p>

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		<u>R.S.O. 1990, REG. 851</u> <u>AMENDED TO O. REG. 280/05</u> INDUSTRIAL ESTABLISHMENTS MULTIPLE SECTIONS			of Professional Engineers of Ontario under the <i>Professional Engineers Act</i> Affix seal to the Pre-Start Health and Safety Report	Sealing requirement redundant with sections 53, 72(2)(d) Regulation 941	Regulatory Infringement	
68.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT</u> <u>R.S.O. 1990, REG. 854</u> <u>AMENDED TO O. REG. 31/04</u> MINES AND MINING PLANTS MULTIPLE SECTIONS	Professional engineers shall design mine trolley line systems, tailings dams, headframe for hoisting plant, mine design and alterations to mine geometry. Several references to “sound geotechnical engineering practice”, “good engineering practice”, “good engineering standards”, “appropriate engineering standards”	Mechanical, electrical and structural system design	"professional engineer" means a person who is registered as a professional engineer or licensed as a professional engineer under the <i>Professional Engineers Act</i> Terms undefined	Definition – registered; excludes LL May require PSC Guidelines	Regulatory Non-Alignment Regulatory Guidance	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			225. (1) Before a sheave is used, a certificate for the sheave shall be obtained from the manufacturer of the sheave or a professional engineer competent in sheave design		Competency of professional engineer to be determined (72 references to “competent person” in this Regulation	Competency infringes PEA	Regulatory Infringement	
69.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT</u> <u>R.S.O. 1990, REG. 855 OIL AND GAS-OFFSHORE AMENDED TO 421/10</u> MULTIPLE SECTIONS	Use of engineering controls, A hoisting rope, chain, sling or fitting shall, (c) have the safe-working load established by, (i) a professional engineer Design a system used to maintain drilling fluid	Preparing engineering controls Establishing safe-working loads Design system	"professional engineer" means a person who is licensed as a professional engineer under the <i>Professional Engineers Act</i> ;	Definition; Excludes LL	Regulatory Non-Alignment	Regulatory Non-Alignment
70.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT</u> <u>R.S.O. 1990, O. REG 490/09 DESIGNATED SUBSTANCES</u> MULTIPLE SECTIONS	Requirement for and definition of “engineering controls”	Designing engineering controls	Need definition of “engineering controls”	“Engineering Controls” is vague & undefined	Regulatory Overlap	Regulatory Overlap

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
71.	Labour	<p><u>OCCUPATIONAL HEALTH AND SAFETY ACT</u> <u>R.S.O. 1990, O. REG. 213/91</u> <u>CONSTRUCTION PROJECTS AS AMENDED BY REG. 96/11</u> MULTIPLE SECTIONS</p>	<p>Various – Accident Notices and Reports, Protective Clothing, Equipment and Devices, Formwork, Work Platforms, Scaffolding, Cranes, Tower Cranes, Drill Rigs, Derricks and other Hoisting Devices, Support Systems, Rotary Digging, Excavations, Protection of Adjacent Structures, Tunnel Shafts, Air Locks, Hoistways</p> <p>1.1 In this Regulation, a requirement that something be done in accordance with <u>good engineering practice</u> includes a requirement that it be done in a manner that protects the health and safety of all workers. O. Reg. 85/04, s. 2.</p> <p>1.2 In this Regulation, a requirement that a design, drawing, instruction, report, specification, opinion or other document be prepared by a <u>professional engineer</u> includes a requirement that he or she sign and seal it.</p> <p>1. “generic installation drawing” means a drawing and related documentation, if any, that,</p>	<p>Various – design, determine load capacity, inspection, testing, examination, test results, prepare reports, certify compliance with regulations</p>	<p>Use of “in accordance with good engineering practice”</p> <p>"professional engineer" means a person who is a professional engineer within the meaning of the <i>Professional Engineers Act</i>,</p>	<p>May require a Professional Practice guideline</p> <p>Definition excludes LLs</p>	<p>Regulatory Guidance</p> <p>Regulatory Non-Alignment</p>	<p>Regulatory Infringement</p>

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>(a) identifies components, configurations and load limitations of a suspended work platform system or powered boatswain’s chair,</p> <p>(b) is intended to be used at any location where all of the requirements in the drawing and documentation are satisfied, and</p> <p>(c) <u>bears the seal and signature</u> of a professional engineer confirming that a suspended work platform system or boatswain’s chair installed in accordance with the drawing <u>would be in compliance with the requirements of this Regulation;</u></p> <p>157. (1) No tower crane shall be erected at a project except in accordance with this section. O. Reg. 213/91, s. 157 (1).</p> <p>(2) The foundations supporting a tower crane shall be designed by a professional engineer in accordance with the crane manufacturer’s specifications and shall be</p>		<p>Signing, sealing requirement redundant with sections 53, 72(2)(d) Regulation 941</p> <p>Use of seal and signature to confirm compliance with Regulation</p>	<p>Signature, sealing requirement is Infringement of PEA and Regulation 941</p> <p>Signature, sealing requirement is Infringement of PEA and Regulation 941</p>	<p>Regulatory Infringement</p> <p>Regulatory Infringement</p>	

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>constructed in accordance with the design. O. Reg. 213/91, s. 157 (2).</p> <p>(3) The shoring and bracing that support a tower crane or tie it in place shall be designed by a professional engineer in accordance with the crane manufacturer’s specifications and shall be installed in accordance with the design. O. Reg. 213/91, s. 157 (3).</p> <p>(4) The <u>structural engineer</u> responsible for the structural integrity of the building or structure shall review the design drawings for the foundation, shoring and bracing for a tower crane before the crane is erected at a project to ensure the structural integrity of the building or structure. O. Reg. 213/91, s. 157 (4).</p> <p>(5) The <u>structural engineer</u> who reviews the design drawings shall sign the drawings upon approving them. O. Reg. 213/91, s. 157 (5).</p> <p>(6) The constructor shall keep at the project while a tower crane is erected a copy of the signed design drawings for its foundation, shoring and bracing and any</p>		<p>“Structural engineer” in sections 157, 166 not a term compliant with the PEA (note: this is being removed in pending regulation changes)</p>	<p>No such terms, designation or limitations in the PEA or Regulations</p>	<p>Regulatory Infringement</p>	

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			<p>written opinion about the drawings by a <u>structural engineer</u>.</p> <p>166. (4) The constructor shall ensure that the <u>structural engineer</u> responsible for the structural integrity of a building or structure reviews and approves in writing the design drawings and specifications for a derrick, stiff-leg derrick or similar hoisting device before it is installed.</p> <p>234. (1) The walls of an excavation shall be supported by a support system that complies with sections 235, 236, 237, 238, 239 and 241. O. Reg. 213/91, s. 234 (1).</p> <p>(2) Subsection (1) does not apply with respect to an excavation,</p> <p>(h) that is not a trench and is not made in Type 4 soil and with respect to which a professional engineer has given a written opinion that the walls of the excavation are sufficiently stable <u>that no worker will be endangered if no support system is used</u></p>		<p>Give opinion that “no worker will be endangered”</p>	<p>Certainty not possible given other factors – human error, climate, etc.</p>	<p>Regulatory Infringement</p>	

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
72.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT RSO 1990 O. REG. 629/94 DIVING OPERATIONS SECTION 22</u>	(f) is designed in accordance with good engineering practice;	Design stage for diving operations	Use of “good engineering practice”	Term is vague & undefined	Regulatory Guidance	Regulatory Guidance
73.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT RSO 1990 O. REG. 856 ROLL-OVER PROTECTIVE STRUCTURES SECTION 5(1)(B)(I) & 5(2)</u>	Roll-over protective structures must be certified by a professional engineer. 5.(2) Every custom built roll-over protective structure, every repair to such a structure and every custom built modification to a roll-over protective structure shall be certified as meeting the requirements of clause (1) (a) by a professional engineer who is registered or licensed as such under the <i>Professional Engineers Act</i> .	General review of construction	professional engineer who is registered or licensed as such under the <i>Professional Engineers Act</i>	Definition – registered; excludes LL	Regulatory Non-Alignment	Regulatory Non-Alignment
74.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT RSO 1990 O. REG. 859 WINDOW CLEANING MULTIPLE SECTIONS</u>	Certain scaffolds and other supports must be designed by a professional engineer, and collapsed structures designed by an engineer must be reported under the <i>Occupational Health and Safety Act</i> .	Structural design	“professional engineer” means a person who is registered as a professional engineer or a person who is licensed as a	Definition – registered; excludes LL	Regulatory Alignment	Regulatory Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			24 (e) if the platform consists of planks manufactured of laminated wood, metal or a combination of materials, shall consist of planks tested in accordance with good engineering practice to demonstrate their structural equivalence to the sawn lumber planks specified in clause (d).	Testing to demonstrate laminated planks’ structural equivalence to sawn lumber	professional engineer under the <i>Professional Engineers Act</i> , “Good engineering practice”	PSC Guideline on engineering practice	Regulatory Guidance	
75.	Labour	<u>OCCUPATIONAL HEALTH AND SAFETY ACT RSO 1990, O. REG. 67/93</u> HEALTH CARE AND RESIDENTIAL FACILITIES MULTIPLE SECTIONS	Certain scaffolds and other supports must be designed by a professional engineer, and collapsed scaffolds built by an engineer must be reported under the <i>Occupational Health and Safety Act</i> . Similar to Reg. 859	Structural Design, calculate maximum loads Testing to demonstrate laminated planks’ structural equivalence to sawn lumber		Definition – registered; excludes LL PSC Guideline on engineering practice	Regulatory Alignment Regulatory Guidance	Regulatory Alignment
76.	Municipal Affairs	<u>CITY OF TORONTO ACT 2006, O. REG. 596/06.</u> LOCAL IMPROVEMENT CHARGES - PRIORITY LIEN STATUS	"engineer" includes a person whom the City requires or authorizes to perform any duty that this Regulation requires or authorizes an engineer to perform; "lifetime", as applied to a work, means its lifetime as estimated by the engineer or, in the case of an	Estimating lifetime of project, project costs	Definition of engineer does not refer to a licence holder, allows City to include anyone as an engineer	PEA Infringement	Regulatory Infringement	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		MULTIPLE SECTIONS	appeal, as finally determined by the committee of revision; Engineering expenses included Engineer to estimate and certify cost of work					
77.	Municipal Affairs	<u>MUNICIPAL ACT 2001, O. REG 586/06 LOCAL IMPROVEMENT CHARGES – PRIORITY LIEN STATUS</u> MULTIPLE SECTIONS	"engineer" includes a person whom the municipality requires or authorizes to perform any duty that this Regulation requires or authorizes an engineer to perform;		Same issue as O. Reg. 596/06		Regulatory Infringement	Regulatory Infringement
78.	Municipal Affairs	<u>ONTARIO MUNICIPAL BOARD ACT, RSO 1990, CHAPTER O.28</u> MULTIPLE SECTIONS	Appointment of “engineer”: under the Drainage Act	Inspecting	No definition of “engineer” or “inspecting engineer” used in Act	Possible PEA infringement	Regulatory Infringement	Regulatory Infringement
79.	Municipal Affairs	<u>DEVELOPMENT CHARGES ACT, 1997 GENERAL, O REG 82/98</u> SECTION 3(1)(IV)	1. A section that sets out the state of local infrastructure and that sets out, iv. the asset condition based on <u>standard engineering practices</u> for all assets.	Report of infrastructure requires a section on an asset’s condition based on standard engineering practices		“standard engineering practices” is vague May require a PSC Guideline	Regulatory Guidance	Regulatory Guidance

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
80.	Natural Resources and Forestry	SURVEYORS ACT, R.S.O. 1990 SECTION 1(3)(A)	<p>Engineers who are performing surveying activities are not considered to be engaging in the practice of surveying for the purpose of the Act.</p> <p>(3) An individual who performs an act that is within the practice of professional surveying is not engaging in the practice of professional surveying for the purposes of this Act if,</p> <p>(a) the individual is the holder of a licence, temporary licence, provisional licence or limited licence under the <i>Professional Engineers Act</i> and is competent by virtue of training and experience, in accordance with the regulations made under that Act, to carry out acts that would be within the practice of professional surveying but that would not be within</p>	Scope of practice		<p>May require a PSC Guideline?</p> <p>Provisional licence included, training and experience</p>	<p>Regulatory Overlap?</p> <p>Regulatory Guidance?</p>	Regulatory Overlap

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No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			the practice of cadastral surveying;					
81.	Natural Resources and Forestry	<u>AGGREGATE RESOURCES ACT</u> <u>R.S.O. 1990, CHAPTER A.8</u> <u>SECTION 8(4)</u>	Site plans submitted with permit must be done by professional engineer, surveyor or landscape architect.	None	Refers to site plan requirements as set out in regulation, but regulation does not address this	Use of “professional engineer” excludes LL, TL; also allows “qualified person approved in writing by the Minister”	Regulatory Overlap? Regulatory Non-Alignment	Regulatory Overlap
82.	Natural Resources and Forestry	<u>LAKES AND RIVERS IMPROVEMENT ACT</u> <u>R.S.O. 1990, CHAPTER L.3</u> <u>MULTIPLE SECTIONS</u>	Refers to reports prepared by professional engineers regarding the construction, construction or condition of dams. The Minister may require a professional engineer to inspect a dam.	Dam design, examination and reporting	"engineer" means a person licensed under the <i>Professional Engineers Act</i> to practise professional engineering and appointed by the Minister for the purposes of this Act; Also allows “inspectors” to carry out duties, but no definition or qualifications stated	Definition unclear Allowing non-engineer to carry out engineering duties	Regulatory Non-Alignment Regulatory Overlap	Regulatory Overlap

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
83.	Natural Resources and Forestry	<u>MINISTRY OF NATURAL RESOURCES ACT 1990, CM.31 SECTION 5(1)(B)</u>	Appointment of a Surveyor General to conduct engineering	Conducting engineering	Potential conflict unless engineering activity delegated to a P.Eng..	Possible PEA infringement	Regulatory Infringement	Regulatory Infringement
84.	Natural Resources and Forestry	<u>OIL, GAS & SALT RESOURCES ACT, RSO 1990, O. REG. 245/97 EXPLORATION, DRILLING AND PRODUCTION SECTION 11(3)(B)(IV)</u>	(b) a technical report of, (iv) the geological and engineering rationale for the size and location of the proposed spacing units.	Engineering technical report	Engineering rationale requirement	Infringes PEA by providing engineering rationale – needs PSC guideline No requirement for who prepares the engineering rationale of the technical report	Regulatory Guidance	Regulatory Guidance
85.	Natural Resources and Forestry	<u>PROFESSIONAL FORESTERS ACT, 2000, O. REG. 145/01 SECTION 4(11)</u>	Engineers are permitted to practice forestry, if that forestry activities fall within the engineer’s generally accepted scope.			May require a PSC Guideline?	Regulatory Guidance?	Regulatory Guidance
86.	Northern Development & Mines	<u>MINING ACT R.S.O. 1990, CHAPTER M.14 SECTION 118 & 175(4)</u>	The Commissioner appropriating land rights may obtain the services of engineers to examine the property.	Not specified	No definition of “engineer”	Definition	Regulatory Non-Alignment	Regulatory Non-Alignment
87.	Northern Development & Mines	<u>MINING ACT O. REG. 240/00 AMENDED TO O. REG. 282/03</u>	Owners closing a mine or rendering a mine inactive shall have a “qualified” professional engineer assess all surface and	Assessment of surface and subsurface stability	"professional engineer" means a person who holds a licence or a	Definition excludes LLs	Regulatory Non-Alignment	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
		MINE DEVELOPMENT AND CLOSURE UNDER PART VII OF THE ACT MULTIPLE SECTIONS	<p>subsurface workings to determine their stability.</p> <p>Steel and concrete caps used to seal mine openings shall be designed by a professional engineer and shall not be installed until after a P. Eng. inspects and approves the rock at the opening as competent</p>	Design and inspection of concrete structures	<p>temporary licence in Ontario under the <i>Professional Engineers Act</i></p> <p>“qualified professional engineer”</p> <p>none</p>	Infringes PEA by adding qualification	Regulatory Infringement	
88.	Northern Development & Mines	<u>PROFESSIONAL GEOSCIENTISTS ACT, 2000</u> MULTIPLE SECTIONS	Nothing in the Professional Geoscientists Act will affect Professional Engineers, and professional engineers are able to practice geosciences if they are competent by virtue of training or experience.	Scope of practice	“An individual who is licensed as a professional engineer under the <i>Professional Engineers Act</i> and who is competent by virtue of training and experience, in accordance with the regulations made under that Act, to engage in practices that would also constitute the practice of professional geoscience.”	<p>Definition excludes LL; adds competency requirement</p> <p>May require a PSC Guideline?</p>	<p>Regulatory Infringement/Regulatory Overlap</p> <p>Regulatory Guidance?</p>	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
89.	Northern Development & Mines	<u>PROFESSIONAL GEOSCIENTISTS ACT, 2000, O. REG. 59/01 REGISTRATION SECTION 9.1(3)(2) & 9.1(4)</u>	Engineers can provide work experience reports to be used in licensing professional geoscientists.				No Apparent Conflict	No Apparent Conflict
90.	Northern Development & Mines	<u>ONTARIO NORTHLAND TRANSPORTATION COMMISSION ACT, R.S.O. 1990 SECTION 32</u>	Mining cannot take place on or under public roadways cannot take place unless a plan has been approved by an engineer.	Specialized Knowledge	“engineer of the municipality or an engineer appointed by the corporation of the municipality”	Title, without licence requirement	Regulatory Infringement	Regulatory Infringement
91.	Transportation	<u>HIGHWAY TRAFFIC ACT O. REG. 103/97 AMENDED TO O. REG. 159/02 STANDARDS TO DETERMINE ALLOWABLE GROSS VEHICLE WEIGHT FOR BRIDGES SECTION 1 & 2</u>	<p>The gross vehicle weight limit for a bridge shall be determined by two professional engineers</p> <p>2. For the purpose of subsection 123 (2) of the Act, a determination of a limit on the gross vehicle weight of vehicles passing over a bridge shall,</p> <p>(a) be made in accordance with the provisions of the Canadian Highway Bridge Design Code;</p> <p>(b) be signed and sealed by two professional engineers who have determined and set out the maximum allowable load limit at which the bridge may be posted, and the period of time</p>	Structural engineering to determine gross vehicle limit on bridge	"professional engineer" means a person who holds a licence or a temporary licence issued under the <i>Professional Engineers Act</i> to engage in the practice of professional engineering, <u>but does not include a person who holds a limited licence issued under that Act</u>	Definition specifically excludes LLs – what is the rationale for this?	Regulatory Non-Alignment	Regulatory Infringement

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
			for which the determination remains valid;		Requirement for two professional engineers to sign and seal their determination	Why two professional engineers? Infringes authority of PEA Sign and sealing requirement under section 53 of Regulation 941	Regulatory Infringement	
92.	Transportation	<u>PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT ACT</u> <u>R.S.O. 1990, CHAPTER P.50</u> <u>SECTION 25(2), 30(5), & 113</u>	Appointment of Ministry Drainage Engineer		No definition of qualification for authorized engineer or requirement for licensure	No licence or qualifications required	Regulatory Infringement?	Regulatory Infringement
93.	Transportation	<u>PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT ACT</u> <u>O. REG. 104/97</u> <u>AMENDED TO</u> <u>O. REG. 160/02</u> <u>STANDARDS FOR BRIDGES</u> <u>SECTION 1, 2(1)(B), & 2(3)</u>	Every bridge shall be inspected at least once every two years by a professional engineer	Structural inspection	"professional engineer" means a person who holds a licence or a temporary licence issued under the <i>Professional Engineers Act</i> to engage in the practice of professional engineering, <u>but does not include a</u>	Definition includes “engage in the practice” specifically excludes LLs – what is the rationale for this?	Regulatory Non-Alignment	Regulatory Non-Alignment

Assessment of Regulatory Conflict with Ontario Legislation Using “Engineer” or “Engineering”

No.	Custodial Ministry	Title of Legislation	Engineering reference	Engineering activity?	Regulatory Conflict?	Issue	Impact Category	Priority Category
					<u>person who holds a limited licence issued under that Act;</u>			
94.	Tourism, Culture and Sport	<u>COMMUNITY RECREATION CENTRES ACT</u> <u>R.R.O. 1990, REG. 93</u> MULTIPLE SECTIONS	Payments from grants for building projects will only be made after a professional engineer or architect certifies that the project is completed to extent of payment sought	None	Certification for payment purposes No definition for “professional engineer” provided	May need a PSC guideline Definition missing	Regulatory Guidance Regulatory Non-Alignment	Regulatory Non-Alignment

Briefing Note – Decision

LICENSING COMMITTEE – RESCINDING AND REPLACING COUNCIL RESOLUTIONS RE LICENSING PROCESS TASK FORCE (LPTF) RECOMMENDATIONS THAT REQUIRED REGULATION CHANGES

Purpose: *To rescind and replace certain Council motions pertaining to Licensing Process Task Force Recommendations that would have required Regulation changes*

Motion(s) to consider: (requires a 2/3 majority of votes cast to carry)

PART 1. That the following motions previously passed by Council be RESCINDED

- (a) **LPTF Recommendations 8 and 10, Tabled 16Nov2007 (C-443, Minute #10445) and reintroduced as a single resolution Passed 25Jan2008 (C-445, Minute #10477) redefining the academic requirement**

That the following resolution be rescinded

That the following academic requirements be specified in Regulations:

The applicant shall demonstrate that he or she,

- (i) *has obtained a bachelor's degree in an engineering program from a Canadian university that is accredited by the CEAB, or*
- (ii) *has obtained formal academic training that meets one of the Council approved syllabi and can demonstrate academic depth per the approved list of alternatives, or*
- (iii) *is a member in good standing of an organization with which PEO is a party to a mutual recognition agreement, or*
- (iv) *has completed a Council prescribed program, or*
- (v) *has met the minimum academic requirements for a Limited Licence and has completed the ARC assigned examination program.*

Rationale: LIC is recommending that the academic requirement for licensure at Section 33.(1) of the Regulations be left as is for the foreseeable future, with one minor amendment as recommended in PART 2 of this Briefing Note. In addition, LIC is recommending that Council endorse the Interpretive Statement on Equivalent Engineering Educational Qualifications attached hereto as Appendix B.

- (b) **LPTF Recommendation 9, Passed 16Nov2007 (C-443, Minute #10445) re confirmatory examinations**

That the following resolution be rescinded

9. That a new regulation be added requiring all applicants for a licence to demonstrate that they meet the academic depth requirement by passing confirmatory examinations, unless exempted by the regulation, and establishing:

- The normal confirmatory examination program for applicants who fully meet the academic breadth requirement;
- The directed confirmatory examination program for applicants who do not fully meet the academic breadth requirement;
- Exemptions for good performance on examinations;
- Additional requirements for poor performance on examinations

Rationale: LIC is recommending that criteria for assigning confirmatory examinations programs **not** be enshrined in the Regulations.

(c) LPTF Recommendations 11 and 12, Tabled 16Nov2007 (C-443, Minute #10445) and reintroduced as a single resolution Passed 25Jan2008 (C-445, Minute #10477) to define PEO's standards for "good performance" and "poor performance" on examinations in the Regulations

That the following resolution be rescinded

That PEO's current standard for "Good Performance" and "Poor Performance" on examinations be included in the Regulations.

Rationale: LIC is recommending that criteria for assigning confirmatory examinations programs **not** be enshrined in the Regulations, but instead, that the Explanatory Note on PEO's Examination Process attached as Appendix C be approved by Council.

(d) LPTF Recommendation 16, Passed 16Nov2007 (C-443, Minute #10445) re referencing Experience Guide in Regulations

That the following resolution be rescinded

That the experience requirements in the Regulations be emended to reference PEO's *Guide to the Required Experience for Licensing as a Professional Engineer in Ontario*.

Rationale: LIC is recommending that the Experience Guide **not** be referenced in the Regulations.

(e) LPTF Recommendation 18, Passed 16Nov2007 (C-443, Minute #10445) re objective criteria for academic equivalency

That the following resolution be rescinded

That all applicants whose academic credentials do not meet an objective criterion set out in the Regulations or established by Council resolution be referred by the Registrar to the Academic Requirements Committee (ARC) for assessment as to whether or not they meet PEO's academic breadth and depth requirements for licensure. The following objective criteria should be placed in the Regulations:

- Graduates of a CEAB-accredited engineering program;
 - Applicants who qualify under the CCPE Inter-Association Mobility Agreement (IAMA).
- and the following objective criteria should be established by Council resolution:
- Graduates of academic programs for whom a standard treatment has been approved by Council resolution

Rationale: LIC is recommending that these criteria for assessment of academic credentials *not* be specified in the Regulations. This approach was based on the proposed redefinition of the academic requirement, which included criteria for assessing "equivalency".

(f) LPTF Recommendation 27, Passed 16Nov2007 (C-443, Minute #10445) re national mobility

That the following resolution be rescinded

That a new regulation be added to cover licensing of applicants already registered in another jurisdiction with which PEO has in place a mobility agreement, by which such applicants will be deemed to meet all requirements for licensure except for the *good character* requirement with the following provisions:

- (a) The applicant has successfully passed a Professional Practice Examination in a Canadian jurisdiction, or has been licensed to practise professional engineering in a Canadian jurisdiction for at least five (5) years; and

- (b) The applicant has provided satisfactory evidence of having at least twelve (12) months of Canadian experience that meets the requirements of subsection 33. (3) 3. of this Regulation; and
- (c) The applicant has not previously applied to the Association for a licence and been deemed to not meet the academic requirements.

Rationale: LIC is recommending that these provisions not be included in the Regulations are they are already covered in the Ontario Labour Mobility Act.

(g) LPTF Recommendation 33, Passed 16Nov2007 (C-443, Minute #10445) re “stale dating” of degrees

That the following resolution be rescinded

That the Regulations be amended to provide that applicants with accredited degrees that were awarded more than six (6) years prior to the date of application will be assessed against the current applicable PEO Syllabus for academic breadth.

Rationale: The academic Requirements Committee does not support “stale-dating” of degrees. They assert that, once having completed an academic program of appropriate breadth and depth of study for the year in which the degree was issued, the applicant should be deemed to meet the academic [formation] requirement. Should there be concerns about the length of elapsed time between graduation and application for licensure, such concern should be addressed through a [staff referral] experience interview in which the applicant’s knowledge of the engineering principles underlying his/her current scope(s) of practice can be assessed.

(h) LPTF Recommendation 35, Passed 16Nov2007 (C-443, Minute #10445) re limit on length of time an application file can be kept open

That the following resolution be rescinded

That an applicant’s file be kept open for a maximum of eight (8) years from the date of application.

Rationale: This restriction would cause some files to be closed prematurely (i.e., it would not provide adequate time for some applicants to complete their requirements for licensure). At the same time, there may be other circumstances in which an applicant’s file should be closed earlier than 8 years.

(i) LPTF Recommendation 46, Passed 16Nov2007 (C-443, Minute #10445) re criteria for closing an applicant’s file

That the following resolution be rescinded

That a new Regulation be added to provide for an applicant’s file to be closed by the Registrar in the event that the applicant does not make satisfactory progress towards demonstrating compliance with the academic requirements by passing technical examinations specified by ARC, along the following lines:

Where an applicant has chosen to attempt technical examinations specified by the Academic Requirements Committee as a means of demonstrating compliance with the academic requirements pursuant to Section 34., and

(i) fails to pass at least one examination within two years of notice of the determination made under Section 40.(2), or

(ii) fails to pass all of the specified examinations within eight (8) years of receiving notice of the determination made under Section 40.(2), the Registrar may withdraw the applicant's application for a licence unless the applicant submits to the Registrar in writing reasonable justification for the failure to attempt or pass the examinations.

Rationale: The original intent of this recommendation was to establish in a single Reg. section all of the conditions in which the Registrar could close a file. LIC has reconsidered this subject and is recommending instead a minor change to the existing Regulation. (See Part 2 of this Briefing Note.)

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**PART 2. That the following motions either be adopted or if previously passed by Council be rescinded and REPLACED, and that the Legislation Committee be authorized to seek the associated Regulation amendments**

**(j) LPTF Recommendations 8 and 10, Tabled 16Nov2007 (C-443, Minute #10445) and reintroduced as a single resolution Passed 25Jan2008 (C-445, Minute #10477) redefining the academic requirement**

That the following academic requirements be specified in Regulations:

*The applicant shall demonstrate that he or she has obtained*

*(i) A bachelor's degree in a Canadian engineering program that is accredited to the Council's satisfaction, or*

Rationale: The current wording of Section 33.(1) 1. of O. Reg. 941 reads:

*The applicant shall demonstrate that he or she*

*(i) Has obtained a bachelor's degree in an engineering program from a Canadian university that is accredited to the Council's satisfaction, or*

The recommended minor wording change to this section recognizes the reality that not all CEAB-accredited Canadian engineering programs are offered by universities. For example, Conestoga College of Applied Arts and Technology currently offers an accredited Bachelor of Engineering program in Mechanical Systems Engineering.

**(k) LPTF Recommendation 50, Passed 16Nov2007 (C-443, Minute #10445) re references to "thesis" in the Regulations**

That the following resolution be rescinded

*That all references in the Regulations to "thesis" except that in Section 85. (that set out the fee payable on submission) be deleted, as this is an element within the PEO syllabi.*

And be replaced by::

*That all references in the Regulations to "thesis" be replaced with "engineering report".*

Rationale: LPTF Recommendation 50 was predicated on the assumption that the PEO syllabi would be defined in Regulations, a notion that has since been abandoned as undesirable. References to this licensing element must therefore remain in the Regulations; however the element is no longer referred to as "thesis" in the syllabi, but rather as "engineering report". Accordingly, Regulation sections 36.(6), 37.(b), and 85.(3) still require amendment.

**(l) LPTF Recommendation 30, Passed 16Nov2007 (C-443, Minute #10445) re when the Professional Practice Examination may be written**

That the following resolution be rescinded

*That Section 37. of the Regulations be amended to provide that an applicant may write the Professional Practice Examination(s) any time they are offered.*

And be replaced by:

***That the current Regulations be amended to reflect the following policy:***

- ***The Professional Practice Examination may be written at any time after the academic requirement has been met.***
- ***An applicant's file may be closed by the Registrar if all other requirements for licensure have not been met within eight (8) years of meeting the academic requirement.***

Rationale: Regulation Section 37. currently reads:

*37. An applicant for a licence must pass the Professional Practice Examination not later than two years following the later of,*

*(a) the date of submission of the application for membership by the applicant to the Registrar; and*

*(b) the date of successful completion of all other examination requirements (other than the writing of a thesis, if required) or the final determination that no examination or thesis is required.*

This provision is unreasonably restrictive in terms of its upper limit, and is not currently being enforced. However, applicants are discouraged from attempting the PPE before they have met the academic requirement. After considerable deliberation, the Academic Requirements Committee is recommending that PEO's current practice be continued (i.e., that applicants not be permitted to write the PPE before meeting the academic requirement), and that this policy be enshrined in Regulations.

Regulatory Impact: This Regulation amendment would have no impact on applicants for licensure as it reflects PEO's current admissions practice.

**(m) LPTF Recommendations 36 and 45, Passed 16Nov2007 (C-443, Minute #10445) re timing and other operational details of examinations**

That the following resolutions be rescinded

*36. That the Regulations be amended to remove provisions related to timing of examinations and academic year, and*

*45. That sections 34 through 36 of the Regulations be deleted as they are primarily operating procedures.*

And be replaced by:

***That sections 34, 35, and subsection 36.(1) of the Regulations be removed, and that the term "academic year" be replaced with "year" in section 36.***

Rationale: Regulation Sections 34., 35., and 36. currently read:

*34. Examinations required by the Academic Requirements Committee shall be held prior to the 1<sup>st</sup> day of June in each year and at such other times, if any, and at such place or places, as the Council may from time to time determine.*

35. *The Registrar is responsible for arranging the holding of examinations, including the selection of time and examination centres.*

36. (1) *In this section, “academic year” means the period commencing the 1st day of September in a year and ending the 31st day of August in the next following year.*

(2) *An applicant for a licence shall write the examination, if only one, or the first examination, if more than one, within the two academic years immediately following the date of issue of the notice to the applicant by the Registrar setting forth the examination requirements that the applicant is required to satisfy.*

(3) *All examinations must be successfully completed within eight academic years after the date of notification referred to in subsection (2).*

(4) *If an applicant for a licence,*

(a) *fails to appear at the time and place set for an examination without reasonable justification submitted in writing; or*

(b) *fails to satisfy all examination requirements within the times referred to in subsections (2) and (3),*

*the applicant’s application for a licence shall be withdrawn by the Registrar.*

(5) *An applicant who has failed to successfully complete an examination set or approved by the Council is not entitled, except with the permission of the Academic Requirements Committee, to take the examination again and the applicant’s application for a licence shall be withdrawn by the Registrar.*

(6) *A thesis, if required to be submitted by an applicant for a licence, shall be written and submitted not later than two years following the date of completion of all examinations other than the Professional Practice Examination required to be fulfilled by the applicant.*

(7) *Where an applicant who is required by the Academic Requirements Committee to take and pass more than one examination fails to take at least one examination in each academic year after taking the first of such examinations, the Registrar shall withdraw the applicant’s application for a licence unless the applicant submits to the Registrar reasonable justification in writing for the failure to take the examination.*

As noted previously, it was originally intended to create a separate Regulation section devoted to the circumstances under which the Registrar could close an application file. However, upon further review, LIC is satisfied that the existing provisions of Section 36 meet PEO’s requirements in this regard; hence the recommendation to retain most of Section 36.

Regulatory Impact: This proposed amendment is of a “housekeeping” nature and has no material impact on applicants for licensure.

**Prepared by:** George Comrie, P.Eng., President & Chair, Licensing Committee

**Moved by:** George Comrie, P.Eng., President & Chair, Licensing Committee

### 1. Need for PEO Action

- Following Council’s direction in March 2014, the Legislation Committee continued its review of the TK-17 version Regulation amendments for Council governance, discipline-specific Certificates of Authorization and licensing process (academic and experience requirements) to determine which required additional policy work and those which were deemed no longer advisable and therefore need rescinding.

- The Legislation Committee completed its review of all of the outstanding TK-17 Council motions to clarify whether their policy intent was clear enough to support drafting and to meet the government’s new Regulatory Impact Assessment criteria.
- The Legislation Committee determined that most of the Certificate of Authorization and one of the Licensing Process Task Force (LPTF) motions are not advisable and should be rescinded. The majority of the LPTF motions were referred on August 13, 2015 to the new Licensing Committee (LIC) for further clarification (see Appendix A).
- The Licensing Committee has reviewed all the recommendations referred to it by the Legislation Committee and has consulted with the Academic Requirements Committee and the Experience Requirements Committee regarding the current relevancy of the recommendations. The detailed Licensing Committee Recommendations are included in Appendix D.

**2. Proposed Action / Recommendation**

- That Council rescind the motions listed above in Part 1 and amend or replace those listed above in Part 2.

**3. Next Steps (if motion approved)**

- Council resolutions listed in Part 1 will be rescinded. No further policy development is required.
- Council resolutions listed in Part 2 will be forwarded to the Attorney General’s office for drafting of Regulation amendments.

**4. Peer Review & Process Followed**

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| <p><b>Process Followed</b></p> | <ul style="list-style-type: none"> <li>• In September 2011, the Legislation Committee (LEC) was assigned by then-President Adams to review the latest (TK-17) version of an accumulated list of amendments to Regulation 941, which predated the formation of the Legislation Committee. The LEC was assigned to review the alignment of drafted wording with Council motions to determine which amendments were ready for Council approval. These amendments were intended to give legislative authority to previous Council directives including Licensure requirements developed by the Licensing Process Task Force (LPTF);</li> <li>• At its August 3, 2012 meeting, the LEC completed the review and determined that at this juncture, a subset of the original proposed regulation changes was ready and asked the Attorney General’s Office to prepare the regulation package for Council approval. The new package <b>excluded</b> all changes related to admissions, certificate of authorization and limited licence proposals. The committee continued to review subsequent drafts from the Attorney General. In November 2012, Council directed the committee to include changes to the Limited Licence and Certificate of Authorization (including the addition of the Licensed Engineering Technologist), and the committee asked the Attorney General to combine the two regulations.</li> <li>• From May to August 2013, to meet Peer Review standards, the committee sought comments on the TK-17 version from the Academics Requirements Committee, Experience Requirements Committee, Professional Standards Committee, and the Licensing Process Task Force. Those committees and LPTF responded that they still had concerns that the drafting did not match the policy intents of the original Council motions, and questioned the policy intents.</li> <li>• At the September 2013 Council meeting, the LEC Chair informed Council that it would be bringing back to Council a package with analysis on the remaining components of the proposed regulations, which will include recommendations on</li> </ul> |
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|                                         | <p>how to proceed. He noted that, in some cases, Council will need to rescind previous Council motions/directives which gave rise to these proposed changes.</p> <ul style="list-style-type: none"> <li>• The committee has also responded to new governmental policy developments which could impact PEO’s regulatory functions, specifically the Ontario Human Rights Commission’s policy statement on “Canadian Experience”, and a legal case involving “Good Character”. The committee has undertaken policy development to identify the issues and possible legislative solutions in both these areas. (The final regulations were presented to and approved by Council on February 6, 2015 and were passed by the Cabinet on April 12, 2015, with some sections coming into effect immediately and the remainder on July 1, 2015.)</li> <li>• In reviewing the outstanding Council policy motions, the Legislation Committee divided them into categories, analyzed the supporting original documentation, and adopted three possible recommendations to be made to Council, namely, to accept and draft or implement, to rescind the motion, or to refer the motion to subject matter experts to clarify the policy intent. The majority of the LPTF motions were referred on August 13, 2015 to the new Licensing Policy Committee for further clarification.</li> <li>• The Licensing Committee has reviewed all the recommendations referred to it by the Legislation Committee and has consulted with the Academic Requirements Committee and the Experience Requirements Committee regarding the current relevancy of the recommendations. The detailed Licensing Committee Recommendations are included in Appendices D and E.</li> </ul> |
| <p><b>Council Identified Review</b></p> | <ul style="list-style-type: none"> <li>• In September 2012, through the following motion, Council adopted a Regulatory Protocol, which requires Council to refer all matters that require the use of legislative authority (Act, Regulations and By-laws) to the Legislation Committee for its recommendation;<br/> <p style="text-align: center;"><b><i>Whereas the mandate of the Legislation Committee is to provide oversight and guidance for matters pertaining to the Professional Engineers Act, Regulations and By-Law,</i></b></p> <p style="text-align: center;"><b><i>Be it resolved that Council direct the CEO/Registrar to refer to the Legislation Committee all matters that could require Council to invoke its legislative authority from the Professional Engineers Act, Regulations and By-Law for the Legislation Committee’s review and recommendation to Council.</i></b></p> </li> <li>• In March, 2014, the Legislation Committee motion to rescind all outstanding Council motions was withdrawn. Council passed the following motion:</li> <li>• <b>To facilitate PEO’s compliance with new government requirements for Preliminary Regulatory Impact Assessment, that Council direct the Legislation Committee to work with the proponent committees and/or task forces to clarify their policy intents, implications and suitability for invoking Council’s regulation-making powers with respect to the motions as listed in C-492-3.4, Appendix A.</b></li> </ul>                                                                                                                                                                                                                                                      |
| <p><b>Actual Motion Review</b></p>      | <ul style="list-style-type: none"> <li>• The motions to rescind and amend / replace certain Council policy resolutions have been reviewed and approved by the Licensing Committee on March 3<sup>rd</sup>, 2017.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## **5. Appendices**

- Appendix A - Legislation Committee Review and Recommendations - dated August 13, 2015
- Appendix B - Interpretive Statement on "Equivalent Engineering Educational" Qualifications
- Appendix C - Explanatory Note for PEO's Examination Process
- Appendix D – Licensing Committee Recommendations Rescinding LPTF Recommendations
- Appendix E – Licensing Committee Recommendations Amending LPTF Recommendations Requiring Regulation Changes



| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p><b>A. Licensing Process – Academic issue</b><br/><b>PROPONENT: LPTF</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Implied Policy Questions</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>C-445 (Jan. 24, 2008)</b><br/><b>10477 LICENSING PROCESS TASK FORCE</b><br/><b>TABLED RECOMMENDATIONS (8,10)</b></p> <p><b>a) Academics</b><br/>That the following academic requirements be specified in Regulations:<br/>The applicant shall demonstrate that he or she,</p> <ul style="list-style-type: none"> <li>i. has obtained a bachelor’s degree in an engineering program from a Canadian university that is accredited by the Canadian Engineering Accreditation Board, or</li> <li>ii. has obtained formal academic training that meets one of the Council approved syllabi and can demonstrate academic depth per the approved list of alternatives, or</li> <li>iii. is a member in good standing with an organization that the PEO is a party to a mutual recognition agreement, or</li> <li>iv. has completed a Council prescribed program, or</li> <li>v. has met the minimum academic requirements for a</li> </ul> | <ol style="list-style-type: none"> <li>1. What is the problem?<br/>“There is a need to redefine the academic requirement for licensure in terms of a university degree in engineering or applied science with appropriate breadth and depth of study. This would help eliminate any potential ambiguity or contention associated with determining equivalence of foreign engineering programs to accredited Canadian engineering programs” (LPTF Final Report, p. 65)<br/>Technical examinations may not be duly authorized by the Act. “There is a need to clarify both the intent of and the legal authority for technical examinations within PEO’s Licensing process.” (ibid, p.67)</li> <li>2. What was the implied policy intent of the motion? Knowledge equivalence testing for non-CEAB graduates, is ambiguous and inconsistently applied. Eliminate the examination route to licensure. “Establish a university degree in engineering or applied science as the minimum academic standard for licensure as a P.Eng. This will effectively eliminate the examination route to licensure. Applicants who do not qualify for the P.Eng. licence under this criterion should have the option of being considered for a Limited Licence without the need to reapply or pay an additional application fee. Redefine the academic requirements for licensure in the Regulations in terms of both breadth and depth of study / mastery, referencing the PEO Syllabi as the standard for academic breadth, and including the following objective definition of academic depth.”(ibid, p.59)</li> <li>3. What was the provided rationale to support the policy intent? Existence of potential ambiguity or contention associated with determining equivalence of foreign engineering programs to accredited Canadian engineering programs</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): “has complied with the academic requirements specified in the regulations for the issuance of the licence, <u>including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements</u>”. This section only allows examinations (or exemption thereof) as an alternative for academic</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>Limited Licence and has completed the ARC assigned examination program.</p> <p>(For reference, Recommendation 8 read; Recommendation 8: That the academic requirement for licensure be redefined in the Regulation in terms of academic breadth and depth, with reference to the PEO Syllabi as the standard for academic breadth, and with the objective definition of academic depth stated in Section 5.2.1 of this report. )</p> <p>(For reference, Recommendation 10 read: Recommendation 10: That the following classes of applicant who have met PEO’s academic breadth requirement be exempted in the Regulations from writing the confirmatory examinations:</p> <ul style="list-style-type: none"> <li>• Graduates of CEAB-accredited programs in the six (6) years preceding the date of application;</li> <li>• Applicants with bachelor’s degrees in engineering programs that have been approved for academic depth by Council resolution;</li> <li>• Applicants who have satisfied the Academic Requirements</li> </ul> | <p>requirements. Mutual Recognition agreements could be construed as falling within one of the grounds for exemption from academic criteria specified as one of those reasons for exemption. Section 7(1) 9v. allows Council to make regulations <u>respecting, not prescribing</u> academic requirements for the issuance of a licence.</p> <ol style="list-style-type: none"> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified, in combination with experience, good character, and passing of the PPE.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Consistency with respect to alternative academic qualifications for foreign-trained applicants.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? See Appendix A What further evidence is required? Analysis comparing control groups or other jurisdictions to determine the extent of inconsistency in determinations by the ARC or Deputy Registrar.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. CODE expressed concerns that Recommendation 10 did not explicitly mention CEAB in the Regulation. <i>(Note: this was corrected in the revised version presented in 2008)</i></li> <li>9. What potential impacts on stakeholders were identified? None specifically identified; foreign-trained applicants were implied.</li> <li>10. Did this policy proposal impact on other PEO policies? Impact on Limited Licence, Examination program.</li> <li>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</li> </ol> |

| <b>TOPIC &amp; COUNCIL MOTIONS</b>                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>Committee that they meet the academic depth requirement. )</p> <p>53. That Council approve annually, or more often if required, the list of academic programs that are accredited (by CEAB) and that meet the intent of Section 33.(1) 1. i. of the Regulations (Section 33. (2) 3. (a) of the draft revised Regulations).</p> | <ol style="list-style-type: none"> <li>1. What is the problem? Reference in Regulation Section 33(1).1 to “an engineering program ... that is accredited <i>to the Council’s satisfaction</i>”. This is a requirement that should be prescribed, but instead is left to Council to determine. The Regulation therefore constitutes an improper sub-delegation to Council.</li> <li>2. What was the implied policy intent of the motion? To provide proper authority for CEAB accreditation of programs by having Council approve them annually or when required.</li> <li>3. What was the provided rationale to support the policy intent? Make it clear that there is a list of accredited programs published annually and approved by Council. (p. 95)</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1) of the Act only requires that Council set or approve the examinations. Academic requirements must be specified in Regulations.</li> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified. For conditions for exempting further academic requirements to be authorized, they must be properly referred to in Regulations.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? CEAB accreditations would be up to date to authorize exemptions from further academic requirements for applicants who have graduated from CEAB-accredited programs. However, it is unlikely that an applicant who graduated from a CEAB-accredited program would be refused a licence for academic reasons.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided.</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? None</p> <p>10. Did this policy proposal impact on other PEO policies? Policies on other exemptions from academic requirements (IAMA transfers)</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b><u>Academic Breadth</u></b></p> <p><b>C-443( Nov. 15, 2007)</b></p> <p>18. That all applicants whose academic credentials do not meet an objective criterion set out in the Regulations or established by Council resolution be referred by the Registrar to the Academic Requirements Committee (ARC) for assessment as to whether or not they meet PEO’s academic breadth and depth requirements for licensure. The following objective criteria should be placed in the Regulations:</p> | <p>1. What is the problem? There is a need to ensure that the assessment of applicant qualifications against academics, experience and character licensing requirements is uniformly rigorous. By addressing this need, PEO will strengthen its already robust licensing process. (ibid, p.74)</p> <p>2. What was the implied policy intent of the motion? Non-uniform rigour for academics, experience and character requirements.</p> <p>3. What was the provided rationale to support the policy intent? Need for uniform assessments of academic credentials among all applicants; Confirmatory examinations are a licensing requirement that all applicants must pass unless they are exempted by conditions specified in the Regulations by which the applicant can demonstrate that he or she meets the academic depth requirement. (ibid. p.69)</p> <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Under Section 14 (3) (a) of the Act, most other applications <u>may</u> be referred to the ARC for assessment to determine whether or not they meet the requirement of Regulation Section 33. (1) 1. (ii); i.e., they are “equivalent” in both breadth and depth of study to a CEAB-accredited program . If all</p> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <ul style="list-style-type: none"> <li>• Graduates of a CEAB-accredited engineering program;</li> <li>• Applicants who qualify under the CCPE Inter-Association Mobility Agreement (IAMA).</li> </ul> <p>The following objective criteria should be established by Council resolution:</p> <ul style="list-style-type: none"> <li>• Graduates of academic programs for whom a standard treatment has been approved by Council resolution</li> </ul> | <p>non-CEAB/IAMA applicants are to be referred to the ARC, section 14(3) should be changed to read “the Registrar shall refer etc.”</p> <ol style="list-style-type: none"> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified, in combination with experience, good character, and passing of the PPE. How the academic determination process is carried out is a more internal operational matter. This motion would remove the Registrar’s discretion to refer an applicant.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Consistent use of process for all non-CEAB/IAMA applicants by automatic referral to ARC (to determine breadth and depth of knowledge).</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? See Appendix A What further evidence is required? Evidence of significantly different determinations for similarly qualified applicants between Registrar’s review and ARC review.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</li> <li>9. What potential impacts on stakeholders were identified? More consistent treatment of non-CEAB and foreign-trained applicants</li> <li>10. Did this policy proposal impact on other PEO policies? Should be consistent with approach taken for mandatory referral of similar applicants to ERC to determine experience qualifications. Somewhat severable from the question of how ARC is to determine breadth and depth of knowledge</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p>19. That the current practices and assessment tools of the Academic Requirements Committee (ARC) in performing academic assessments of applicants be retained, and that the Regulations be amended as required to clearly support these practices.</p> | <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <ol style="list-style-type: none"> <li>1. What is the problem?<br/>The Task Force believes that much useful work has been done over many years by both Committees to develop their assessment guidelines and tools, and that these should be retained. While their ongoing refinement is expected and encouraged, no major changes are being recommended. As a consequence, it may be necessary or at least desirable to make regulation changes to more clearly support some current practices. (ibid., p.68)</li> <li>2. What was the implied policy intent of the motion? To anchor the academic breadth and depth requirements in Regulation</li> <li>3. What was the provided rationale to support the policy intent? Need to anchor the current ARC and ERC practices manuals in Regulation; need to increase the breadth and depth of knowledge, even for CEAB-accredited graduates “There is a need to ensure that the assessment of academic qualifications against academics, experience and character licensing requirements is uniformly rigorous. By addressing this need, PEO will strengthen its already robust licensing process.” (ibid.,p.68)</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(5) provides that the Registrar may refer an application to ARC (for academic determination) and to ERC (for experience requirements determination), but does not authorize ERC to determine academic requirements in lieu of ARC as proposed in the motion (third bullet) (<i>ultra vires</i>). An act change is required to permit ERC to make academic determinations in lieu of ARC.</li> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified. Qualifications must be anchored in the Act and Regulations.</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                                                                                                                                                                                            | <p>6. What are the expectations of this policy change (specifications; desired outcome)? Introduction of academic breadth and depth requirements to the application process, potentially reducing the number of new licenses issued or increasing the number of confirmatory examinations assigned to applicants.</p> <p>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided to support motion.</p> <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Decrease in the number of new licences issued to applicants who do not meet the new academic breadth and depth requirements (included CEAB graduates).</p> <p>10. Did this policy proposal impact on other PEO policies? This proposal dramatically impacts the academic requirements provisions, and contradicts the stated policy intent to reduce or eliminate the examination path to licensure. The use of ERC to assess academic requirements in lieu of ARC is ultra vires, and would require an Act change to give the proper authority for it.</p> <p>11. What is the LEC's recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> |
| <p>20. That applicants who are determined by the Academic Requirements Committee (ARC) to lack the necessary academic breadth be provided with an opportunity to demonstrate they have</p> | <p>1. What is the problem? Academic breadth to match the PEO Syllabus is not being appropriately determined adequately in the current process by completing specified courses of study that include knowledge assessments (technical examinations alone are insufficient).</p> <p>2. What was the implied policy intent of the motion? To allow academic breadth to be confirmed either by passing ARC-specified technical examinations or courses of study that include</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <p>the knowledge specified in the PEO Syllabus by either:</p> <ul style="list-style-type: none"> <li>• Passing one or more ARC-specified technical examinations, or</li> <li>• Successfully completing ARC-approved/ARC-specified course(s) of study that include knowledge assessments.</li> </ul> | <p>knowledge assessment</p> <ol style="list-style-type: none"> <li>3. What was the provided rationale to support the policy intent? “assertion that a typical academic program of study with an instructor, lectures, laboratories / tutorials, assignments, and tests is a superior means of acquiring knowledge and of demonstrating mastery of that knowledge than the completion of a program of independent study and the passing of a single examination.” (ibid, p.69)</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): <u>“has complied with the academic requirements specified in the regulations for the issuance of the licence, including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements”</u>. This section only allows examinations (or exemption thereof) as an alternative for academic requirements. Courses of study are not authorized by the Act, therefore an Act change is required.</li> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified, in combination with experience, good character, and passing of the PPE. How the academic determination process is carried out is a more internal operational matter.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? ARC would assign courses of study to applicants, resulting in a more accurate determination of academic breadth.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? Comparison of results for examinations or courses (pass rates) would test the assertion about the efficacy of either approach to verifying academic breadth.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report</li> </ol> |



| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <p>32. That, for purposes of accumulating experience towards licensure, applicants who substantially meet the <i>academic breadth</i> requirement (i.e., whose transcripts match the PEO Syllabus with no more than two gaps) be deemed to have met PEO's academic requirements on the date of their engineering degree.</p> | <p>were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments on this motion were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Costs for taking courses (compared to cost of PEO-administered examinations)</p> <p>10. Did this policy proposal impact on other PEO policies? Depends on the definitions of academic breadth and depth (motions 9, 18, 19, and 32).</p> <p>11. What is the LEC's recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <p>1. What is the problem? There is a need to address the inconsistency between admission practice and the Regulations as to when applicants writing examinations begin acquiring experience for licensure. Addressing this need would ensure that admission practices are consistent with the Regulations.(<i>ibid.</i>, p. 77)</p> <p>2. What was the implied policy intent of the motion? The Task Force supports the principle that the theoretical basis for practice must be established before experience can be counted towards licensure. (<i>ibid.</i>, p.78)</p> <p>3. What was the provided rationale to support the policy intent? Applicants who are subject to (i.e., are not exempted from) confirmatory or directed confirmatory examinations will not be held up from accumulating experience toward licensure while they sit the confirmatory exams. However, should they fail to confirm, they will be deemed to not meet the academic requirement, and will receive credit for no more than 12 months of experience until such time as they do meet the academic requirement. Since at least 1996, it has been interpreted that the period commences when the applicant has completed the technical exams required for his/her area of employment. (<i>ibid.</i>, p.77-8)</p> |

| TOPIC & COUNCIL MOTIONS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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|                         | <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): “has complied with the academic requirements specified in the regulations for the issuance of the licence, including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements”. 14(1)(d): has complied with the experience requirements specified in the regulations for the issuance of a licence”. Section 14(1) does not specify that experience must be gained after completing the academic requirement, therefore the experience gained can be concurrent with academic, even though section 33(1) para 3. Allows up to 12 months of experience to be gained after completing one-half of the classroom component of the degree</p> <p>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering, including relevant work experience, but does not extend into the specific mechanisms or timeframes.</p> <p>6. What are the expectations of this policy change (specifications; desired outcome)? It is not clear whether this would accelerate or delay the crediting of experience, however, since a determination of meeting of breadth would have to be made by ARC, this would likely delay the issuance of a licence.</p> <p>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? Quantification of the duration of review of experience requirements would assist further analysis, to determine whether the rule change would accelerate or delay an applicant’s meeting of experience requirements.</p> <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were on this motion were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? None identified.</p> <p>10. Did this policy proposal impact on other PEO policies? Depends on the definitions of academic</p> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>33. That the Regulations be amended to provide that applicants with accredited degrees that were awarded more than six (6) years prior to the date of application will be assessed against the current applicable PEO Syllabus for academic breadth.</p> | <p>breadth and depth (motions 9, 18, 19, and 20).</p> <p>11. What is the LEC's recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <ol style="list-style-type: none"> <li>1. What is the problem? Inequity of time limits for academic between CEAB (none) and non-CEAB graduate (meet PEO Syllabus that may have advanced since they graduated) time limit on academic credentials. "There is a need to address the fact that there is no time limit on academic credentials for those who have graduated from an accredited engineering program, whereas the academic backgrounds of graduates of unaccredited programs must meet the current PEO syllabus. Addressing this need would provide an opportunity for PEO to improve the consistency and fairness of its academic requirement for licensure." (p.79)</li> <li>2. What was the implied policy intent of the motion? To provide equal treatment (maximum six years post-graduation) for all applicants</li> <li>3. What was the provided rationale to support the policy intent? E<sup>2</sup>A Principle of equivalent treatment; six years chosen to match maximum CEAB accreditation and frequency of Syllabus revisions.</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): "has complied with the academic requirements specified in the regulations for the issuance of the licence, including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements". This issue falls within this statutory provision.</li> <li>5. Did the policy impact on PEO's public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Applicants who apply within six years post-graduation are incentivized to seek licensure and will be</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                                                                                                                                                                                        | <p>assessed fairly against a current, not future Syllabus. This may lead to increased licensure rates.</p> <ol style="list-style-type: none"> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? Citation of CEAB accreditation period and syllabus revision timeframes were used but not appended or footnoted. Data on the incidence of use of subsequent syllabi would be helpful to test the hypothesis and indicate any dropout rates of applications (or non-applications).</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</li> <li>9. What potential impacts on stakeholders were identified? Applicants whose degrees are more than six years old would potentially qualify more easily than if a newer syllabus was used.</li> <li>10. Did this policy proposal impact on other PEO policies? Motions 18, 20 and 32</li> <li>11. What is the LEC's recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</li> </ol> |
| <p><u>Academic Depth</u><br/>C-443( Nov. 15, 2007)</p> <p>9. That a new regulation be added requiring all applicants for a licence to demonstrate that they meet the academic depth requirement by</p> | <ol style="list-style-type: none"> <li>1. What is the problem? Inconsistent assignment of normal and confirmatory examinations and examination performance levels to exempt further exams, since they are not anchored in Regulation. "Since passing a PEO technical examination confirms depth of knowledge in the subject area of the examination, an applicant whose academic background is seriously deficient may be assigned as many as 18 examinations. Such programs are referred to as <i>the examination route to licensure</i> or "<i>PEO U</i>". PEO implies to applicants that both gap and confirmatory examinations are licensing requirements that can be assigned and waived. Sections 34., 36., 40.(2) (c), 40.(3) (c), and 40. (3) (d) of the Regulations support this interpretation." (ibid., p. 63)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>passing confirmatory examinations, unless exempted by the regulation, and establishing:</p> <ul style="list-style-type: none"> <li>• The normal confirmatory examination program for applicants who fully meet the academic breadth requirement;</li> <li>• The directed confirmatory examination program for applicants who do not fully meet the academic breadth requirement;</li> <li>• Exemptions for good performance on examinations;</li> <li>• Additional requirements for poor performance on examinations.</li> </ul> | <ol style="list-style-type: none"> <li>2. What was the implied policy intent of the motion? To provide more consistent assignment of examinations anchored in Regulations.</li> <li>3. What was the provided rationale to support the policy intent? The ARC’s “Red Book” contains “Good Performance” criteria which may reduce the number of confirmatory exams an applicant has to write, as well as “Bad Performance” criteria which increase the number of examinations the applicant must write.(ibid., p. 62)</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): <u>“has complied with the academic requirements specified in the regulations for the issuance of the licence, including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements”</u>.</li> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified, in combination with experience, good character, and passing of the PPE.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Consistency of assignment of normal and directed confirmatory examinations, exemptions for good exam performance and additional requirements for poor exam performance, as per the “Red Book” criteria.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? See Appendix A What further evidence is required? Analysis illustrating variances in assignment of examinations and performance would be beneficial to substantiate the claimed problem.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p>50. That all references in the Regulations to “thesis” except that in Section 85 (that set out the fee payable on submission) be deleted, as this is an element within the PEO syllabi.</p> | <p>received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? None specifically identified; foreign-trained applicants without academic breadth were implied.</p> <p>10. Did this policy proposal impact on other PEO policies? Impact on Examination program.</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <p>1. What is the problem? The option of an applicant submitting a thesis to meet academic requirements is not authorized in section 33 (1) of the Regulation, yet is mentioned in section 36(6)</p> <p>2. What was the implied policy intent of the motion? To remove the thesis option from section 36 and 37 of the Regulation.</p> <p>3. What was the provided rationale to support the policy intent? “ARC cannot require a thesis or refer applicants to ERC to help determine which exams to assign. As discussed above, ARC can only assess schooling; so it can’t require a thesis to make up or confirm schooling, and since it does not have authority to give exams, ARC can’t refer the matter to ERC in order to help determine which exams to give (ERC does not have the authority to set exams either).” (ibid., p. 92)</p> <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): “has complied with the academic requirements specified in the regulations for the issuance of the licence, <u>including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements</u>”.</p> |

| TOPIC & COUNCIL MOTIONS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                         | <p>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Academic qualifications (a proxy for knowledge) are a component of being fully qualified, in combination with experience, good character, and passing of the PPE.</p> <p>6. What are the expectations of this policy change (specifications; desired outcome)? Applicants will either meet the breadth and depth academic requirements through courses or examinations, or be refused a licence. The standalone thesis option will be discontinued, but may be assigned within the context of the PEO Syllabi.</p> <p>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? A legal opinion is referenced on the authority of ARC to assign a thesis option.</p> <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Applicants who do not meet the academic breadth requirements will be assigned examinations but not a thesis, unless it is part of an ARC-assigned course. These applicants will be saved the \$300 thesis submission fee.</p> <p>10. Did this policy proposal impact on other PEO policies? Impact on Examination program.</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> |
| <u>Examinations</u>     | <p>1. What is the problem?<br/> “There is a need to eliminate the restrictive timing of Professional Practice Examinations (PPE). Addressing this need would provide applicants with additional flexibility, while maintaining</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>C-443( Nov. 15, 2007)</b></p> <p>30. That Section 37. of the Regulations be revised to provide that an applicant may write the Professional Practice Examination(s) any time they are offered</p> | <p>current admission standards.” (p. 77)</p> <ol style="list-style-type: none"> <li>2. What was the implied policy intent of the motion? Allow applicants to write the PPE at any time.</li> <li>3. What was the provided rationale to support the policy intent? “Section 37. of O. Reg. 941 specifies that the PPE must be passed within two years after the later of (i) the date of application for the [P.Eng.] licence, or (ii) the date on which the academic requirements are deemed to have been met. This provision is a carry-over from the days when the experience requirement was two years instead of four. PEO’s guidelines suggest applicants should not write the PPE until they have met the academic requirements; however, this suggestion is not supported by the regulations.</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Yes, section 14(1)(d.1) “has complied with any other requirements specified in the regulations for the issuance of a licence”.</li> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. This includes understanding of legal requirements and ethics (PPE is a proxy for this).</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? All applicants may write the PPE whenever they wish, unrestricted to their academic or experience qualifications.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? Comparison of PPE pass rates by years after graduation would be useful to test the hypothesis.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were</li> </ol> |



| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>36. That the Regulations be amended to remove provisions related to timing of examinations and academic year.</p> <p>37: That PEO continue to administer technical examinations, and that consideration be given to offering all examinations at least twice a year.</p> | <p>received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? All applicants would be able to write the PPE when they desired.</p> <p>10. Did this policy proposal impact on other PEO policies? Only motion 36</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <p>1. What is the problem?” There is a need to establish reasonable time limits for applicants to demonstrate compliance with academic and experience requirements for licensure. Addressing this need would enable PEO to ensure it is dealing with current applications, and avoids the situation where an application remains open for a prolonged period of time during which the applicant is making little or no progress towards fulfilling the requirements for licensure.”(p.81)</p> <p>2. What was the implied policy intent of the motion? To provide maximum flexibility on when examinations can be written to not delay applications.</p> <p>3. What was the provided rationale to support the policy intent? Removal of an administrative barrier to applications for those who are assigned technical examinations.</p> <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Yes, section 14(1)(d.1) “has complied with any other requirements specified in the regulations for the issuance of a licence”.</p> <p>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. This includes understanding of legal requirements and ethics (PPE is a proxy for this).</p> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>46. That a new provision be added to the Regulation to provide for an applicant's file to be closed by the Registrar in the event that the applicant does not make satisfactory progress towards demonstrating compliance with the academic requirements by passing technical</p> | <ol style="list-style-type: none"> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Greater access to examinations, thereby reducing delay in issuing licences to qualified applicants.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? Average delays between examination dates and/or evidence of backlogs while awaiting examinations</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council.</li> <li>9. What potential impacts on stakeholders were identified? Applicants who are assigned technical exams – waiting time between examination dates and possible delay in being granted a licence.</li> <li>10. Did this policy proposal impact on other PEO policies? Motions 30 and 36</li> <li>11. What is the LEC's recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</li> </ol> <ol style="list-style-type: none"> <li>1. What is the problem? Applicant files are kept open indefinitely when they have been assigned technical examinations, since PEO does not have the authority in Regulation to close a file. "Although Section 33. (1) of the Regulations and PEO's Licensing Guide and Application for Licence imply that the minimum academic qualification for [P.Eng.] licensure is a university engineering degree, applicants who do not meet this requirement are permitted to sit up to 18 examinations and submit a thesis in lieu of this qualification (the so-called examination route to licensure)." (bid, p. 59)</li> <li>2. What was the implied policy intent of the motion? To limit the number of technical examinations an applicant can write and fail (reduce the exam route to licensure). If PEO is to</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>examinations specified by ARC, along the following lines:</p> <p><i>Where an applicant has chosen to attempt technical examinations specified by the Academic Requirements Committee as a means of demonstrating compliance with the academic requirements pursuant to new Section 34., and</i></p> <p><i>(i) fails to pass at least one examination within two years of notice of the determination made under Section 40.(2), or</i></p> <p><i>(ii) fails to pass all of the specified examinations within eight (8) years of receiving notice of the determination made under Section 40.(2),</i></p> <p><i>the Registrar may withdraw the applicant's application for a licence unless the applicant submits to the Registrar in writing reasonable justification for the failure to attempt or pass the</i></p> | <p>retain the examination route to licensure, it must come up with some reasonable limits for administrative fairness.</p> <ol style="list-style-type: none"> <li>3. What was the provided rationale to support the policy intent? "It is worth noting that, of those applicants assigned or recommended technical examinations, only 20-30% actually complete all required examinations; the rest do not complete the licensing process." (ibid., p.43)</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Yes, section 14(1)(d.1) "has complied with any other requirements specified in the regulations for the issuance of a licence".</li> <li>5. Did the policy impact on PEO's public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Should be reviewed against section 8 requirements under FARPA.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Applicants with low prospects of qualifying for licensure (repeatedly failing exams) will have their files closed rather than keeping their file open indefinitely . We would expect to see a reduction in the number of multiple- or repeated exam candidates.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? See question 3. Further data on pass rates as well as applicant feedback would be helpful.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council.</li> <li>9. What potential impacts on stakeholders were identified? Applicants who repeatedly fail examinations would have their file closed. They would have to pay again to re-apply and open a new file.</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p data-bbox="283 235 451 259"><i>examinations.</i></p> <p data-bbox="186 573 682 808">49. That the following provision at Subsection 40.(3) (d) of the Regulations be moved to a new section, for example 40.(4), as it does not relate to ARC “carrying out its duties in Subsection (2)”:</p> <p data-bbox="235 846 682 1036"><i>The Academic Requirements Committee shall consider and decide upon the form and content of examinations recommended, and the results of such examinations.</i></p> | <p data-bbox="730 235 1822 337">10. Did this policy proposal impact on other PEO policies? Whether to continue to use examinations as opposed to assigned courses with built-in knowledge testing. Should be reviewed against section 8 requirements under FARPA.</p> <p data-bbox="730 378 1906 480">11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <p data-bbox="730 557 1850 621">1. What is the problem? Setting exam form and content is an appropriate role for the ARC in performing its duties under section 40(2) of the Regulation?</p> <p data-bbox="730 662 1860 727">2. What was the implied policy intent of the motion? The Registrar should set the exam forms and contents</p> <p data-bbox="730 768 1675 800">3. What was the provided rationale to support the policy intent? Not provided</p> <p data-bbox="730 841 1833 938">4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Yes, section 14(1)(d.1) “has complied with any other requirements specified in the regulations for the issuance of a licence”.</p> <p data-bbox="730 979 1850 1044">5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering.</p> <p data-bbox="730 1084 1892 1187">6. What are the expectations of this policy change (specifications; desired outcome)? Setting exam content and forms, and deciding the results should be the Registrar’s role, lessening the ARC’s work and providing more objectivity?</p> <p data-bbox="730 1227 1885 1330">7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence provided; workload data on ARC would be useful.</p> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p><b>C-445 (Jan. 24, 2008)</b><br/> <b>10477 LICENSING PROCESS TASK FORCE</b><br/> <b>TABLED RECOMMENDATIONS (11, 12)</b></p> <p><b>b) Examinations</b><br/> That PEO's current standard for "Good Performance" and "Poor Performance" on examinations be included in the Regulations.<br/> (For reference, Recommendation 11: That the current practice whereby an applicant with good performance on the first few confirmatory examinations may reduce the number of confirmatory examinations be enshrined in the Regulations as follows:<br/> (a) If an applicant writes two technical</p> | <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Role transferred from ARC to staff</p> <p>10. Did this policy proposal impact on other PEO policies? No, unless exam route to licensure is reduced or eliminated.</p> <p>11. What is the LEC's recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <p>1. What is the problem? There is a need to clarify both the intent of and the legal authority for technical examinations within PEO's Licensing process. There is no specific threshold of good performance on the first few confirmatory examinations to reduce the number of confirmatory examinations. Section 38 of the Regulation only specifies that examinations are marked on a percentage basis, with 50 percent being deemed the passing rate.</p> <p>2. What was the implied policy intent of the motion? To provide consistent and defensible standards for exempting or mandating subsequent confirmatory examinations, as specified in the Regulation.</p> <p>3. What was the provided rationale to support the policy intent? Examination performance standards as per the ARC "Red book" are not authorized in Regulation to support notice provisions.</p> <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Yes, section 14(1)(d.1) "has complied with any other requirements specified in the regulations for the issuance of a licence".</p> |

| <b>TOPIC &amp; COUNCIL MOTIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <p>exams at his/her first sitting and achieves a minimum average of 65% with no mark below 60%, the applicant is exempt from writing the remaining two required exams;</p> <p>(b) If after the second exam sitting the applicant has passed three technical exams with no mark below 60%, the applicant is exempt from writing the Complementary Studies Exam;</p> <p>(c) If the applicant fails one technical exam on his/her first sitting, then passes the failed exam with a mark of 70% or higher and achieves 60% or higher on the previously unwritten technical exam attempted at the second sitting, the applicant is exempt from writing the Complementary Studies Exam.)</p> <p>(For reference, Recommendation 12: That the current practices related to poor performance on confirmatory examinations be retained and enshrined in the Regulations as follows:</p> <p>(a) If an applicant fails a confirmatory examination, he or she must retake and pass the failed examination;</p> <p>(b) If an applicant fails the same confirmatory examination twice or</p> | <p>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering.</p> <p>6. What are the expectations of this policy change (specifications; desired outcome)? Consistent use of good and bad examination performance supporting exemption or mandating subsequent examinations. Reduction in maximum number of confirmatory examinations to nine (ibid., p64)</p> <p>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? None provided; demonstration of number of average examinations assigned, and pass and fail rates for first and subsequent examinations would be helpful.</p> <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded</p> <p>9. What potential impacts on stakeholders were identified? Reduction of maximum number of examinations (including cost of \$165 fee) for applicants.</p> <p>10. Did this policy proposal impact on other PEO policies? All examinations policies</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> |

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| <p><b>TOPIC &amp; COUNCIL MOTIONS</b></p>                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>fails two different confirmatory examinations, he or she must retake and pass the failed examinations and will be assigned an additional confirmatory examination for each failed examination;</p> <p>(c) If an applicant fails the same confirmatory examination thrice or fails to achieve an average of at least 55% on three technical examinations, he or she will be deemed to not meet the academic requirement for licensure.)</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b><u>Academic admin (times)</u></b></p> <p><b>C-443( Nov. 15, 2007)</b></p> <p>35. That an applicant’s file be kept open for a maximum of eight (8) years from the date of application.</p>                                                                                                                                                                                                                                               | <ol style="list-style-type: none"> <li>1. What is the problem? Files are kept open indefinitely without providing notice of determination and specific grounds for rejection of the application for a licence, as required in section 14(6). “There is a need to establish reasonable time limits for applicants to demonstrate compliance with academic and experience requirements for licensure. Addressing this need would enable PEO to ensure it is dealing with current applications, and avoids the situation where an application remains open for a prolonged period of time during which the applicant is making little or no progress towards fulfilling the requirements for licensure.”(p.81)</li> <li>2. What was the implied policy intent of the motion? Assess all applications within a defined time period that gives a reasonable time to meet academic and experience requirements.</li> <li>3. What was the provided rationale to support the policy intent? “This provides a means for PEO to administratively close files of applicants who have not met all requirements within a defined time period. Eight (8) years provides ample time for an applicant to fill in all gaps that may exist at the time of his/her application. Should the applicant require more time, he or she may reapply at any time to obtain a new assessment as to whether or not he or she meets the</li> </ol> |

| TOPIC & COUNCIL MOTIONS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                         | <p>requirements.” (ibid., p.81</p> <ol style="list-style-type: none"> <li data-bbox="730 310 1921 480">4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14 sets out the requirements, and 14(6) requires the Registrar to give a notice of determination by a committee that the application was referred to. It does not provide for a time limit for an open application, since the “trigger mechanism” for terminating an application is supposed to be a notice of determination and notice of proposal to refuse a licence.</li> <li data-bbox="730 521 1921 659">5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Under FARPA, there is a requirement for a reasonable timeframe for making a decision on an application so that an applicant may request a Registration (appeal) of that decision <b>(TBC)</b></li> <li data-bbox="730 699 1921 805">6. What are the expectations of this policy change (specifications; desired outcome)? Applicants who are not making progress on their qualifications will be given a determination and may choose to abandon their application or file a new application</li> <li data-bbox="730 846 1921 951">7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided; data on the number of files still open by length of time after initial application would be beneficial.</li> <li data-bbox="730 992 1921 1130">8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</li> <li data-bbox="730 1170 1921 1243">9. What potential impacts on stakeholders were identified? Failed applicants have a right to file an appeal (request Registration Committee hearing or submit a new application (\$300 fee)</li> <li data-bbox="730 1284 1921 1341">10. Did this policy proposal impact on other PEO policies? Should be examined in conjunction of PEO’s compliance with requirements of section 14(6) of the Act</li> </ol> |



| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p>34. That Council establish and publish a time standard for making a determination, once an applicant has declared, and Licensing &amp; Registration staff have confirmed, that he/she has provided all required / relevant information, taking into account the various legitimate circumstances that can influence turn-around time, such as whether or not the applicant is referred to ERC for an interview.</p> | <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <ol style="list-style-type: none"> <li>1. What is the problem? PEO does not demonstrate to applicants, government and the public that it processes applications for licensure and gives administrative decisions in a reasonable time. “No time standard exists for making a determination. Applications remain open without a determination while the applicant attempts to demonstrate compliance with the requirement. In some cases, there is a lengthy period of correspondence “back and forth” between PEO Licensing &amp; Registration staff and the applicant while the applicant attempts to provide all of the necessary information for his or her application to be processed.” (ibid., p.80)</li> <li>2. What was the implied policy intent of the motion? To provide more clarity to applicants so they know how long it will take to make a determination on issuance or refusal of a licence, and to promote transparency and efficiency for PEO in its Admissions process operations.</li> <li>3. What was the provided rationale to support the policy intent? “There is a need to establish time standards for making a determination, once an applicant has provided all required information. Addressing this need would provides the opportunity for PEO to demonstrate to applicants, government, and the public that it processes applications for licensure and gives administrative decisions in a reasonable time, and to publish expected processing times” (ibid., p.80)The onus must remain on the applicant to advise PEO when he/she has provided all available information in support of the application, at which point the clock “starts ticking” on the time to determination. (ibid., p.80)</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14 sets out the requirements for licensure, but does not specify any time limit for determinations or issuance of an NOD. Sections 6(b) and 7 of FARPA require more transparency of timeframes for decisions.</li> </ol> |

| TOPIC & COUNCIL MOTIONS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|                         | <p>5. Did the policy impact on PEO’s public interest mandate?. FARPA, which applies to PEO and other regulatory bodies, is an expression of the government’s “public interest”. PEO’s practices must comply with FARPA requirements. It is unclear whether timeframes must be specified in Regulation, or whether a publicized standard is sufficient.</p> <p>6. What are the expectations of this policy change (specifications; desired outcome)? Applicants will be given more clarity on the timeframe required by PEO to make a licensure decision once all required information has been submitted by the applicant. PEO will be challenged to meet its published timeframes.</p> <p>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided about average lengths of time for ARC or ERC to make determinations to establish any “benchmarking” timeframes.</p> <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Applicants who have submitted all required documentation related to their application will be provided with a timeframe to expect a decision</p> <p>10. Did this policy proposal impact on other PEO policies? Time frames for closing of open files, and internal review processes towards issuing a NOD or NOP.</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> |

| TOPIC & COUNCIL MOTIONS                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p>45. That Sections 34 through 36 of the Regulations be deleted as they are primarily operating procedures.</p> | <ol style="list-style-type: none"> <li>1. What is the problem? Arbitrary and unnecessary time limits being imposed on applicants writing technical examinations.</li> <li>2. What was the implied policy intent of the motion? Operational details for the dates and timing of examinations (other than the PPE) in sections 34 through 36 of the Regulation are unnecessary details to be specified in the Regulation. Section 36 of the Regulation would be replaced with Recommendation 46 specifying the examination failure conditions.</li> <li>3. What was the provided rationale to support the policy intent? None provided.</li> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14 sets out the requirements, including additional requirements such as examinations, but does not specify any time limit.</li> <li>5. Did the policy impact on PEO's public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Under FARPA, there is a requirement for the Registrar to make reasonable timeframe for an applicant to meet requirements or receive a determination that they do not.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Applicants will not be subject to time limits on when they can write examinations. This may increase the time period for an applicant to meet the requirements before being licensed.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided about average length of time to write examinations.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                                                                                                                                                                                                                                                                 | <p>received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Applicants who are assigned examinations will not be subject to time limits for completing those examinations (note however, that Recommendation 35 sets a maximum eight year limit on an application)</p> <p>10. Did this policy proposal impact on other PEO policies? Time frames for academic and experience requirements need to align with those for examinations.</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b><u>Mobility</u></b></p> <p><b>C-443( Nov. 15, 2007)</b></p> <p>14. That Council place in regulations the objective test for exemption from confirmatory examinations before becoming a party to a mutual recognition agreement with any jurisdiction.</p> | <p>1. What is the problem? In recognizing MRAs by accepting academic qualifications, PEO may be unwittingly accepting individuals who might not be eligible, and is relying on the MRA to be the quality assurance; PEO should set its own objective test for exemption for confirmatory examinations before agreeing to any future MRAs.</p> <p>2. What was the implied policy intent of the motion? MRAs are driving policy, rather than PEO.</p> <p>3. What was the provided rationale to support the policy intent? Council must be prepared to amend further the list of exempt applicant classes in the Regulations before PEO becomes a party to a mutual recognition agreement (MRA) with any jurisdiction. (ibid., p. 69)</p> <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(b): <u>“has complied with the academic requirements specified in the regulations for the issuance of the licence, including passing such examinations as the Council sets or approves in accordance with the regulations, or is exempted by the Council from complying with the requirements”</u>. This section only allows examinations (or exemption thereof) as an alternative for academic requirements. Mutual Recognition agreements could be construed as falling within one of the grounds for exemption from academic criteria specified as one of those reasons for exemption.</p> |

| TOPIC & COUNCIL MOTIONS     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                             | <ol style="list-style-type: none"> <li>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? PEO will have a consistent object test for exempting confirmatory examinations before agreeing to participate in any new MRAs, and may reject some MRAs that do not fit with PEO’s test.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided of flaws with existing MRAs or differences in requirements.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</li> <li>9. What potential impacts on stakeholders were identified? Some applicants from countries with potential MRAs may no longer be exempted from confirmatory examinations, adding additional costs for those exams (\$580 fee for first, \$165 for subsequent)</li> <li>10. Did this policy proposal impact on other PEO policies? Should be considered in context of policies regarding examinations and exemption criteria</li> <li>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</li> </ol> |
| <b><u>Miscellaneous</u></b> | <ol style="list-style-type: none"> <li>1. What is the problem? Applicants who do not meet the regular academic requirements (CEAB or “equivalent” breadth and depth are assigned up to 18 examinations without likelihood of achieving a licence. “There is a need to redefine the academic requirement for licensure in</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p data-bbox="178 235 525 267"><b>C-443 (November 15, 2007)</b></p> <p data-bbox="178 300 672 332"><b>10445 LICENSING PROCESS TASK FORCE</b></p> <p data-bbox="178 365 703 609">7. That applicants who do not meet the academic requirement for licensure as a P.Eng. be given the option of being considered for a Limited Licence without the need to reapply or pay an additional application fee.</p> | <p data-bbox="766 235 1879 381">terms of a university degree in engineering or applied science with appropriate breadth and depth of study. This would help eliminate any potential ambiguity or contention associated with determining equivalence of foreign engineering programs to accredited Canadian engineering programs”.(p.65)</p> <ol style="list-style-type: none"> <li data-bbox="724 414 1900 511">2. What was the implied policy intent of the motion? Eliminate the examination path to licensure for those who do not meet the regular academic requirements (CEAB or “equivalent” breadth and depth) by steering those applicants to a Limited Licence.</li> <li data-bbox="724 552 1911 771">3. What was the provided rationale to support the policy intent? “Establish a university degree in engineering or applied science as the minimum academic standard for licensure as a P.Eng. This will effectively eliminate the examination route to licensure. Applicants who do not qualify for the P.Eng. licence under this criterion should have the option of being considered for a Limited Licence without the need to reapply or pay an additional application fee.” (ibid., p. 59)</li> <li data-bbox="724 803 1879 909">4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14 deals with conditions for issuance of a licence; section 18 deals with conditions for issuance of a licence. There is no mechanism for an “<i>in lieu of</i>” application process.</li> <li data-bbox="724 941 1900 1047">5. Did the policy impact on PEO’s public interest mandate? PEO’s public interest mandate is to ensure that only people qualified for a licence or limited licence are issued that type of licence. PEO is not authorized to “steer” an applicant from one type of licence to another.</li> <li data-bbox="724 1088 1890 1161">6. What are the expectations of this policy change (specifications; desired outcome)? Reduction of applicants writing multiple (#?) examinations, who instead will be granted Limited licences.</li> <li data-bbox="724 1193 1816 1299">7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided; data on the average number of assigned examinations would have be useful.</li> <li data-bbox="724 1331 1858 1372">8. What consultation (including peer review) was done? The various drafts of the LPTF report</li> </ol> |

| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p>44. That the Provisional Licence as presently defined be phased out, and replaced with a certificate of application status available on demand and at no cost to an applicant for any type of licence.</p> | <p>were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Applicants who chose to apply for a Limited Licence instead would pay fewer fees (\$165 each ) to write examinations</p> <p>10. Did this policy proposal impact on other PEO policies? Qualifications for Limited Licence; examinations policy</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> <p>1. What is the problem? The current Provisional licence adds little value as a licensing instrument</p> <p>2. What was the implied policy intent of the motion? To replace the PL with a certificate of application status to provide proof of having met academic and experience requirements other than the 12 months of Canadian experience.</p> <p>3. What was the provided rationale to support the policy intent? “As presently constituted and implemented, the Provisional Licence is not accomplishing the objectives intended by its proponents, and is providing minimal value to applicants, employers, the public, or the profession. As contemplated by the ACDE Task Force, it could serve a useful purpose as a vehicle to support a mandatory formalized internship and/or a transition to independent practice for immigrant practitioners (a model followed by the Ontario College of Physicians and Surgeons). Applicants for licenses should have on-line access to information on the status of their applications. At any time during the Admission process they should be able to request an official PEO certificate giving the status of their application. It is not reasonable to require them to pay a fee or apply for a separate type of licence to obtain such certification, given that they have already paid an application fee for the [P.Eng., Limited, or Temporary] licence they</p> |

| TOPIC & COUNCIL MOTIONS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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|                         | <p>are seeking.” (ibid., p.87)</p> <ol style="list-style-type: none"> <li>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 18 provides that “the Registrar shall issue a...a provisional licence...to a natural person who applies therefor in accordance with the regulations and who meets the requirements and qualifications for the issuance of the...provisional licence...set out in the regulations”.</li> <li>5. Did the policy impact on PEO’s public interest mandate? PEO’s public interest mandate is to ensure that only fully qualified persons are licensed to practice professional engineering in Ontario, and that anyone else must be supervised by a licence holder.</li> <li>6. What are the expectations of this policy change (specifications; desired outcome)? Employers are more likely to hire individuals with a certificate which confirms that they will be fully licensable once they acquire their 12 months’ Canadian work experience.</li> <li>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided to attest to employer rejection of PLs.</li> <li>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. <u>Negative comments on replacing the PL were received from ARC/ERC, Semier Tsang, Galal Abdelmessih on this motion.</u></li> <li>9. What potential impacts on stakeholders were identified? Employers hire more Certificate holders (not a regulatory concern) and establish in-house intern training programs.</li> <li>10. Did this policy proposal impact on other PEO policies? Experience (especially Canadian) requirements</li> <li>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR</li> </ol> |



| TOPIC & COUNCIL MOTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p>28. That the Academic Requirements Committee (ARC) and the Experience Requirements Committee (ERC) continue to conduct informal, internal reviews of their assessments before a Notice of Determination (NOD) is issued.</p> <p>29. That Council authorize the creation of an independent determination review mechanism involving independent NOD review panels, as detailed in Section 5.5 of this report.</p> <p>(NOTE: These two motions are also listed for the Experience Requirements category, as they apply to both ARC and ERC determinations)</p> | <p>1. What is the problem? “There is a need to provide a mechanism for timely and independent reviews of negative Notices of Determination (NODs). Addressing this need would provide the applicant with more timely feedback to determine if he/she should continue to seek licensure. It would also avoid applicants seeking Registration hearings to “appeal” a determination.” (ibid, p.74)</p> <p>2. What was the implied policy intent of the motion? To reduce the number of Registration Committee hearing requests</p> <p>3. What was the provided rationale to support the policy intent? “Implementation of the proposed determination review mechanism will complete the “internal appeal” process recommended by the Admissions Appeal Process Task Group (AAPTG), but in a more efficient way. It will serve the principles of natural justice by providing applicants with a second, independent review of PEO’s most common administrative decisions, as contemplated by the drafters of FARPA. It should also serve to eliminate any existing incentive for applicants to request Registration Committee hearings in order to deal with determinations re academics and experience. This change will serve natural justice, since applicants cannot reasonably obtain reviews of such determinations from REC. It should further serve to reduce costs for both PEO and the applicant, and to remove from REC the need to deal with matters (determinations) for which it may be ill-equipped in terms of its members’ knowledge and experience. It should be noted that the proposed independent determination review process remains an independent peer review process.” (ibid., pp.74-5)</p> <p>4. Did the issue fall within the statutory provisions provided under the <i>PEAct</i>? Section 14(1)(d): “has complied with the experience requirements specified in the regulations for the issuance of the licence”.</p> |

| TOPIC & COUNCIL MOTIONS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|                         | <p>5. Did the policy impact on PEO’s public interest mandate? The public interest mandate is to ensure that licence holders are fully qualified to practice professional engineering. Experience qualifications are a component of being fully qualified, in combination with academic knowledge, good character, and passing of the PPE.</p> <p>6. What are the expectations of this policy change (specifications; desired outcome)? Reduction of number of requests for Registration Committee hearings, and increase in licensure (or at least more clarity to support hearings)</p> <p>7. Did the documentation provide sufficient evidence to support the underlying problem definition? What further evidence is required? No evidence was provided; data on NODs issued (and reasons by category), and the volume and type of Registration Committee hearings would have been useful. Comparison to other regulators’ processes would also help.</p> <p>8. What consultation (including peer review) was done? The various drafts of the LPTF report were shared with the Academic Requirements, Experience Requirements and Registration Committee, CODE, Engineers Canada and members of Council. No adverse comments were received or recorded.</p> <p>9. What potential impacts on stakeholders were identified? Provide the applicant with more timely feedback to determine if he/she should continue to seek licensure. It would also avoid applicants seeking Registration hearings to “appeal” a determination.</p> <p>10. Did this policy proposal impact on other PEO policies? Academic and Experience requirements and process in general, Registration Committee hearings</p> <p>11. What is the LEC’s recommended action? REFER TO THE LICENSING POLICY COMMITTEE FOR FURTHER EXPLANATION OF THE POLICY INTENT OF THIS MOTION AND RECOMMENDATION ON HOW TO RESOLVE THEM.</p> |

## APPENDIX A

Appendix A – from LICENSING PROCESS TASK FORCE (LPTF) TABLED RECOMMENDATIONS – Academics  
(C-445, January 24-5, 2008)

### Report for the Registrar on Academic Assessments

November 10, 2004

#### 1.0 Introduction

As per the direction of the Registrar, Licensing and Registration reviewed the non-CEAB academic assessments of Professional Engineers Ontario (PEO) to determine which assessments may be made by the Registrar, using his authority under the Professional Engineers Act (PEA) and its Regulations, instead of the Academic Requirements Committee.

The report is based on the Act and Regulations supporting the current licensing process and providing the Registrar the authority to assign examinations. It does not include any impact of the Registrar's Licensing Review Report.

#### 2.0 Assessments

Academic assessments are made by the Registrar and the Academic Requirements Committee (ARC). In the period from January 1 to July 31, 2004 there were 1,361 non-CEAB academic assessments made by PEO. The majority of these assessments 770 were made by the Registrar through the Deputy Registrar, Licensing and Registration and his staff.

The remaining 591 academic assessments were made by members of the Academic Requirements Committee.

The assessments can be categorized as either new assessments or reassessments as shown in Table 1.

TABLE 1

|                 | Registrar | ARC | Total | % By Registrar |
|-----------------|-----------|-----|-------|----------------|
| New Assessments | 662       | 500 | 1162  | 57.0           |
| Re-Assessments  | 108       | 91  | 199   | 54.3           |
| Total           | 770       | 591 | 1361  | 56.6           |

New assessments can be summarized under four general outcomes based on an applicant's academic background.

The applicant:

1. Meets the equivalent engineering educational qualifications.
2. Requires confirmatory exams to verify that the applicant meets the equivalent engineering educational qualifications.
3. Requires additional technical examinations to meet the equivalent engineering educational qualifications.
4. Does not have minimum acceptable academic background to meet the equivalent engineering educational qualifications by completing technical examinations.

The four general new assessment outcomes are a summary of the 12 specific determinations for the review period which are shown in Appendix B.

Re-assessments cover two basic requests of applicants that have already been assigned exams:

1. Permission to continue with a confirmatory or technical exam program.
2. Permission to take a course in lieu of a technical exam.

The two general re-assessment outcomes are a summary of the 7 determinations for the review period which are shown in Appendix B.

### **3.0 Academic Backgrounds**

In the first seven months of 2004 there were a total of 1,361 new academic assessments and re-assessment made by PEO. Appendix C shows that 770 of the assessments were made by the Registrar and Appendix D shows that 591 of the assessments were made by the ARC.

The academic background of the 1,361 applicants can be categorized into 21 educational formations for non-CEAB graduate applicants. The 21 categories are based on combinations of education including bachelor of engineering degrees, mutual recognition agreements, post-graduate engineering degrees, multiple engineering disciplines, technologist diplomas/degrees and non-bachelor of engineering degrees and years of experience.

#### **3.1 Registrar's Assessments**

The Registrar made 770 new academic assessments and reassessments during the review period. As shown in Appendix C, 32 of the assessments were re-assessments to either Continue Exam Program or Failure to Confirm Program. These re-assessments should be made by the ARC and not the Registrar, as per the existing Regulations, which require any applicant that fails a technical exam to get the permission of the ARC to rewrite a technical exam or to continue in the exam program.

### **3.2 ARC New Academic Assessments**

The ARC made 500 new academic assessments as shown in Appendix D. As per the Registrar's direction, the feasibility of the Registrar making some of the academic assessments that are currently made by the ARC was analysed.

Provided that the Registrar has the authority to assign exams under the current Act and Regulations then all 12 new academic assessment determinations could be made by the Registrar. The degree of difficulty, the staff support needed and the amount of time involved in making these assessments varies.

The typical degrees of difficulty were grouped into four areas of low, medium, high and should be done by the ARC.

The low degree of difficulty group includes applicants that do not meet the minimum academic requirements, applicants with bona fide bachelor of engineering degrees, applicants with a recognized Canadian technologist degree and applicants that must provide additional information. There were 46 ARC assessments that met the 6 academic backgrounds for this group.

The medium degree of difficulty group includes applicants with bachelor of engineering degrees from mutual recognition agreement (MRA) institutions. There were 45 ARC assessments that met the 2 academic backgrounds for this group during the review period.

The high degree of difficulty group includes applicants with a bona fide non-CEAB bachelor of engineering degree and a post graduate degree in the same engineering discipline. This category includes 273 applicants that met the 3 academic backgrounds for this group. The success of the assessment of this group by the Registrar is highly dependent upon the Registrar's invocation and interpretation of the existing ARC Redbook Section 3.1 which is attached as Appendix A.

The remaining 10 academic backgrounds consisted of 136 new academic assessments during the review period. This group consists of all applicants with either non-bona fide bachelor of engineering degrees or post graduate degrees in a different discipline from the undergraduate engineering degree. Based on the complexity of these assessments and the level of expertise required these assessments should continue to be made by the ARC.

### **3.3 ARC Re-Assessments**

The ARC made 91 re-assessments during the review period. Of the seven categories of re-assessments, the two re-assessments with regards to Continue Exam Program and Failure to Confirm Program must remain with the ARC as explained in Section 3.1

The remaining five re-assessment determinations for 41 applicants during the review period that were not permission to continue with an exam program could be made by the Registrar.

**Table 2 – Summary of ARC Assessments Complexity**

|                        | <b>Low</b> | <b>Medium</b> | <b>High</b> | <b>ARC</b> | <b>Total</b> |
|------------------------|------------|---------------|-------------|------------|--------------|
| <b>New Assessments</b> | <b>46</b>  | <b>45</b>     | <b>273</b>  | <b>136</b> | <b>500</b>   |
| <b>Re-Assessments</b>  | <b>41</b>  | <b>0</b>      | <b>0</b>    | <b>50</b>  | <b>91</b>    |
| <b>Total</b>           | <b>87</b>  | <b>45</b>     | <b>273</b>  | <b>186</b> | <b>591</b>   |

#### **4.0 Summary**

From the analysis of academic assessments during the review period there is a potential opportunity for the Registrar to make academic assessments of applicants from 11 non-CEAB academic backgrounds of the current 21 non-CEAB academic backgrounds assessed by the ARC. The Registrar could also make all 12 of the new academic assessments determinations and 5 of the 7 re-assessments determinations currently made by the ARC.

The Registrar's assessments and reassessments would increase by about 48 per cent from 770 to 1143 in the review period as shown in Table 3.

**TABLE 3- Reassigned Assessments from ARC to Registrar**

|                        | <b>Registrar</b> | <b>ARC</b> | <b>Total</b> | <b>% By Registrar</b> |
|------------------------|------------------|------------|--------------|-----------------------|
| <b>New Assessments</b> | <b>1026</b>      | <b>136</b> | <b>1162</b>  | <b>88.3</b>           |
| <b>Re-Assessments</b>  | <b>117</b>       | <b>82</b>  | <b>199</b>   | <b>58.8</b>           |
| <b>Total</b>           | <b>1143</b>      | <b>218</b> | <b>1361</b>  | <b>84.0</b>           |

Based on additional staff resources to perform the assessments, the necessary authority of the Registrar under the Act and Regulations and the decision of the Registrar with regards to application of pertinent sections of the ARC Red Book up to 364 additional academic new assessments and a net increase of 9 reassessments could have been made by the Registrar during the review period.

## APPENDIX A

In addition, the admission guidelines permit that examinations for non-CEAB applicants be waived if they have obtained:

- a post-graduate engineering degree, from a Canadian University, in the same discipline as their Bachelor's degree. The former is considered to "confirm" the latter; or
- a Bachelor's degree in engineering from a MRA institution with program scope comparable to the CEQB's and where no advanced credits were granted or no failures were unresolved; or
- a Bachelor's degree from a CCPE List institution and a post-graduate degree in the same discipline from a MRA institution; or
- a Ph.D. degree in the same discipline as earlier degree(s) from either a CCPE List or MRA institution with an acceptable course average throughout.

Consistent with Section 14(3) of the Act, Admissions staff refers files to the ARC to seek its expert advice in dealing with situations which include, though not limited to, the following:

- i. Admissions staff-perceived overly-excessive advanced credits granted and/or unresolved failed subjects;
- ii. Insufficient program course coverage compared to the respective CEQB syllabus;
- iii. A Bachelor's degree(s) from a non-CCPE List institution only;
- iv. A Bachelor's degree from a CCPE List institution with post-graduate degree(s) from a CCPE List or MRA institution in a different discipline from the Bachelor's; and
- v. All applications where the Department has no prior experience from which to draw upon to make a decision.

Most files referred to the ARC originate from the five above-mentioned categories.

## APPENDIX B

### Academic Assessments for (January-July 2004)

| <b>New Assessments</b>                                                            | <b>Deputy Registrar</b> | <b>ARC</b> | <b>Total</b> |
|-----------------------------------------------------------------------------------|-------------------------|------------|--------------|
| Reject                                                                            | 4                       | 4          | 8            |
| Exempt                                                                            | 7                       | 270        | 277          |
| Confirmatory Examination Program (CEP)                                            | 70                      | 7          | 77           |
| Confirmatory Examination Program and referral for an interview (CEP+ERC)          | 556                     | 93         | 649          |
| Directed Confirmatory Examination Program (CEP)                                   | 2                       | 6          | 8            |
| Directed Confirmatory Examination Program and referral for an interview (CEP+ERC) |                         | 35         | 35           |
| Basic studies (Phase 1)                                                           | 10                      | 4          | 14           |
| Specific Examination Program and referral for an interview (SEP+ERC)              | 2                       | 51         | 53           |
| Specific Examination Program (SEP)                                                | 2                       | 21         | 23           |
| Prescribed Examination Program (B.Tech.)                                          | 8                       | 1          | 9            |
| Prescribed Examination Program and referral for an interview                      | 1                       | 2          | 3            |
| Additional Information Required                                                   | 0                       | 6          | 6            |
| <b>Subtotal</b>                                                                   | <b>662</b>              | <b>500</b> | <b>1162</b>  |

### **Re- Assessments**

|                                                                          |    |    |    |
|--------------------------------------------------------------------------|----|----|----|
| Continue Exam Program (Tech Exams Performance Review/ New Info provided) | 30 | 9  | 39 |
| Waive Exam Program (Good Performance Review)                             | 64 | 10 | 74 |
| Reduce Exam Program (Good Performance Review)                            | 0  | 15 | 15 |
| Fail To Confirm Program (Poor Performance Review)                        | 2  | 41 | 43 |
| Close (Poor Performance Review)                                          | 12 |    | 12 |



|                        |            |            |             |
|------------------------|------------|------------|-------------|
| Approve Course in Lieu | 0          | 15         | 15          |
| Reject Course In Lieu  | 0          | 1          | 1           |
| <b>Subtotal</b>        | <b>108</b> | <b>91</b>  | <b>199</b>  |
|                        |            |            |             |
| <b>Grand Total</b>     | <b>770</b> | <b>591</b> | <b>1361</b> |

**NOTE: All assessments were ratified by a quorum of the ARC**



|                                                                                   |  |  |  |   |  |   |  |  |   |   |   |     |   |  |  |  |    |   |  |   |  |     |
|-----------------------------------------------------------------------------------|--|--|--|---|--|---|--|--|---|---|---|-----|---|--|--|--|----|---|--|---|--|-----|
| Confirmatory Examination Program and referral for an interview (CEP+ERC)          |  |  |  | 4 |  | 1 |  |  | 7 | 2 |   | 540 |   |  |  |  |    | 2 |  |   |  | 556 |
| Directed Confirmatory Examination Program (CEP)                                   |  |  |  |   |  |   |  |  |   |   | 1 |     | 1 |  |  |  |    |   |  |   |  | 2   |
| Directed Confirmatory Examination Program and referral for an interview (CEP+ERC) |  |  |  |   |  |   |  |  |   |   |   |     |   |  |  |  |    |   |  |   |  | 0   |
| Basic studies (Phase 1)                                                           |  |  |  |   |  |   |  |  |   |   |   |     |   |  |  |  | 10 |   |  |   |  | 10  |
| Specific Examination Program and referral for an interview (SEP+ERC)              |  |  |  |   |  |   |  |  |   |   |   |     |   |  |  |  |    |   |  | 2 |  | 2   |
| Specific Examination Program (SEP)                                                |  |  |  |   |  |   |  |  |   |   | 1 |     |   |  |  |  |    |   |  | 1 |  | 2   |
| Prescribed Examination Program (B.Tech.)                                          |  |  |  |   |  |   |  |  |   |   |   |     |   |  |  |  |    |   |  | 8 |  | 8   |

|                                                              |   |   |   |   |   |   |   |   |   |   |    |     |   |   |   |   |   |    |   |   |   |     |   |
|--------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|----|-----|---|---|---|---|---|----|---|---|---|-----|---|
| Prescribed Examination Program and referral for an interview |   |   |   |   |   |   |   |   |   |   |    |     |   |   |   |   |   |    |   |   |   | 1   | 1 |
| Additional Information Required                              |   |   |   |   |   |   |   |   |   |   |    |     |   |   |   |   |   |    |   |   |   |     |   |
| Subtotal                                                     | 4 | 7 | 0 | 4 | 0 | 1 | 0 | 0 | 7 | 2 | 72 | 540 | 1 | 0 | 0 | 0 | 2 | 10 | 0 | 9 | 3 | 662 |   |

**Re-Assessments**

|                                                                         |  |  |  |   |  |   |  |   |   |   |   |    |   |   |  |  |   |   |  |  |   |    |
|-------------------------------------------------------------------------|--|--|--|---|--|---|--|---|---|---|---|----|---|---|--|--|---|---|--|--|---|----|
| Continue Exam Program (Tech Exams Performance Review/New Info Provided) |  |  |  | 2 |  |   |  |   | 1 | 1 | 6 |    | 8 | 1 |  |  | 2 | 5 |  |  | 4 | 30 |
| Waive Exam Program ( Good Performance Review)                           |  |  |  |   |  | 1 |  | 1 | 8 | 2 | 6 | 45 |   |   |  |  | 1 |   |  |  |   | 64 |
| Reduce Exam Program (Good Performance Review)                           |  |  |  |   |  |   |  |   |   |   |   |    |   |   |  |  |   |   |  |  |   |    |
| Fail To Confirm Program (Poor Performance Review)                       |  |  |  |   |  |   |  |   |   |   |   |    | 2 |   |  |  |   |   |  |  |   | 2  |
| Close (Poor Performance Review)                                         |  |  |  | 1 |  |   |  |   |   |   |   | 7  |   |   |  |  | 3 | 1 |  |  |   | 12 |

|                        |   |   |   |   |   |   |   |   |    |   |    |     |   |   |   |   |   |    |   |   |   |     |
|------------------------|---|---|---|---|---|---|---|---|----|---|----|-----|---|---|---|---|---|----|---|---|---|-----|
| Approve Course in Lieu |   |   |   |   |   |   |   |   |    |   |    |     |   |   |   |   |   |    |   |   |   |     |
| Reject Course In Lieu  |   |   |   |   |   |   |   |   |    |   |    |     |   |   |   |   |   |    |   |   |   |     |
| Subtotal               | 0 | 0 | 0 | 3 | 0 | 1 | 0 | 1 | 9  | 2 | 9  | 58  | 0 | 8 | 1 | 0 | 1 | 5  | 6 | 0 | 4 | 108 |
| Grand Total            | 4 | 7 | 0 | 7 | 0 | 2 | 0 | 1 | 16 | 4 | 81 | 598 | 1 | 8 | 1 | 0 | 3 | 15 | 6 | 9 | 7 | 770 |

**NOTES: All assessments were ratified by a quorum of the ARC**

**Bona fide means covers CEQB syllabus**

**Non Bona fide means does not cover the CEQB Syllabus**

**\*\*Decisions are based on the Registrar having the appropriate authority under the Act and Regulations to make the 19 specified assessments and assignments**

## Interpretative Statement on “Equivalent Engineering Educational Qualifications”

### Statutory Basis

Section 33.(1) 1. of R.R.O. 1990 Regulation 941 (the Regulations) specifies that the academic requirements for the issuance of a licence is either:

- i. a bachelor’s degree from a Canadian *engineering program*<sup>1</sup> that is accredited to the Council’s satisfaction, or
- ii. equivalent engineering educational qualifications recognized by the Council

PEO Council recognizes graduates from engineering programs accredited by the Canadian Engineering Accreditation Board (CEAB) as having met part 33.(1) 1. i of the Regulations. An applicant who did not graduate from a CEAB accredited program is referred to the Academic Requirements Committee (ARC) in accordance with 14. (3) (a) of the Professional Engineers Act to determine whether he or she has met part 33.(1) 1. ii of the Regulations, namely having engineering educational qualifications which are *equivalent* to a CEAB accredited program.

### EXPLANATORY NOTES:

To establish “equivalent engineering education qualifications” for the issuance of a license, the ARC follows the principle that every non-CEAB applicant has to “**confirm**” that his or her academic preparation has met the breadth and depth of engineering knowledge defined as follows:

**Breadth:** is the overall body of knowledge, skills and methodology needed to have sufficient competence to perform engineering work in a particular recognized discipline. It includes the required technical, economic, social and communication content. Breadth is generally defined as the sufficiency of the fundamental engineering principles and professional engineering subjects covered. The breadth of the covered topics is evaluated against the PEO Syllabi.

**Depth:** Engineering has its roots in mathematics and basic sciences, but carries knowledge further toward creative applications needing derivation and application of theory. The depth of the academic requirement must be seen as the integration of mathematics, basic sciences, engineering sciences and complementary studies in developing elements, systems and processes to meet specific needs. It must include creative, iterative and often open-ended processes subject to constraints. These constraints may relate to economic, health, safety, environmental, social or other pertinent interdisciplinary factors. The depth is evaluated against the Canadian Engineering Accreditation Board (CEAB) criteria for program evaluation.

### ARC ASSESSMENT TO "EQUIVALENCY"

An applicant needs to provide written documentation with transcripts and detailed course descriptions for a paper review of their academics. ARC will attempt to evaluate whether or not the degree(s) submitted can be considered “**equivalent engineering education qualifications**” to be recommended to Council for meeting the academic requirements for licensure as stated by Regulation [33. (1) 1. ii ]. In order to strive for fairness and consistency ARC has in place a time tested, peer-review process as summarised below.

- **Breadth:**

The ARC compares an applicant’s educational qualifications to an appropriate syllabus. PEO has approved a number of discipline-specific syllabi for use in such assessments. These syllabi approximate the academic content found in CEAB accredited programs in the various engineering disciplines. In determining the equivalence of an applicant’s educational qualifications, the ARC considers both the breadth and depth of the education. In considering the breadth of the education, it must:

1. correspond to an undergraduate degree equivalent in four-year duration,

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<sup>1</sup> Wording to be changed in the present Regulations

2. cover the essential Basic Studies from the syllabus of the discipline the applicant applied for (mathematics, natural sciences, and engineering sciences typically found in the first two years of an engineering curriculum),
3. includes the syllabi material identified examinations pertaining to:
  - the core discipline-specific courses typically found in the second and third year of an engineering curricula (A level examinations),
  - the upper year specialisation courses recognizing that such course offerings can vary among universities (B level examinations), and
  - the complementary studies (CS level examinations) such as engineering economics, law and ethics, management, and a final capstone project with engineering report.

An applicant's transcript(s), with respective course descriptions, are compared to the topics in the appropriate examination syllabus (or to several syllabi in case of multidisciplinary degrees) to determine the degree of equivalency. ***If the applicant has significant deficiencies with respect to the syllabus, he or she is assigned an applicant-specific examination program covering the deficient materials.***

- **Depth:**

The CEAB accreditation is the only one that guarantees that each graduate has met the minimum requirements of breadth and depth. Therefore, even if the documentation shows that the technical content of an applicant's education substantially matches the syllabus, the depth of the material must then be confirmed – the depth relates to the academic rigour and technical difficulty of the course material. This evaluation cannot be accomplished solely by a paper review of the documentation. For example, a course in a three year technologist diploma program may have substantially the same description and topic list as a similarly-titled university-level course, but the academic rigour and difficulty (expectation) would typically be significantly higher for the latter offering. The following are the basic considerations when assessing the academic depth:

1. If the applicant has an engineering degree recognised under the Washington Accord, the depth of the academic preparation is normally accepted as being equivalent to that of a Canadian engineering degree (Council has decreed that such applicant should be treated as “looking to confirm”). Nevertheless ARC may determine that there are grounds to assign an examination program.
2. If the applicant has a degree that has a content similar to an accredited engineering degree (could be applied science, applied mathematics, computer science etc.) and meets the breadth requirement a confirmatory program is assigned. A confirmatory program normally consists of 4 examinations; 2 A-level technical subjects, 1-B level technical subject, and 1 complementary studies subject. However should the applicant have 5 or more years of engineering experience, he or she may be referred to an Experience Requirements Committee (ERC) interview where he or she can demonstrate that his or her experiential knowledge meets the depth of the academic requirements for licensure.
3. If the applicant has a degree that has content similar to an accredited engineering degree but, based on the documentation provided, leaves concerns about some deficiencies a directed confirmatory program may be assigned. A directed confirmatory program specifies up to a maximum of 2 technical and one complementary studies examinations with the remaining examinations being the applicant's choice. If the applicant has 5 or more years of engineering experience, he or she may be referred to an ERC interview. As a result, upon recommendation by the ERC, the ARC may grant partial or full relief from examinations.
4. If ARC has determined that the applicant's transcripts show major deficiencies a specific examination program is assigned to confirm the academic knowledge expectations for licensure. For applicants having a technology diploma or a university degree that is much too remote from engineering to be considered similar to a comprehensive engineering degree a specific examination program can be as much as a full set of examinations assigned covering the content of a similar university level program. If the applicant has 10 (for a technologist) or 5 (for a university degree holder) or more years of engineering experience, he or she may be referred to an ERC interview which may lead to a partial or full relief from examinations by ARC. ARC may also grant courses-in-lieu on the applicant's request.
5. Applicants with post graduate degrees having passed graduate level courses in the same or related field of studies as their undergraduate studies may have their academics confirmed without having to write any technical examinations.
6. PEO has built a database over the years, documenting the determination and licensing progress of each applicant. The database provides very valuable historical information on how the application of graduates of different programs has been assessed. If the applicant shows no noticeable gap or weakness in his or her transcripts from a program that has been identified through the database as delivering the depth expected, the academics may be confirmed without having to write any technical examinations.

# Explanatory Note for PEO's Examination Process

## PEO's TECHNICAL EXAMINATION PROGRAMS

The academic requirement for licensing as a professional engineer in Ontario is a bachelor's degree in engineering from a Canadian engineering accredited program approved by Council or its equivalent. (See the **Interpretative Statement on "Equivalent Engineering Educational Qualifications"** document which clarifies Section 33.(1) 1. of R.R.O. 1990 Regulation 941).

Applicants who do not hold a bachelor's degree in engineering from a Council approved accredited program may be required to pursue either PEO's *Confirmatory or Specific* examination program to demonstrate that they possess the equivalent academic background for licensing purposes. If an applicant qualifies for an oral technical assessment, he or she is referred to the Experience Requirements Committee (ERC) for an interview on academics, to determine if the applicant warrants a relief from examinations.

When an applicant undertakes the writing of an examination program, 'Basic Studies' examinations assigned are a prerequisite and must be addressed first; the Admission Requirements Committee (ARC) will re-evaluate the applicant's file following the successful completion of all Basic Studies examinations and may modify the original examination program, and advise the applicant of the options available to address any outstanding examinations.

## TIME LINE FOR WRITING EXAMINATIONS

- PEO's technical examinations are offered at least twice annually.
- Confirmatory Examination Program candidates cannot be referred to the ERC for an interview once they start the examination program
- Applicants must write at least one examination within two academic years following the date of receipt of their examination program notification (R.R.O. 1990 Reg. 941, s. 36.). Once the examination program has commenced, the applicant must write at least one examination each academic year or the file will be closed. All examination programs must be successfully completed within eight years of the date that the applicant was notified of his or her examination program. The time period for completion of an examination is recalculated when a new program is assigned.
- The Registrar may extend the examination time period for a maximum of three examination sittings, normally in the cases of justified personal, medical or business-related explanations. All other explanations are to be referred to ARC for a decision.

## INTERPRETATION OF THE EXAMINATION RESULTS

- i. The pass mark for all PEO examinations is 50%.
- ii. Completion of any Confirmatory Examination Program requires an average of 55% or greater in the Technical Examinations, and a passing grade on the Complementary Studies examination;
- iii. Any Confirmatory Examination Program with an average of less than 55% in the Technical Examinations is a "Failure to Confirm" and a Specific Examination Program is assigned;
- iv. Failure of two (2) Basic Studies examinations will automatically trigger a file closure.

## FILE CLOSURE CRITERIA

An application file will be closed if any one of the following conditions applies:

- not completing all examination requirements within the specified time limit;
- not writing at least one examination in each academic year after writing the first examination;
- failing the same examination on three attempts;
- failing a total of five examinations;
- failing two Basic Studies examinations; or
- failing to write a failed examination within one academic year.



## **GOOD-PERFORMANCE REVIEW POLICY**

Applicants who were assigned the Confirmatory Examination Program qualify for a good performance review. Good-Performance reviews are not applicable to Specific Examination Program or Failed-to-Confirm examination program applicants.

To meet the “good-performance” review criterion:

- An applicant must have written two technical examinations at the first sitting and achieved a minimum average of 65% with no mark below 60%.
- After a second examination sitting, if an applicant has passed three technical examinations with no mark below 60%, he or she may receive consideration for exemption from writing the Complementary Studies examination. If an applicant attempted two examinations in the first sitting but failed one, he or she may still qualify for a “good-performance” review if he or she passes the failed examination with a mark of 70% or higher and achieves 60% or higher on the previously unwritten technical examination attempted at the second sitting.

**Important:** If an applicant has been assigned a **Directed Confirmatory Examination Program**, the good performance criteria are different; to be eligible, in addition to meeting the above criteria, all the directed examinations must be addressed as well

## **POOR PERFORMANCE CRITERIA**

- A candidate, who fails one examination on the first attempt, is advised that he or she must write the failed examination within one year.
- An applicant who was assigned a confirmatory examination program and has not achieved the 55% program average on the technical examinations required to complete the program is advised that an additional technical examination will be assigned.
- A candidate, who has failed the same examination twice or has failed two technical examinations, is advised that an additional technical examination will be assigned for each failed technical examination and he or she must also pass the failed examinations.

**NOTE:** If an applicant re-applies after a file closure, any previously assigned examination program or directed/failed examinations will stand, unless proof of accepted additional acquisition of engineering knowledge has taken place (for example: acquired new degrees; completed university level courses; gained extensive experiential knowledge in the deficient areas) to warrant a re-assessment.

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

# LIC Recommendations to Rescind LPTF recommendations previously approved by Council

## Preamble:

Two documents have been approved by ARC:

- **Interpretative Statement on “Equivalent Engineering Educational Qualifications”**
- **Explanatory Note for PEO’s Examination Process**

These two documents satisfy some of the LPTF recommendations.

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**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 18:**

That all applicants whose academic credentials do not meet an objective criterion set out in the Regulations or established by Council resolution be referred by the Registrar to the Academic Requirements Committee (ARC) for assessment as to whether or not they meet PEO’s academic breadth and depth requirements for licensure. The following objective criteria should be placed in the Regulations:

- Graduates of a CEAB-accredited engineering program;
- Applicants who qualify under the CCPE Inter-Association Mobility Agreement (IAMA).

The following objective criteria should be established by Council resolution:

- Graduates of academic programs for whom a standard treatment has been approved by Council resolution

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 18 is not needed since it is covered by the Interpretative Statement on “Equivalent Engineering Educational Qualifications”.

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 19:**

That the current practices and assessment tools of the Academic Requirements Committee (ARC) in performing academic assessments of applicants be retained, and that the Regulations be amended as required to clearly support these practices.

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 19 is not needed in the regulations. ARC’s mandate has been approved by Council as well as its operating procedures.

**C-443 (November 15, 2007)  
Licensing Process Task Force (LPTF) Recommendation 20:**

That applicants who are determined by the Academic Requirements Committee (ARC) to lack the necessary academic breadth be provided with an opportunity to demonstrate they have the knowledge specified in the PEO Syllabus by either:

- Passing one or more ARC-specified technical examinations, or
- Successfully completing ARC approved/ ARC-specified course(s) of study that include knowledge assessments.

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 20 is not needed since it is covered by the Interpretative Statement on “Equivalent Engineering Educational Qualifications”.

**C-443 (November 15, 2007)  
Licensing Process Task Force (LPTF) Recommendation 32:**

That, for purposes of accumulating experience towards licensure, applicants who substantially meet the academic breadth requirement (i.e., whose transcripts match the PEO Syllabus with no more than two gaps) be deemed to have met PEO’s academic requirements on the date of their engineering degree

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 32 has been addressed as an ARC/ERC operating practice that is resident in both the ARC procedure manual and the ERC procedure manual. It should not be in the regulations because it would not enable operating changes as approved by Council.

**C-443 (November 15, 2007)  
Licensing Process Task Force (LPTF) Recommendation 33:**

That the Regulations be amended to provide that applicants with accredited degrees that were awarded more than six (6) years prior to the date of application will be assessed against the current applicable PEO Syllabus for academic breadth.

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 33 deals with “stale dating” of CEAB degrees. ARC does not support this since university education is based on delivering principles and methodology. As technology evolves, engineers must continue to acquire the necessary new knowledge. It is however suggested that in general, if an applicant practises in a different area than his undergraduate degree, he or she should normally be interviewed by ERC to determine that their knowledge matches the area of their practice. This will be included in the ERC manual.

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 9:**

That a new regulation be added requiring all applicants for a licence to demonstrate that they meet the academic depth requirement by passing confirmatory examinations, unless exempted by the regulation, and establishing:

- The normal confirmatory examination program for applicants who fully meet the academic breadth requirement;
- The directed confirmatory examination program for applicants who do not fully meet the academic breadth requirement;
- Exemptions for good performance on examinations;
- Additional requirements for poor performance on examinations

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 9 is covered by Interpretative Statement on “Equivalent Engineering Educational Qualifications and the Explanatory Note for PEO’s Examination Process

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 35:**

That an applicant’s file be kept open for a maximum of eight (8) years from the date of application.

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 35 is superseded by LIC Recommendation C to amend the Regulations and is also covered by the Explanatory Note for PEO’s Examination Process

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 46:**

That a new provision be added to the Regulation to provide for an applicant’s file to be closed by the Registrar in the event that the applicant does not make satisfactory progress towards demonstrating compliance with the academic requirements by passing technical examinations specified by ARC, along the following lines:

Where an applicant has chosen to attempt technical examinations specified by the Academic Requirements Committee as a means of demonstrating compliance with the academic requirements pursuant to new Section 34., and

- (i) fails to pass at least one examination within two years of notice of the determination made under Section 40. (2), or
- (ii) fails to pass all of the specified examinations within eight (8) years of receiving notice of the determination made under Section 40. (2), the Registrar may withdraw the applicant’s application for a licence unless the applicant submits to the Registrar in writing reasonable justification for the failure to attempt or pass the examinations.

**\*\*\*\*\*LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 46 all the principles are already in the Regulations 36-(3) -(4) a) and b). Therefore, no need to add a new provision,

49. That the following provision at Subsection 40. (3) (d) of the Regulations be moved to a new section, for example 40. (4), as it does not relate to ARC “carrying out its duties in Subsection (2)”:

*The Academic Requirements Committee shall consider and decide upon the form and content of examinations recommended, and the results of such examinations*

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 49:**

**\*\*\*\*\* LIC Recommendation A \*\*\*\*\***

LPTF Recommendation 49 is no longer necessary.

**C-445 (January 24, 2008)**

**Licensing Process Task Force (LPTF) Tabled Recommendations (8 and 10):**

That the following academic requirements be specified in Regulations:

The applicant shall demonstrate that he or she,

- i. has obtained a bachelor’s degree in an engineering program from a Canadian university that is accredited by the Canadian Engineering Accreditation Board,

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

- or
- ii. has obtained formal academic training that meets one of the Council approved syllabi and can demonstrate academic depth per the approved list of alternatives, or
- iii. is a member in good standing with an organization that the PEO is a party to a mutual recognition agreement, or
- iv. has completed a Council prescribed program, or
- v. has met the minimum academic requirements for a Limited Licence and has completed the ARC assigned examination program.

(For reference, LPTF Recommendation 8 read; That the academic requirement for licensure be redefined in the Regulation in terms of academic breadth and depth, with reference to the PEO Syllabi as the standard for academic breadth, and with the objective definition of academic depth stated in Section 5.2.1 of the LPTF report.)

(For reference, LPTF Recommendation 10 read: That the following classes of applicant who have met PEO’s academic breadth requirement be exempted in the Regulations from writing the confirmatory examinations:

- Graduates of CEAB-accredited programs in the six (6) years preceding the date of application;
- Applicants with bachelor’s degrees in engineering programs that have been approved for academic depth by Council resolution;
- Applicants who have satisfied the Academic Requirements & COUNCIL MOTIONS Committee that they meet the academic depth requirement.)

**\*\*\*\*\* LIC Recommendation B \*\*\*\*\***

***Present wording of Regulations:***

- 33.** (1) Each applicant for a licence shall comply with the following rules:
- 1. The applicant shall demonstrate that he or she has obtained,
    - ii. a bachelor’s degree in an engineering program from a Canadian university that is accredited to the Council’s satisfaction, or
    - iii. equivalent engineering educational qualifications recognized by the Council.

The LIC recommends that the wording above is adequate. However: due to present CEAB accreditation, there are now several programs accredited that are not offered by Universities, so it is suggested to change the words to read

***“i. a bachelor’s degree in a Canadian engineering program that is accredited to the Council’s satisfaction, or”***

- In (ii) the term “equivalent” can be interpreted in various ways, therefore we recommend that the document **Interpretative Statement on “Equivalent Engineering Educational Qualifications”** will define how PEO interprets and applies the criterion for meeting the academic requirements and satisfies the resolutions approved by Council

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

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**C-445 (January 24, 2008)**

**Licensing Process Task Force (LPTF) Tabled Recommendations (11 and 12)**

That PEO's current standard for "Good Performance" and "Poor Performance" on examinations be included in the Regulations.

(For reference, Recommendation 11: That the current practice whereby an applicant with good performance on the first few confirmatory examinations may reduce the number of confirmatory examinations be enshrined in the Regulations as follows:

- (a) If an applicant writes two technical exams at his/her first sitting and achieves a minimum average of 65% with no mark below 60%, the applicant is exempt from writing the remaining two required exams;
- (b) If after the second exam sitting the applicant has passed three technical exams with no mark below 60%, the applicant is exempt from writing the Complementary Studies Exam;
- (c) If the applicant fails one technical exam on his/her first sitting, then passes the failed exam with a mark of 70% or higher and achieves 60% or higher on the previously unwritten technical exam attempted at the second sitting, the applicant is exempt from writing the Complementary Studies Exam.)

(For reference, Recommendation 12:

- (a) That the current practices related to poor performance on confirmatory examinations be retained and enshrined in the Regulations as follows: examination, he or she must retake and pass the failed examination;
- (b) If an applicant fails the same confirmatory examination twice or fails two different confirmatory examinations, he or she must retake and pass the failed examinations and will be assigned an additional confirmatory examination for each failed examination;
- (c) If an applicant fails the same confirmatory examination thrice or fails to achieve an average of at least 55% on three technical examinations, he or she will be deemed to not meet the academic requirement for licensure.)

**\*\*\*\*\* LIC Recommendation C \*\*\*\*\***

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Good performance and poor performance on examinations is specificity that should not be in the regulations. It will be contained in *the Explanatory Notes* which outlines the basic operating principles of ARC that will be received by Council and made available to the public.

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**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 14:**

That Council place in regulations the objective test for exemption from confirmatory examinations before becoming a party to a mutual recognition agreement with any jurisdiction.

LIC recommendations to Rescinding LPTF Recommendations previously approved by Council

**\*\*\*\*\* LIC Recommendation D \*\*\*\*\***

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LPTF Recommendation 14 principles and process of dealing with the Washington Accord signatory countries has already been approved by Council and described in the Interpretative statement. It is an operating principle that should not be in the Regulations

The objective test is defined already in the principles of “equivalent” and therefore need no further instructions. When an mutual recognition agreement is proposed by Engineers Canada, PEO Council should evaluate the proposal within the criterion of “equivalent”.



# LIC Recommendations Amending LPTF Recommendations requiring Regulation Changes

## C-445 (January 24, 2008)

### Licensing Process Task Force Tabled Recommendations (8 and 10)

That the following academic requirements be specified in Regulations:

The applicant shall demonstrate that he or she,

- i. has obtained a bachelor’s degree in an engineering program from a Canadian university that is accredited by the Canadian Engineering Accreditation Board, or

\*\*\*\*\* LIC Recommendation A \*\*\*\*\*

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*Present wording of Regulations:*

- 33.** (1) Each applicant for a licence shall comply with the following rules:
- 1. The applicant shall demonstrate that he or she has obtained,
    - i. a bachelor’s degree in an engineering program from a Canadian university that is accredited to the Council’s satisfaction, or
    - ii. equivalent engineering educational qualifications recognized by the Council.

The LIC recommends that the wording above is adequate. However:

- due to present CEAB accreditation, there are now several programs accredited that are not offered by Universities, so it is suggested to change the words to read

*“i. a bachelor’s degree in a Canadian engineering program that is accredited to the Council’s satisfaction, or”*

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## C-443 (November 15, 2007)

### Licensing Process Task Force (LPTF) Recommendation 50:

That all references in the Regulations to “thesis” except that in Section 85 (that set out the fee payable on submission) be deleted, as this is an element within the PEO syllabi.

APPENDIX E - LIC Recommendations for Regulation Changes

\*\*\*\*\* **LIC Recommendation B** \*\*\*\*\*

LPTF Recommendation 50

This should be changed in the Regulations' wording because of the present process:

in 36 (6), 37(b) and 85(3) replace "thesis" by "engineering report"

These sections are okay because only time lines and fees are dealt with, not the principle of this being an academic requirement of the syllabus.

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendation 30:**

That Section 37. of the Regulations be revised to provide that an applicant may write the Professional Practice Examination(s) any time they are offered

\*\*\*\*\* **LIC Recommendation C** \*\*\*\*\*

Discussed by LIC because of the ramifications in the timing required by the Regulations (must write within 2 years of application).

- This would clash with the financial incentive program for recent CEAB graduates.
- This also would mean that an applicant could write the PPE the day after graduation which means there is no reason why not have this incorporated in the engineering curriculum in the last year.
- Successive failures in the PPE might carry many years over the deadline.

LIC referred this item to Academic Requirements Committee(ARC) since ARC manages and administer the PPE. At 3 meetings of the ARC the matter was discussed, and it was noted that the process used for the past decade has worked well and is fair to the applicants. Hence the following motions passed unanimously at the May 2016 ARC meeting were passed on to LIC:

**Motion:** Barna Szabados moved and Ross Judd seconded, that the PPE cannot be written until an applicant meets the academic requirements. Applicants must meet the academic requirements to be eligible to write the PPE

**Motion:** Barna Szabados moved and Shamim Sheikh seconded, to rescind the 2-year upper limit for writing the PPE after meeting the academic requirements for licensure.

**Motion:** Barna Szabados moved and Shamim Sheikh seconded that an applicant has up to 8 years to meet all licensing requirements after demonstrating the academic requirements.

LIC recommends to adopt this process which will require modifications in the current regulations.

APPENDIX E - LIC Recommendations for Regulation Changes

*The current Regulations be changed to incorporate the following recommendations:*

- *PPE to be written after meeting the academic requirements*
- *Rescind the 2-year upper limit for passing the PPE after demonstrating the academic requirements for licensure*
- *8-year limit after demonstrating the academic requirements to meet all other licensing requirements before file closure*

which modifies the current Regulation

*37. An applicant for a licence must pass the Professional Practice Examination not later than two years following the later of,*

*(a) the date of submission of the application for membership by the applicant to the Registrar; and*

*(b) the date of successful completion of all other examination requirements (other than the writing of a thesis, if required) or the final determination that no examination or thesis is required.*

**C-443 (November 15, 2007)**

**Licensing Process Task Force (LPTF) Recommendations 36 and 45**

36. That the Regulations be amended to remove provisions related to timing of examinations and academic year.

45. That Sections 34 through 36 of the Regulations be deleted as they are primarily operating procedures.

**\*\*\*\*\* LIC Recommendation D \*\*\*\*\***

LPTF Recommendation 36.

Are operating procedure and should be removed.

LPTF Recommendation 45.

Removal of Section 34 is an operating procedure and should be removed.

Removal of Section 35 which is really superfluous section because it is one of the main mandates of the Registrar Removal of Section 36 in its entirety is not justified. Although it is procedural it specifies some constraints on when applicants should write and also specifies a termination for lack of progress which should remain in the Regulations (with the changes to “academic year” replaced by “calendar year”. and the addition of wording as suggested previously in item 46.) Sections 36(20 to 36(7) should remain since these sections require applicants to make satisfactory progress in completing examination programs.

**PEO SYLLABI – Chemical Engineering, Civil Engineering, Electrical Engineering, Mechanical Engineering, Naval Architectural Engineering and Mechatronics Engineering**

**Purpose:** To approve the revised Chemical, Civil, Electrical, Mechanical, Naval Architectural Engineering PEO Syllabi and approve the newly developed Mechatronics Engineering Syllabus

**Motion(s) to consider: (requires a two-thirds majority of votes cast to carry)**

***That the PEO revised Chemical, Civil, Electrical, Mechanical, Naval Architectural Engineering Syllabi, and new Mechatronics Engineering Syllabus presented to the meeting at C-511-2.6, Appendices A, B, C, D, E and F respectively, be approved for use, effective for the May 2017 technical examinations sitting.***

**Prepared by:** Michael R. Price, P.Eng. - Deputy Registrar

**Moved by:** Robert D. Dony, P.Eng., - President-Elect

## **1. Need for PEO Action**

The Academic Requirements Committee (ARC) is mandated to assess non-CEAB applicants' academic preparation to determine if they meet PEO's academic requirements for licensure. It does so by comparing the applicant's transcripts and courses studied to a syllabus of a particular discipline. Most syllabi are developed and maintained by the Engineers Canada Canadian Engineering Qualifications Board (CEQB) and PEO adopts them for its own examinations. The CEQB has recently revised the Chemical, Civil, Electrical, Mechanical and Naval Architectural Engineering syllabi to 2016 syllabi and developed a new Mechatronics Engineering syllabi, attached under Appendices A, B, C, D, E and F, which were reviewed and revised by the ARC at its August 2016, September 2016, January 2017 meetings and will become effective as of the May 2017 technical examinations sitting.

## **2. Current Policy**

The academic requirements for licensure under Section 33.(1)1. of the Regulation are:

- i. A bachelor's degree in an engineering program from a Canadian university that is accredited to the Council's satisfaction, or
- ii. Equivalent engineering educational qualifications recognized by the Council.

In terms of applicants who are graduates of programs not accredited by the CEAB demonstrating that they meet section (ii) of the Regulation, the ARC evaluates the applicant's education by comparing it to the approved PEO syllabi for the applicant's discipline.

PEO also sets the National Technical Examinations for all provincial engineering associations except Quebec.

## **3. Recommendation, Rationale and Expected Outcomes**

That Council approve the revised Chemical, Civil, Electrical, Mechanical and Naval Architectural Engineering Syllabi and new Mechatronics Engineering Syllabus for technical examinations, effective May 2017.

#### **4. Policy Implications**

The ARC will assess applicants whose academic background is in Chemical, Civil, Electrical, Mechanical, Naval Architectural and Mechatronics Engineering versus the new syllabi.

#### **5. Legal Implications**

Having Council approve the syllabi is in keeping with the recommendations of the Licensing Process Task Force. It will assist in providing applicants with further clarity as to the licensing requirements they must meet.

#### **6. Stakeholder Consultation Results**

Not applicable, as this is merely an administrative matter that is consistent with current policy direction.

#### **7. Motion Development**

The following were consulted in the generation of the motion: Staff of the Licensing and Registration Department and the Chair of the Academic Requirements Committee.

#### **8. Next Steps**

If approved by Council, PEO would advise the other provincial engineering associations of the implementation of the new syllabi.

## PEO CHEMICAL ENGINEERING EXAMINATIONS

### INTRODUCTION

Each discipline examination syllabus is divided into two examination categories: compulsory and elective. A full set of Chemical Engineering examinations consists of eighteen, three-hour examination papers and an engineering report. Candidates will be assigned examinations based on an assessment of their academic background. Examinations from discipline syllabi other than those specific to the candidates' discipline may be assigned at the discretion of PEO's Academic Requirement Committee.

Information on examination scheduling, textbooks, materials provided or required, and whether the examinations are open or closed book, will be provided by PEO's examinations Centre.

### BASIC STUDIES

#### COMPULSORY EXAMINATIONS

##### **04-BS-1 Mathematics**

Calculus, Vector, and Linear Algebra: Applications involving matrix algebra, determinants, eigenvalues; first and second order linear ordinary differential equations, Laplace transforms. Vector algebra; vector functions and operations; orthogonal curvilinear coordinates; applications of partial derivatives, Lagrange multipliers, multiple integrals, line and surface integrals; integral theorems (Gauss, Green, Stokes). Power series.

##### **04-BS-2 Probability and Statistics**

Concepts of probability, events and populations, probability theorems, concept of a random variable, continuous and discrete random variables, probability distributions, distributions of functions of a random variable, sampling and statistical estimation theory, hypothesis testing, simple regression analysis.

##### **04-BS-5 Advanced Mathematics**

Series Solutions of Differential Equations: Series solutions of ordinary differential equations, boundary value problems and orthogonal functions, Fourier series.

Numerical Methods: Use of computers for numerical solution of engineering problems, including techniques involving library subroutines and spreadsheets. Approximations and errors, interpolation, systems of linear and non-linear algebraic equations, curve fitting, numerical integration and differentiation, and ordinary differential equations.

##### **04-BS-7 Mechanics of Fluids**

Fluid characteristics, dimensions and units, flow properties, and fluid properties; the fundamentals of fluid statics, engineering applications of fluid statics; the one-dimensional equations of continuity, momentum, and energy; laminar and turbulent flow, flow separation, drag and lift on immersed objects; wall friction and minor losses in closed conduit flow; flow of incompressible and compressible fluids in pipes; dimensional analysis and similitude; flow measurement methods.

##### **04-BS-10 Thermodynamics**

Thermodynamic states of simple systems; the laws of thermodynamics; equilibrium, PVT and other thermodynamic diagrams; equation of state; compressibility charts and steam tables; calculation of property changes; enthalpy; applications of thermodynamics, cycles, reversibility; thermodynamics of phase changes, Gibbs phase rule, gas-vapour mixtures.

##### **04-BS-12 Organic Chemistry**

Principles of organic chemistry developed around the concepts of structure and functional groups. The main classes of organic compounds. Properties of pure substances. Introduction to molecular structure, bond

types, properties, synthesis and reactions, reaction mechanisms, as a means of systematizing organic reactions.

### OPTIONAL EXAMINATIONS

#### **04-BS-3 Statics and Dynamics**

Force vectors in two- and three-dimensions, equilibrium of a particle in two- and three-dimensions; moments and couples; equilibrium of rigid bodies in two- and three-dimensions; centroids, centres of gravity; second moment of area, moment of inertia; truss, frame and cable static analysis; friction. Planar kinematics of particles and rigid bodies; planar kinetics of particles and rigid bodies; work and energy, impulse, and momentum of particles and rigid bodies.

#### **04-BS-4 Electric Circuits and Power**

Basic laws, current, voltage, power; DC circuits, network theorems, network analysis; simple transients, AC circuits. Impedance concept, resonance; use and application of phasors and complex algebra in steady-state response; simple magnetic circuits; basic concepts and performance characteristics of transformers; an introduction to diodes and transistors; rectification and filtering; simple logic circuits.

#### **04-BS-6 Mechanics of Materials**

Definitions of normal stress, shearing stress, normal strain, shearing strain; shear force and bending moment diagrams; members subjected to axial loading; members subjected to torsional loading; compound stresses, Mohr's circle; deformation of flexural and torsional members; failure theories; elastic and inelastic strength criteria; columns.

#### **04-BS-11 Properties of Materials**

Properties of materials for mechanical, thermal and electrical applications. Atomic bonding, solid solutions, crystallization. Equilibrium phase diagrams, applications to steel and aluminium alloys, heat treatments. Structure and special properties of polymers and ceramic materials. General characteristics of metallic composites, polymeric composites and concrete. Introduction to materials in hostile environments: corrosion, creep at high temperature, refractory materials, subnormal temperature brittle fracture.

#### **04-BS-13 Biology**

Cellular reproduction, growth, and differentiation; metabolism and bioenergetics of living cells; cell structure and function related to the material properties of plant and animal tissues; introductory microbiology — characteristics and classification of microorganisms; interactions of microorganisms with man in the natural world; kinetics and mathematical models of microbial growth; engineered biological systems such as bio-reactors, bio-instrumentation, and waste treatment systems.

#### **04-BS-14 Geology**

The structure of the earth, plate tectonics, earthquakes and igneous activity. Minerals and rocks including their formation, identification, basic properties, and classification. Processes of weathering, erosion, transport, and deposition of geological materials and their results of significance to engineering. Occurrence, flow, and quality of groundwater. Introductory aspects of structural geology including faulting, folding, and the overall formation of discontinuities and their effect on the engineering properties of rock masses. Aerial photography and geological maps.

#### **04-BS-15 Engineering Graphics and Design Process**

Engineering drawing: Orthographic sketching. Standard orthographic projection. Principal views, selection and positioning of views. Visualization. Conventions and practices. First and second auxiliary views. Basic descriptive geometry. Section views, types, hatching conventions. Basic dimensioning requirements. Tolerance for fits and geometry control. Detail drawings and assembly drawings, other drawings and documents used in an engineering organization. Bill of materials. Fasteners and welds.

## **Chemical Engineering Examinations**

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Design process and methods. Project management & teamwork. Requirements and function analysis in design. Conceptual design and testing. Concept evaluation design factors such as: cost, quality, manufacturability, safety, etc. Systems modelling & design detail.

### **04-BS-16 Discrete Mathematics**

Logic: propositional equivalences, predicates and quantifiers, sets, set operations, functions, sequences and summations, the growth of functions. Algorithms: complexity of algorithms, the integers and division, matrices. Methods of proof: mathematical induction, recursive definition. Basics of counting: pigeonhole principle, permutations and combinations, discrete probability. Recurrence relations: inclusion-exclusion. Relations and their properties: representing relations, equivalence relations. Introduction to graphs: graph terminology, representing graphs and graph isomorphism, connectivity, Euler and Hamilton paths. Introduction to sorting.



COMPULSORY EXAMINATIONS

**16-Chem-A1 Process Balances and Chemical Thermodynamics**

The analysis of industrial and chemical processes; mass conservation and energy conservation; thermochemistry; properties of pure substances; properties of solutions; energy and the first law of thermodynamics; the second law of thermodynamics and entropy; applications of the laws of thermodynamics to problems in the behaviour of fluids, flow processes, power cycles, refrigeration and heat pumps, phase equilibria and chemical reaction equilibria.

**16-Chem-A2 Unit Operations and Separation Processes** *(formerly Mechanical and Thermal operations)*

Incompressible and compressible fluid flow. Flow through packed beds, fluidization. Particle size distribution. Mechanical operations such as mixing and blending, filtration and sedimentation. Thermal operations such as evaporation and crystallization. Application of equilibrium theory and rate considerations for absorption, adsorption, distillation, drying, extraction, membrane separation, leaching.

**16-Chem-A3 Heat and Mass Transfer**

Theory and practice of conductive, convective, and radiative heat transfer; design of heat exchangers; heat transfer involving phase change. Diffusion and permeability; mass transfer through stagnant and moving films; the concept of equilibrium stages; estimation and use of overall heat and mass transfer coefficients in the design of process equipment.

**16-Chem-A4 Chemical Reactor Engineering**

Application of the principles of chemical kinetics and other rate phenomena to the design of chemical reactors. Dynamics in chemical systems, including chemical kinetics, catalysis and transport processes. Theory of idealized isothermal reactors including batch, plug flow, and continuous stirred tank reactors for single and multiple reactions. Residence time distributions and their effect on conversion. Simple adiabatic and non-isothermal reactors with homogeneous and heterogeneous reactions; thermal run-away reactions.

**16-Chem-A5 Chemical Plant Design and Economics**

Structure of chemical process systems and systematic methods for capital and operating cost calculations. Economic factors in design, economic balances, capital and operating cost estimation techniques, assessment of alternative investments and replacements, and application of compound interest calculations. Simple optimization theory. Evaluation of process alternatives. Equipment and materials selection. Factors such as energy, safety, hygiene, and environmental protection. Familiarity with computer process simulation. Intrinsically safe design. Risk analysis. The use of heuristics in design of chemical processes.

**16-Chem-A6 Process Dynamics and Control**

Concept of transfer functions. Response of simple chemical processes to step, ramp, and sinusoidal inputs. Transient response of interacting elements in series. Frequency response analysis of simple systems. On-off control, cascade control, ratio control, proportional, integral, derivative, and combinations of these control actions, single-input/single-output control and multiple-input/multiple-output control. Closed-loop response. Feedback and feedforward control. Controller tuning and algorithms. Simple stability analysis. Dynamics and control of common chemical process units such as heat exchangers, simple reactors, and agitated vessels. Hardware implementation, analog and digital, of simple control algorithms and designs.

ELECTIVE EXAMINATIONS

**16-Chem-B1 Transport Phenomena**

The application of integral and differential techniques for solving problems involving mass, energy and/or momentum transport through solids and within fluids. Steady and unsteady state processes. Molecular transport. Convective transfer of heat and mass involving laminar and turbulent fluid flows.

**16-Chem-B2 Environmental Engineering**

Engineering aspects of air and water pollution abatement and effluent treatment. Characterization of water contaminants and their measurement, biological oxygen demand, sedimentation, flotation, aeration, and activated sludge processes, pH control, ion exchange, oxidation-reduction, electro dialysis, reverse osmosis. Sources and dispersion of atmospheric pollutants. Control methods for particulates, gases, and vapours. Photochemical reactions, noxious pollutants, and odour control. Contaminated soil remediation. Measurement techniques.

**16-Chem-B3 Simulation, Modelling, and Optimization**

The analysis and modelling of chemical processes using either a mechanistic or an empirical input/output approach. Subsystem modelling to reduce complex processes to simpler component parts. Linearization of non-linear processes. Optimization methods; direct search, climbing and elimination techniques, linear and non-linear programming.

**16-Chem-B4 Biochemical Engineering**

Basic microbiology and chemistry of cells, biochemical kinetics, enzymes, metabolic pathways, energetics, transport phenomena and reactor design as applied to biochemical reactors, scale-up, fermentation technology.

**16-Chem-B5 Pulp and Paper Technology**

Papermaking raw materials: wood anatomy and chemistry. Pulping processes: mechanical pulping, chemi-thermo-mechanical processes, chemical pulping (sulphite, Kraft). Pulp treatment: refining and bleaching. Papermaking equipment and processes. Environmental protection. Structure and properties of paper and paperboard.

**16-Chem-B6 Petroleum Refining and Petrochemicals**

The composition and classification of petroleum. Crude oil evaluation in relation to product quality. Refinery products: properties, specifications, and testing. The petroleum refinery: crude oil distillation, catalytic cracking, alkylation, hydrogen production, catalytic reforming, hydrotreating, amine processes, sulphur production, isomerization, polymerization, oxygen compounds. Lubricating oil and asphalt manufacturing. Synthesis of primary products; ethylene, methanol, glycols, aromatics.

**16-Chem-B7 Extractive Metallurgy**

Thermodynamics and reaction kinetics of extractive metallurgical processes. Electrolytic reduction of molten salts. Metal refining processes. Heat transfer, mass transfer, and materials preparation in the metallurgical industry. Comparison of processes. Equipment selection and operation.

**16-Chem-B8 Polymer Engineering**

Basic polymer structures and characterization of polymer physical, chemical, and mechanical properties. Polymerization reactions and kinetics; chain formation and co-polymerization. Polymerization processes: bulk, suspension, solution, and emulsion polymerizations. Polymer flow behaviour describing non-Newtonian and visco-elastic effects. Polymer processing including extrusion, moulding and film production. Polymer systems: additives, blends, composites, and fibre reinforcement.

**16-Chem-B9 Advanced Materials**

Properties, production of and uses of composites, engineered plastics, biopolymers, special coatings, and nanostructured materials with emphasis on structure property relationships.

**16-Chem-B10 Life Cycle Assessment (LCA)**

Concepts of life cycle assessment. Applications to energy utilization, environment, sustainable development and process analysis and optimisation.

**16-Chem-B11 Nuclear and Nuclear Chemical Processes**

The properties of actinides; radioactivity; processes of mining, refining and enrichment of uranium; reactor materials and design; reprocessing chemistry; waste management.

**16-Chem-B12 Corrosion and Oxidation**

Basic corrosion theory. Electrochemical corrosion theory. Metallurgical cells. Environmental cells. Stress assisted corrosion. Materials selection. Protective coatings. Corrosion inhibitors. Cathodic and anodic protection. Oxidation.

**16-Chem-B13 Ceramic Materials**

Bonding in ceramics. Ceramic structures. Effect of chemical forces and structure on physical properties. Defects in ceramics. Diffusion and electrical conductivity. Phase equilibria. Sintering and grain growth. Mechanical properties: fast fracture, creep, slow crack growth and fatigue. Thermal stresses and thermal properties. Dielectric properties.

**16-Chem-B14 Nanomaterials**

Physical chemistry of solid surfaces, zero, one and two dimensional nanostructures, special nanomaterials, nanostructures fabricated by different physical techniques. Characterization and properties of nanomaterials in electronics, biology, catalysis, quantum devices, energy and environment.

**COMPLEMENTARY STUDIES**

**11-CS-1      Engineering Economics**

Basic concepts of engineering economics through understanding of the theoretical and conceptual financial project analysis. Types and applications of engineering economic decisions. Capital, cash flow, and the time value of money concepts. Nominal and effective interest rates when considering loans, mortgages, and bonds. The application of present worth analysis, annual equivalent analysis and rate of return analysis in evaluating independent projects, comparing mutually exclusive projects, analyzing lease vs. buy alternatives and making decisions. After-tax financial analysis requiring an understanding of capital cost allowance (depreciation) and corporate income tax. Understanding methods of financing and capital budgeting. Break-even, sensitivity and risk analyses.

**11-CS-2      Engineering in Society – Health and Safety**

The duties and legal responsibilities for which engineers are accountable; safety laws and regulations; and a basic knowledge of potential hazards and their control: biological hazards – bacteria, viruses; chemical hazards - gases, liquids and dusts; fire and explosion hazards; physical hazards – noise, radiation, temperature extremes; safety hazards – equipment operation; workplace conditions - equity standards, human behaviour, capabilities, and limitations; managing safety and health through risk management, safety analyses, and safety plans and programs; practices and procedures to improve safety. The roles and social responsibilities of an engineer from a professional ethics point of view, as applied in the context of Canadian values. The integration of ethics into engineering practice, and its effect on public safety and trust.

**11-CS-3      Sustainability, Engineering and the Environment**

Basic knowledge of soil, water and air quality engineering: soil and water interaction, water supply issues, human activities and their interaction on soil, air and water resources. Fundamentals of: soil erosion, water quality, atmospheric pollution (carbon and nitrogen cycle), climate change, risk assessment. Basic knowledge of renewable energy sources: solar, photovoltaic, wireless electricity, thermal, wind, geothermal, and biofuels. **Introduction to** renewable materials engineering; nano materials, new material cycles. Eco-product development, and product life cycle assessment; recycling technologies; reuse of products; design for disassembly, recycling, e-waste, and reverse manufacturing. Consumption patterns; transportation; environmental communication; consumer awareness. Optimized energy and resources management. Sustainable methods: sustainability indicators; life cycle assessment; regulatory aspects of environmental management, ecological planning.

**11-CS-4      Engineering Management**

Introduction to management principles and their impact upon social and economic aspects of engineering practice. Engineering management knowledge topics including: market research, assessment and forecasting; strategic planning; risk and change management; product, service and process development; engineering projects and process management; financial resource management; marketing, sales and communications management; leadership and organizational management; professional responsibility. New paradigms and innovative business models, including: sustainable production, products, service systems and consumption; best practices and practical examples of successful implementations of sustainable scientific and engineering solutions.

### **3.2 ENGINEERING REPORT**

Upon passing the examination(s) assigned by PEO's Academic Requirements Committee, a candidate may be required to write an Engineering Report. The report must demonstrate the candidate's ability to present an engineering problem, observation, or idea, and to analyze it logically and accurately using engineering principles, and to draw conclusions or make recommendations. The work must include acceptable technical content involving engineering analysis, design, development, or research. The report must also demonstrate a satisfactory level of writing and graphical skills, thus the quality of the presentation will be a factor in determining the acceptability of the report.

The report itself need not prove originality of ideas, but the candidate should demonstrate his/her ability to appreciate, present, differentiate between and draw conclusions from observations and ideas. The definition of a "report" is flexible and could also include discussion and judgement of opposed theories or methods, or a description of a novel technique or process and a discussion of the practicality of its application. The key consideration is that the report address a new issue, and not repeat the coverage of the particular subject available in textbooks. It is the current state of the art, the novel or the contentious that is expected to be explored in the report.

While no rigid rules of format are specified, it is recommended that the report be suitably subdivided and include:

- a) A title page and date
- b) A signed declaration of authorship
- c) A table of contents
- d) A summary of the report and its conclusions
- e) Technical content including analysis, design, development or research
- f) Conclusions and/or recommendations
- g) A list of the technical literature cited
- h) A list of acknowledgements, contributors, reviewers and sources of information

The report should be about 5,000 words long, not including tables and graphs. Diagrams, illustrations, etc. should be clearly and properly identified. It is preferable to locate graphs, diagrams, etc. necessary for the understanding of the text at the place where reference to them is made.

## PEO CIVIL ENGINEERING EXAMINATIONS

### INTRODUCTION

Each discipline examination syllabus is divided into two examination categories: compulsory and elective. A full set of Civil Engineering examinations consists of eighteen, three-hour examination papers and an engineering report. Candidates will be assigned examinations based on an assessment of their academic background. Examinations from discipline syllabi other than those specific to the candidates' discipline may be assigned at the discretion of PEO's Academic Requirement Committee.

Information on examination scheduling, textbooks, materials provided or required, and whether the examinations are open or closed book, will be provided by PEO's examinations Centre.

### BASIC STUDIES

#### COMPULSORY EXAMINATIONS

##### **04-BS-1 Mathematics**

Calculus, Vector, and Linear Algebra: Applications involving matrix algebra, determinants, eigenvalues; first and second order linear ordinary differential equations, Laplace transforms. Vector algebra; vector functions and operations; orthogonal curvilinear coordinates; applications of partial derivatives, Lagrange multipliers, multiple integrals, line and surface integrals; integral theorems (Gauss, Green, Stokes). Power series.

##### **04-BS-2 Probability and Statistics**

Concepts of probability, events and populations, probability theorems, concept of a random variable, continuous and discrete random variables, probability distributions, distributions of functions of a random variable, sampling and statistical estimation theory, hypothesis testing, simple regression analysis.

##### **04-BS-3 Statics and Dynamics**

Force vectors in two- and three-dimensions, equilibrium of a particle in two- and three-dimensions; moments and couples; equilibrium of rigid bodies in two- and three-dimensions; centroids, centres of gravity; second moment of area, moment of inertia; truss, frame and cable static analysis; friction. Planar kinematics of particles and rigid bodies; planar kinetics of particles and rigid bodies; work and energy, impulse, and momentum of particles and rigid bodies.

##### **04-BS-6 Mechanics of Materials**

Definitions of normal stress, shearing stress, normal strain, shearing strain; shear force and bending moment diagrams; members subjected to axial loading; members subjected to torsional loading; compound stresses, Mohr's circle; deformation of flexural and torsional members; failure theories; elastic and inelastic strength criteria; columns.

##### **04-BS-7 Mechanics of Fluids**

Fluid characteristics, dimensions and units, flow properties, and fluid properties; the fundamentals of fluid statics, engineering applications of fluid statics; the one-dimensional equations of continuity, momentum, and energy; laminar and turbulent flow, flow separation, drag and lift on immersed objects; wall friction and minor losses in closed conduit flow; flow of incompressible and compressible fluids in pipes; dimensional analysis and similitude; flow measurement methods.

### **04-BS-11 Properties of Materials**

Properties of materials for mechanical, thermal and electrical applications. Atomic bonding, solid solutions, crystallization. Equilibrium phase diagrams, applications to steel and aluminium alloys, heat treatments. Structure and special properties of polymers and ceramic materials. General characteristics of metallic composites, polymeric composites and concrete. Introduction to materials in hostile environments: corrosion, creep at high temperature, refractory materials, subnormal temperature brittle fracture.

### **04-BS-14 Geology**

The structure of the earth, plate tectonics, earthquakes and igneous activity. Minerals and rocks including their formation, identification, basic properties, and classification. Processes of weathering, erosion, transport, and deposition of geological materials and their results of significance to engineering. Occurrence, flow, and quality of groundwater. Introductory aspects of structural geology including faulting, folding, and the overall formation of discontinuities and their effect on the engineering properties of rock masses. Aerial photography and geological maps.

## **OPTIONAL EXAMINATIONS**

### **04-BS-4 Electric Circuits and Power**

Basic laws, current, voltage, power; DC circuits, network theorems, network analysis; simple transients, AC circuits. Impedance concept, resonance; use and application of phasors and complex algebra in steady-state response; simple magnetic circuits; basic concepts and performance characteristics of transformers; an introduction to diodes and transistors; rectification and filtering; simple logic circuits.

### **04-BS-5 Advanced Mathematics**

Series Solutions of Differential Equations: Series solutions of ordinary differential equations, boundary value problems and orthogonal functions, Fourier series.

Numerical Methods: Use of computers for numerical solution of engineering problems, including techniques involving library subroutines and spreadsheets. Approximations and errors, interpolation, systems of linear and non-linear algebraic equations, curve fitting, numerical integration and differentiation, and ordinary differential equations.

### **04-BS-10 Thermodynamics**

Thermodynamic states of simple systems; the laws of thermodynamics; equilibrium, PVT and other thermodynamic diagrams; equation of state; compressibility charts and steam tables; calculation of property changes; enthalpy; applications of thermodynamics, cycles, reversibility; thermodynamics of phase changes, Gibbs phase rule, gas-vapour mixtures.

### **04-BS-12 Organic Chemistry**

Principles of organic chemistry developed around the concepts of structure and functional groups. The main classes of organic compounds. Properties of pure substances. Introduction to molecular structure, bond types, properties, synthesis and reactions, reaction mechanisms, as a means of systematizing organic reactions.

### **04-BS-13 Biology**

Cellular reproduction, growth, and differentiation; metabolism and bioenergetics of living cells; cell structure and function related to the material properties of plant and animal tissues; introductory microbiology — characteristics and classification of microorganisms; interactions of microorganisms with man in the natural world; kinetics and mathematical models of microbial growth; engineered biological systems such as bio-reactors, bio-instrumentation, and waste treatment systems.

### **04-BS-15 Engineering Graphics and Design Process**

Engineering drawing: Orthographic sketching. Standard orthographic projection. Principal views, selection and positioning of views. Visualization. Conventions and practices. First and second auxiliary views. Basic descriptive geometry. Section views, types, hatching conventions. Basic dimensioning requirements. Tolerance for fits and geometry control. Detail drawings and assembly drawings, other drawings and documents used in an engineering organization. Bill of materials. Fasteners and welds. Design process and methods. Project management & teamwork. Requirements and function analysis in design. Conceptual design and testing. Concept evaluation design factors such as: cost, quality, manufacturability, safety, etc. Systems modelling & design detail.



CIVIL ENGINEERING EXAMINATIONS

GROUP A

COMPULSORY EXAMINATIONS

**16-Civ-A1 Elementary Structural Analysis**

Computation of reactions, shearing forces, normal forces, bending moments, and deformations in determinate structures. Influence lines for moving loads. Moment distribution, slope deflection, and energy methods for indeterminate structures without sidesway.

**16-Civ-A2 Elementary Structural Design**

Limit states design concepts. Loading due to use and occupancy, snow, wind, and earthquake. Design of tension members, beams, and columns in timber and steel. Design of timber connections and simple welded and bolted connections in steel. Design of determinate reinforced concrete beams and columns.

**16-Civ-A3 Municipal and Environmental Engineering**

Municipal infrastructure including, water supply, Unit process for water and wastewater disposal, water and waste Water treatment. roads and land development; population forecasting; demand analysis. Water supply; source development, transmission, storage, pumping, distribution networks. Sewerage and drainage; sewer and culvert hydraulics; collection networks; stormwater management. Maintenance and rehabilitation of water and wastewater systems; buried pipe design; optimization of network design.

**16-Civ-A4 Geotechnical Materials and Analysis**

Materials: Origin of soils, soil identification and classification. Compaction. Permeability, pore water pressure and effective stress. Compressibility and consolidation. Shear strength, stress paths, and critical states. Frost action. Associated laboratory tests.

Analysis: Elastic stress distribution, settlements, times of settlements. Introductory analysis of lateral earth pressures, bearing capacity, and slopes. Seepage; well flow and confined 2-D flow problems.

**16-Civ-A5 Hydraulic Engineering**

Dimensional analysis and hydraulic models. Application of continuity, momentum and energy principles. Steady, closed conduit flow in single pipes and pipe networks. Steady, open-channel flow under uniform and gradually varied conditions, control sections, hydraulic jumps, and energy dissipaters. Hydraulic transients; surges and water hammer in closed conduits, surface waves in open channels. Concepts and principles of turbo machinery, especially centrifugal pumps; similarity relations and cavitation; operation of pump-and-pipe systems.

Introductory concepts of hydraulic structures, including environmental aspects of hydraulic works and water quality management.

**16-Civ-A6 Highway Design, Construction, and Maintenance**

Route surveying. Geometric design, including horizontal and vertical alignment and intersections. Properties of road-making materials. Asphalt mix design. Structural design for flexible and concrete pavements. Earthworks and drainage. Pavement management, including condition evaluation, maintenance, and rehabilitation.

**GROUP B**

**ELECTIVE EXAMINATIONS**

**16-Civ-B1      Advanced Structural Analysis**

Analysis of statically indeterminate structures, including trusses, beams, frames, and arches. Formulation of flexibility (force) and stiffness (displacement), and matrix methods of analysis.

**16-Civ-B2      Advanced Structural Design**

Limit states design of steel members and connections in continuous framing; of slabs and footings in reinforced concrete, of pre-stressed concrete members and assemblies; and of composite steel-concrete construction. Influence of creep and shrinkage in concrete construction.

**16-Civ-B3      Geotechnical Design**

Characterization of natural deposits, subsurface investigation, and field measurements. Design procedures for settlement and stability of shallow and deep foundation systems in soil and rock. Design of excavations and retaining structures; slopes and embankments. Geoenvironmental design topics covering seepage through dams and landfills and the control of seepage through the use of filters and low permeability layers including the use of geosynthetic liners and filters.

**16-Civ-B4      Engineering Hydrology**

Hydrologic processes: precipitation and snow melt, infiltration, evaporation and evapotranspiration, ground-water flow, runoff. Point and area estimates of precipitation. Stream flow measurement. Runoff hydrographs, unit hydrographs, conceptual models of runoff, and basics of hydrologic modeling. Channel system: reservoir and lake routing, channel routing and flood wave behavior. Statistical methods: frequency and probability with application to precipitation, floods, and droughts. Urban and highway drainage structure design.

**16-Civ-B5      Water Supply and Wastewater Treatment**

Physical, chemical, and microbiological characteristics of water and wastewater. Regulation of water quality for supply and discharge, elements of receiving water characterization and specification of effluent limits. Elements of water and wastewater treatment including, coagulation, flocculation, filtration, settling, softening, disinfection, fluoridation, taste and odour control and biological processes. Sludge disposal.

Quantity and quality estimation of water and wastewater. Water storage and distribution systems. Wastewater collection systems.

**16-Civ-B6      Urban and Regional Planning**

The context of urban planning; basic planning studies, including population, economic, and land-use studies. The strategy, development, and engineering associated with comprehensive plans and full infrastructure development including housing, industry, transportation, recreation, water and sewerage, social service components. The use of analytical procedures and data systems. Plan implementation measures and controls, including zoning, land subdivision, and urban renewal. The role of the planner in directing and monitoring urban and regional development.

### **16-Civ-B7 Transportation Planning and Engineering**

Socio-economic impacts on transportation, demand modelling. Characteristics of transportation systems; rail, road, air, water, and pipelines. Transportation systems in Canada. Characteristics of traffic flow, queuing theory, capacity analysis, space-time diagrams. Urban traffic management, traffic signals, pedestrians, accidents. Intelligent transportation systems.

### **16-Civ-B8 Management of Construction**

Size and structure of Canadian design and construction sectors. Methods of project delivery, project management, and organizational form. Site investigation. Estimating and bidding, project planning, scheduling and control, activity planning. Safety practices and regulations, insurance, quality assurance and control. Labour relations. Contract administration. Litigation.

### **16-Civ-B9 The Finite Element Method**

Introductory concepts in discretization techniques for solving Civil Engineering problems. The finite element method including; derivation of element and global force-displacement equations employing both the variational and direct stiffness methods, criteria for selection of approximating functions, available finite elements, general constitutive relations, substructure analysis and constraint equations, numerical methods of solution. Finite element applications to structural, geotechnical, and hydraulic engineering analysis.

### **16-Civ-B10 Traffic Engineering**

Introductory concepts in traffic engineering and control. Vehicle – driver – roadway environment; theories of traffic flow; application of queuing theory, capacity and delay analysis of unsignalized and signalized intersections; design optimization of isolated and co-ordinated traffic signal timing plans; traffic simulation model calibration and application; and field data collection and analysis. State-of-practice analysis and design methods.

### **16-Civ-B11 Structural Materials**

Properties and uses of non-renewable and recycled materials; energy efficient design and green material selection. Linear and nonlinear material behavior, time-dependent behavior; structural and engineering properties of structural metals; behavior of wood; production and properties of concrete; bituminous materials, ceramics, plastics; advanced composite materials; cements and aggregates: types, chemistry, microstructure. Sustainability and durability issues of structural materials.

### **16-Civ-B12 Risk and Safety in Civil Engineering**

Introductory concepts in fundamentals of uncertainty, risk, risk analysis, safety and decision-making in civil engineering. Risk and safety issues related to planning, design, construction/implementation and operations in the context of environmental, transportation, structures, geotechnical, natural hazards or other civil engineering disciplines.

**COMPLEMENTARY STUDIES**

**11-CS-1 Engineering Economics**

Basic concepts of engineering economics through understanding of the theoretical and conceptual financial project analysis. Types and applications of engineering economic decisions. Capital, cash flow, and the time value of money concepts. Nominal and effective interest rates when considering loans, mortgages, and bonds. The application of present worth analysis, annual equivalent analysis and rate of return analysis in evaluating independent projects, comparing mutually exclusive projects, analyzing lease vs. buy alternatives and making decisions. After-tax financial analysis requiring an understanding of capital cost allowance (depreciation) and corporate income tax. Understanding methods of financing and capital budgeting. Break-even, sensitivity and risk analyses.

**11-CS-2 Engineering in Society – Health and Safety**

The duties and legal responsibilities for which engineers are accountable; safety laws and regulations; and a basic knowledge of potential hazards and their control: biological hazards – bacteria, viruses; chemical hazards - gases, liquids and dusts; fire and explosion hazards; physical hazards – noise, radiation, temperature extremes; safety hazards – equipment operation; workplace conditions - equity standards, human behaviour, capabilities, and limitations; managing safety and health through risk management, safety analyses, and safety plans and programs; practices and procedures to improve safety. The roles and social responsibilities of an engineer from a professional ethics point of view, as applied in the context of Canadian values. The integration of ethics into engineering practice, and its effect on public safety and trust.

**11-CS-3 Sustainability, Engineering and the Environment**

Basic knowledge of soil, water and air quality engineering: soil and water interaction, water supply issues, human activities and their interaction on soil, air and water resources. Fundamentals of: soil erosion, water quality, atmospheric pollution (carbon and nitrogen cycle), climate change, risk assessment. Basic knowledge of renewable energy sources: solar, photovoltaic, wireless electricity, thermal, wind, geothermal, and biofuels. **Introduction to** renewable materials engineering; nano materials, new material cycles. Eco-product development, and product life cycle assessment; recycling technologies; reuse of products; design for disassembly, recycling, e-waste, and reverse manufacturing. Consumption patterns; transportation; environmental communication; consumer awareness. Optimized energy and resources management. Sustainable methods: sustainability indicators; life cycle assessment; regulatory aspects of environmental management, ecological planning.

**11-CS-4 Engineering Management**

Introduction to management principles and their impact upon social and economic aspects of engineering practice. Engineering management knowledge topics including: market research, assessment and forecasting; strategic planning; risk and change management; product, service and process development; engineering projects and process management; financial resource management; marketing, sales and communications management; leadership and organizational management; professional responsibility. New paradigms and innovative business models, including: sustainable production, products, service systems and consumption; best practices and practical examples of successful implementations of sustainable scientific and engineering solutions.

### 3.2 ENGINEERING REPORT

Upon passing the examination(s) assigned by PEO's Academic Requirements Committee, a candidate may be required to write an Engineering Report. The report must demonstrate the candidate's ability to present an engineering problem, observation, or idea, and to analyze it logically and accurately using engineering principles, and to draw conclusions or make recommendations. The work must include acceptable technical content involving engineering analysis, design, development, or research. The report must also demonstrate a satisfactory level of writing and graphical skills, thus the quality of the presentation will be a factor in determining the acceptability of the report.

The report itself need not prove originality of ideas, but the candidate should demonstrate his/her ability to appreciate, present, differentiate between and draw conclusions from observations and ideas. The definition of a "report" is flexible and could also include discussion and judgement of opposed theories or methods, or a description of a novel technique or process and a discussion of the practicality of its application. The key consideration is that the report address a new issue, and not repeat the coverage of the particular subject available in textbooks. It is the current state of the art, the novel or the contentious that is expected to be explored in the report.

While no rigid rules of format are specified, it is recommended that the report be suitably subdivided and include:

- a) A title page and date
- b) A signed declaration of authorship
- c) A table of contents
- d) A summary of the report and its conclusions
- e) Technical content including analysis, design, development or research
- f) Conclusions and/or recommendations
- g) A list of the technical literature cited
- h) A list of acknowledgements, contributors, reviewers and sources of information

The report should be about 5,000 words long, not including tables and graphs. Diagrams, illustrations, etc. should be clearly and properly identified. It is preferable to locate graphs, diagrams, etc. necessary for the understanding of the text at the place where reference to them is made.

## PEO ELECTRICAL ENGINEERING EXAMINATIONS

### INTRODUCTION

Each discipline examination syllabus is divided into two examination categories: compulsory and elective. A full set of Electrical Engineering examinations consists of eighteen, three-hour examination papers and an engineering report. Candidates will be assigned examinations based on an assessment of their academic background. Examinations from discipline syllabi other than those specific to the candidates' discipline may be assigned at the discretion of PEO's Academic Requirement Committee.

Information on examination scheduling, textbooks, materials provided or required, and whether the examinations are open or closed book, will be provided by PEO's examinations Centre.

### BASIC STUDIES

#### **04-BS-1 Mathematics**

Calculus, Vector, and Linear Algebra: Applications involving matrix algebra, determinants, eigenvalues; first and second order linear ordinary differential equations, Laplace transforms. Vector algebra; vector functions and operations; orthogonal curvilinear coordinates; applications of partial derivatives, Lagrange multipliers, multiple integrals, line and surface integrals; integral theorems (Gauss, Green, Stokes). Power series.

#### **04-BS-2 Probability and Statistics**

Concepts of probability, events and populations, probability theorems, concept of a random variable, continuous and discrete random variables, probability distributions, distributions of functions of a random variable, sampling and statistical estimation theory, hypothesis testing, simple regression analysis.

#### **04-BS-3 Statics and Dynamics**

Force vectors in two- and three-dimensions, equilibrium of a particle in two- and three-dimensions; moments and couples; equilibrium of rigid bodies in two- and three-dimensions; centroids, centres of gravity; second moment of area, moment of inertia; truss, frame and cable static analysis; friction. Planar kinematics of particles and rigid bodies; planar kinetics of particles and rigid bodies; work and energy, impulse, and momentum of particles and rigid bodies.

#### **04-BS-4 Electric Circuits and Power**

Basic laws, current, voltage, power; DC circuits, network theorems, network analysis; simple transients, AC circuits. Impedance concept, resonance; use and application of phasors and complex algebra in steady-state response; simple magnetic circuits; basic concepts and performance characteristics of transformers; an introduction to diodes and transistors; rectification and filtering; simple logic circuits.

#### **04-BS-5 Advanced Mathematics**

Series Solutions of Differential Equations: Series solutions of ordinary differential equations, boundary value problems and orthogonal functions, Fourier series.  
Numerical Methods: Use of computers for numerical solution of engineering problems, including techniques involving library subroutines and spreadsheets. Approximations and errors, interpolation, systems of linear and non-linear algebraic equations, curve fitting, numerical integration and differentiation, and ordinary differential equations.

#### **04-BS-6 Mechanics of Materials**

## PEO ELECTRICAL ENGINEERING EXAMINATIONS

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Definitions of normal stress, shearing stress, normal strain, shearing strain; shear force and bending moment diagrams; members subjected to axial loading; members subjected to torsional loading; compound stresses, Mohr's circle; deformation of flexural and torsional members; failure theories; elastic and inelastic strength criteria; columns.

### **04-BS-7 Mechanics of Fluids**

Fluid characteristics, dimensions and units, flow properties, and fluid properties; the fundamentals of fluid statics, engineering applications of fluid statics; the one-dimensional equations of continuity, momentum, and energy; laminar and turbulent flow, flow separation, drag and lift on immersed objects; wall friction and minor losses in closed conduit flow; flow of incompressible and compressible fluids in pipes; dimensional analysis and similitude; flow measurement methods.

### **04-BS-8 Digital Logic Circuits**

Boolean algebra, encoders, decoders, shift registers, and asynchronous and synchronous counters together with timing considerations. Design of asynchronous circuits, synchronous sequential circuits, and finite state machines. Karnaugh mapping techniques, and state tables and diagrams. Introduction to programmable logic.

### **04-BS-9 Basic Electromagnetics**

Introduction to the basic electromagnetic principles upon which electrical engineering is based (laws in both integral and differential form). Classical development of electrostatics and magnetostatics leading to Maxwell's equations. Application of electromagnetic theory to calculation of d-c circuit parameters, study of plane wave transmission in various media.

### **04-BS-10 Thermodynamics**

Thermodynamic states of simple systems; the laws of thermodynamics; equilibrium, PVT and other thermodynamic diagrams; equation of state; compressibility charts and steam tables; calculation of property changes; enthalpy; applications of thermodynamics, cycles, reversibility; thermodynamics of phase changes, Gibbs phase rule, gas-vapour mixtures.

### **04-BS-11 Properties of Materials**

Properties of materials for mechanical, thermal and electrical applications. Atomic bonding, solid solutions, crystallization. Equilibrium phase diagrams, applications to steel and aluminium alloys, heat treatments. Structure and special properties of polymers and ceramic materials. General characteristics of metallic composites, polymeric composites and concrete. Introduction to materials in hostile environments: corrosion, creep at high temperature, refractory materials, subnormal temperature brittle fracture.

### **04-BS-15 Engineering Graphics and Design Process**

Engineering drawing: Orthographic sketching. Standard orthographic projection. Principal views, selection and positioning of views. Visualization. Conventions and practices. First and second auxiliary views. Basic descriptive geometry. Section views, types, hatching conventions. Basic dimensioning requirements. Tolerance for fits and geometry control. Detail drawings and assembly drawings, other drawings and documents used in an engineering organization. Bill of materials. Fasteners and welds. Design process and methods. Project management & teamwork. Requirements and function analysis in design. Conceptual design and testing. Concept evaluation design factors such as: cost, quality, manufacturability, safety, etc. Systems modelling & design detail.

### **04-BS-16 Discrete Mathematics**

Logic: propositional equivalences, predicates and quantifiers, sets, set operations, functions, sequences and summations, the growth of functions. Algorithms: complexity of algorithms, the integers and division, matrices. Methods of proof: mathematical induction, recursive definition. Basics of counting: pigeonhole principle, permutations and combinations, discrete probability. Recurrence relations: inclusion-exclusion. Relations and their properties: representing relations, equivalence relations. Introduction to

## PEO ELECTRICAL ENGINEERING EXAMINATIONS

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graphs: graph terminology, representing graphs and graph isomorphism, connectivity, Euler and Hamilton paths. Introduction to sorting.



**GROUP A  
COMPULSORY EXAMINATIONS**

**16-Elec-A1 Circuits**

Electric circuit components: lumped parameter models. Nodal and mesh analysis of linear, passive circuits; equivalent networks. Steady state analysis of lumped parameter, time- invariant circuits: differential equation formulation, sinusoidal inputs, frequency response, impulse response, and transfer functions. Laplace transform analysis and circuit transient response. Two-port circuit models and analysis.

**16-Elec-A2 Systems and Control**

System models, impulse response functions, and transfer functions. System input-output and convolution. Root locus analysis and design. Feedback and stability: Bode diagrams. Nyquist criterion, frequency domain design. State variable representation. Simple PID control systems. Systems with delay.

**16-Elec-A3 Signals and Communications**

Analysis of continuous-time signals: Fourier series and Fourier transform; magnitude, phase, and power spectra. Analysis of discrete-time signals: Nyquist sampling theorem; the Z- transform. Analog communication systems: amplitude and angle modulation and demodulation. Digital communication systems: digital modulation; and demodulation techniques.

**16-Elec-A4 Digital Systems and Computers**

Combinational, sequential, and synchronous logic circuits. Register level design of digital systems. Computer arithmetic, central processing unit, memory systems and peripherals. Embedded and higher-level (e.g. C) programming, interrupts, and interfacing and communication. Computer architecture.

**16-Elec-A5 Electronics**

Semiconductor devices; diodes and thyristors. Bipolar and field effect transistors as linear devices and switches. Bias circuits, basic amplifiers, small-signal equivalent circuits, transfer functions, and frequency response. Operational amplifiers and comparators. Digital integrated circuits and logic families: CMOS.

**16-Elec-A6 Power Systems and Machines**

Magnetic circuits and transformers. Wye and delta connected three-phase systems. Generation, transmission, and distribution of electric power. Three-phase transformers. AC and DC machines. Three-phase synchronous machines and three phase induction motors.

**16-Elec-A7 Electromagnetics**

Field concepts. Maxwell's equations, integral and differential forms. Free space and guided wave propagation, transmission lines. Radiation from current elements.

**GROUP B  
ELECTIVE EXAMINATIONS**

**16-Elec-B1 Digital Signal Processing**

Discrete-time signals and systems: system input-output and convolution, Z-transform and transfer functions. Discrete-time Fourier transform (DFT) and Fast Fourier transform (FFT). Design of finite impulse response (FIR) and infinite impulse response (IIR) filters. DSP implementation considerations.

**16-Elec-B2 Advanced Control Systems**

Modelling of engineering systems; state variables and transfer function representations. Analytical and numerical solutions of state variable equations. Observability, controllability, stability; classical design, stabilization by pole assignment. Systems with noise. Computer control, discrete systems. System identification; least squares.

**16-Elec-B3 Digital Communications Systems**

A/D conversion, source coding; signal sets, line codes, modulation, optimal reception, demodulation, performance in noisy channels, error detecting and correcting codes. Radio communications; link analysis and performance, terrestrial and satellite communications.

**16-Elec-B4 Information Technology Networks**

Layered architecture, circuit-switching networks, peer-to-peer protocols and data link layer, medium access control protocols, local area networks, packet-switching networks, cellular networks, and wireless networks.

**16-Elec-B5 Advanced Electronics**

Device models: circuit behaviour, high frequency, and feedback. Multi-stage amplifiers, oscillators, current mode op-amps, non-linear circuits. Power amplifiers and linear regulators. Instrumentation: differential amps, optical isolators, and analog-digital and digital-analog converters.

**16-Elec-B6 Integrated Circuit Engineering**

Integrated Circuit Design: MOS circuit design methods; specification; use of CAD design tools. Non-ideal effects. Mask level layout. Integrated Circuit Fabrication: basic knowledge of IC processing techniques. Digital and analog IC's: basic building blocks. Design considerations for submicron CMOS and bipolar devices.

**16-Elec-B7 Power Systems Engineering**

Power system representation and analysis. Components: power transmission lines, transformers, synchronous machines. Distribution: power flow, operations, and control. Fault analysis and power system protection. System stability.

**16-Elec-B8 Power Electronics and Drives**

Principles and modelling of electric machines: dc machines, induction machines, and synchronous machines. Power electronic devices and converters: choppers, inverters, cycloconverters, and switched power supplies. Electric drives: torque and speed control, and field and vector oriented control techniques.

**16-Elec-B9 Electromagnetic Field, Transmission Lines, Antennas, and Radiation**

Field radiation equations. Distributed circuits: steady-state transmission line equations; impedance transformation, Smith charts, matching. Transients. Coaxial lines, waveguides. Antennas: infinitesimal elements, linear antennas, radiation resistance, antenna patterns, gain.

**16-Elec-B10 Electro-Optical Engineering**

Optical transmission: waveguide modes, fibre optic propagation characteristics. Optoelectronics: lasers, sources and detectors, couplers, modulators, guided wave devices. Applications.

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## COMPLEMENTARY STUDIES

### **11-CS-1 Engineering Economics**

Basic concepts of engineering economics through understanding of the theoretical and conceptual financial project analysis. Types and applications of engineering economic decisions. Capital, cash flow, and the time value of money concepts. Nominal and effective interest rates when considering loans, mortgages, and bonds. The application of present worth analysis, annual equivalent analysis and rate of return analysis in evaluating independent projects, comparing mutually exclusive projects, analyzing lease vs. buy alternatives and making decisions. After-tax financial analysis requiring an understanding of capital cost allowance (depreciation) and corporate income tax. Understanding methods of financing and capital budgeting. Break-even, sensitivity and risk analyses.

### **11-CS-2 Engineering in Society – Health and Safety**

The duties and legal responsibilities for which engineers are accountable; safety laws and regulations; and a basic knowledge of potential hazards and their control: biological hazards – bacteria, viruses; chemical hazards - gases, liquids and dusts; fire and explosion hazards; physical hazards – noise, radiation, temperature extremes; safety hazards – equipment operation; workplace conditions - equity standards, human behaviour, capabilities, and limitations; managing safety and health through risk management, safety analyses, and safety plans and programs; practices and procedures to improve safety. The roles and social responsibilities of an engineer from a professional ethics point of view, as applied in the context of Canadian values. The integration of ethics into engineering practice, and its effect on public safety and trust.

### **11-CS-3 Sustainability, Engineering and the Environment**

Basic knowledge of soil, water and air quality engineering: soil and water interaction, water supply issues, human activities and their interaction on soil, air and water resources. Fundamentals of: soil erosion, water quality, atmospheric pollution (carbon and nitrogen cycle), climate change, risk assessment. Basic knowledge of renewable energy sources: solar, photovoltaic, wireless electricity, thermal, wind, geothermal, and biofuels. **Introduction to** renewable materials engineering; nano materials, new material cycles. Eco-product development, and product life cycle assessment; recycling technologies; reuse of products; design for disassembly, recycling, e-waste, and reverse manufacturing. Consumption patterns; transportation; environmental communication; consumer awareness. Optimized energy and resources management. Sustainable methods: sustainability indicators; life cycle assessment; regulatory aspects of environmental management, ecological planning.

### **11-CS-4 Engineering Management**

Introduction to management principles and their impact upon social and economic aspects of engineering practice. Engineering management knowledge topics including: market research, assessment and forecasting; strategic planning; risk and change management; product, service and process development; engineering projects and process management; financial resource management; marketing, sales and communications management; leadership and organizational management; professional responsibility. New paradigms and innovative business models, including: sustainable production, products, service systems and consumption; best practices and practical examples of successful implementations of sustainable scientific and engineering solutions.

### 3.2 ENGINEERING REPORT

Upon passing the examination(s) assigned by PEO's Academic Requirements Committee, a candidate may be required to write an Engineering Report. The report must demonstrate the candidate's ability to present an engineering problem, observation, or idea, and to analyze it logically and accurately using engineering principles, and to draw conclusions or make recommendations. The work must include acceptable technical content involving engineering analysis, design, development, or research. The report must also demonstrate a satisfactory level of writing and graphical skills, thus the quality of the presentation will be a factor in determining the acceptability of the report.

The report itself need not prove originality of ideas, but the candidate should demonstrate his/her ability to appreciate, present, differentiate between and draw conclusions from observations and ideas. The definition of a "report" is flexible and could also include discussion and judgement of opposed theories or methods, or a description of a novel technique or process and a discussion of the practicality of its application. The key consideration is that the report address a new issue, and not repeat the coverage of the particular subject available in textbooks. It is the current state of the art, the novel or the contentious that is expected to be explored in the report.

While no rigid rules of format are specified, it is recommended that the report be suitably subdivided and include:

- a) A title page and date
- b) A signed declaration of authorship
- c) A table of contents
- d) A summary of the report and its conclusions
- e) Technical content including analysis, design, development or research
- f) Conclusions and/or recommendations
- g) A list of the technical literature cited
- h) A list of acknowledgements, contributors, reviewers and sources of information

The report should be about 5,000 words long, not including tables and graphs. Diagrams, illustrations, etc. should be clearly and properly identified. It is preferable to locate graphs, diagrams, etc. necessary for the understanding of the text at the place where reference to them is made.

## PEO MECHANICAL ENGINEERING EXAMINATIONS

### INTRODUCTION

Each discipline examination syllabus is divided into two examination categories: compulsory and elective. A full set of Mechanical Engineering examinations consists of eighteen, three-hour examination papers and an engineering report. Candidates will be assigned examinations based on an assessment of their academic background. Examinations from discipline syllabi other than those specific to the candidates' discipline may be assigned at the discretion of PEO's Academic Requirement Committee.

Information on examination scheduling, textbooks, materials provided or required, and whether the examinations are open or closed book, will be provided by PEO's Examination Centre.

### BASIC STUDIES

#### **04-BS-1 Mathematics**

Calculus, Vector, and Linear Algebra: Applications involving matrix algebra, determinants, eigenvalues; first and second order linear ordinary differential equations, Laplace transforms. Vector algebra; vector functions and operations; orthogonal curvilinear coordinates; applications of partial derivatives, Lagrange multipliers, multiple integrals, line and surface integrals; integral theorems (Gauss, Green, Stokes). Power series.

#### **04-BS-2 Probability and Statistics**

Concepts of probability, events and populations, probability theorems, concept of a random variable, continuous and discrete random variables, probability distributions, distributions of functions of a random variable, sampling and statistical estimation theory, hypothesis testing, simple regression analysis.

#### **04-BS-3 Statics and Dynamics**

Force vectors in two- and three-dimensions, equilibrium of a particle in two- and three-dimensions; moments and couples; equilibrium of rigid bodies in two- and three-dimensions; centroids, centres of gravity; second moment of area, moment of inertia; truss, frame and cable static analysis; friction. Planar kinematics of particles and rigid bodies; planar kinetics of particles and rigid bodies; work and energy, impulse, and momentum of particles and rigid bodies.

#### **04-BS-4 Electric Circuits and Power**

Basic laws, current, voltage, power; DC circuits, network theorems, network analysis; simple transients, AC circuits. Impedance concept, resonance; use and application of phasors and complex algebra in steady-state response; simple magnetic circuits; basic concepts and performance characteristics of transformers; an introduction to diodes and transistors; rectification and filtering; simple logic circuits.

#### **04-BS-5 Advanced Mathematics**

Series Solutions of Differential Equations: Series solutions of ordinary differential equations, boundary value problems and orthogonal functions, Fourier series.

Numerical Methods: Use of computers for numerical solution of engineering problems, including techniques involving library subroutines and spreadsheets. Approximations and errors, interpolation, systems of linear and non-linear algebraic equations, curve fitting, numerical integration and differentiation, and ordinary differential equations.

#### **04-BS-6 Mechanics of Materials**

Definitions of normal stress, shearing stress, normal strain, shearing strain; shear force and bending moment diagrams; members subjected to axial loading; members subjected to torsional loading; compound stresses, Mohr's circle; deformation of flexural and torsional members; failure theories; elastic and inelastic strength criteria; columns.

**04-BS-7 Mechanics of Fluids**

Fluid characteristics, dimensions and units, flow properties, and fluid properties; the fundamentals of fluid statics, engineering applications of fluid statics; the one-dimensional equations of continuity, momentum, and energy; laminar and turbulent flow, flow separation, drag and lift on immersed objects; wall friction and minor losses in closed conduit flow; flow of incompressible and compressible fluids in pipes; dimensional analysis and similitude; flow measurement methods.

**04-BS-8 Digital Logic Circuits**

Boolean algebra, encoders, decoders, shift registers, and asynchronous and synchronous counters together with timing considerations. Design of asynchronous circuits, synchronous sequential circuits, and finite state machines. Karnaugh mapping techniques, and state tables and diagrams. Introduction to programmable logic.

**04-BS-9 Basic Electromagnetics**

Introduction to the basic electromagnetic principles upon which electrical engineering is based (laws in both integral and differential form). Classical development of electrostatics and magnetostatics leading to Maxwell's equations. Application of electromagnetic theory to calculation of d-c circuit parameters, study of plane wave transmission in various media.

**04-BS-10 Thermodynamics**

Thermodynamic states of simple systems; the laws of thermodynamics; equilibrium, PVT and other thermodynamic diagrams; equation of state; compressibility charts and steam tables; calculation of property changes; enthalpy; applications of thermodynamics, cycles, reversibility; thermodynamics of phase changes, Gibbs phase rule, gas-vapour mixtures.

**04-BS-11 Properties of Materials**

Properties of materials for mechanical, thermal and electrical applications. Atomic bonding, solid solutions, crystallisation. Equilibrium phase diagrams, applications to steel and aluminium alloys, heat treatments. Structure and special properties of polymers and ceramic materials. General characteristics of metallic composites, polymeric composites and concrete. Introduction to materials in hostile environments: corrosion, creep at high temperature, refractory materials, subnormal temperature brittle fracture.

**04-BS-15 Engineering Graphics and Design Process**

Engineering drawing: Orthographic sketching. Standard orthographic projection. Principal views, selection and positioning of views. Visualization. Conventions and practices. First and second auxiliary views. Basic descriptive geometry. Section views, types, hatching conventions. Basic dimensioning requirements. Tolerance for fits and geometry control. Detail drawings and assembly drawings, other drawings and documents used in an engineering organization. Bill of materials. Fasteners and welds. Design process and methods. Project management & teamwork. Requirements and function analysis in design. Conceptual design and testing. Concept evaluation design factors such as: cost, quality, manufacturability, safety, etc. Systems modelling & design detail.

**04-BS-16 Discrete Mathematics**

Logic: propositional equivalences, predicates and quantifiers, sets, set operations, functions, sequences and summations, the growth of functions. Algorithms: complexity of algorithms, the integers and division, matrices. Methods of proof: mathematical induction, recursive definition. Basics of counting: pigeonhole principle, permutations and combinations, discrete probability. Recurrence relations: inclusion-exclusion. Relations and their properties: representing relations, equivalence relations. Introduction to graphs: graph terminology, representing graphs and graph isomorphism, connectivity, Euler and Hamilton paths. Introduction to sorting.



**COMPULSORY EXAMINATIONS****16-Mec-A1 Applied Thermodynamics and Heat Transfer**

Thermodynamics: Review of the fundamental laws of thermodynamics, introductory psychrometry and analysis of the ideal gas compressor cycle, Rankine cycle, Otto cycle, Diesel cycle, Brayton cycle and the vapour compression refrigeration cycle.

Heat Transfer: Application of the principles of steady and transient conduction heat transfer, natural and forced convection heat transfer and radiation heat transfer. Thermal analysis of heat exchangers.

**16-Mec-A2 Kinematics and Dynamics of Machines**

Kinematic and Dynamic Analysis: Graphical and analytical methods for kinematic analysis of planar and spatial mechanisms and elementary body motion in space, static and dynamic force analyses of mechanisms, gyroscopic forces, dynamics of rotating machinery, cam and gear mechanisms and specifications.

Vibration Analysis: Free and forced vibration of undamped and damped lumped single and multi degrees of freedom systems with, analytical and numerical techniques of solution, viscous damping, vibrational isolation, vibration measurement and control.

**16-Mec-A3 System Analysis and Control**

Open-loop and feedback control. Laws governing mechanical, electrical, fluid, and thermal control components. Mathematical models of mechanical, hydraulic, pneumatic, electrical and control devices. Block diagrams, transfer functions, response of servomechanisms to typical input signals (step function, impulse, harmonic), frequency response, Bode diagram, stability analysis, and stability criteria.

Improvement of system response by introduction of simple elements in the control circuit. Regulation of physical process: proportional, integral, and derivative control. Theory of linear controller design.

**16-Mec-A4 Design and Manufacture of Machine Elements**

Theory and methodology related to conceptual design; review of the methods used in stress analysis; simple design factor approach; variable loads; stress concentrations; bolts and bolted joints; welded joints; springs; shaft and bearing design; clutches, brakes, and braking systems.

The role and characterization of manufacturing technology within the manufacturing enterprise is also examined. Topics include an overview of the deformation process, joining processes, consolidation processes, material removal processes, material alteration processes; composites manufacturing, nano- and microfabrication technologies rubber processing, glass working, coating processes, mechanical assembly, electronics packaging and assembly, and production lines; and process selection and planning; quality control systems.

**16-Mec-A5 Electrical and Electronics Engineering**

Introduction to analogue and digital semiconductor devices. Transistor amplifiers and switches. Power semiconductor devices, rectifiers, dc power supplies and voltage regulation. Operational amplifiers and application circuits. Combinational and sequential digital logic circuits. Practical approach to electronic instrumentation, measurement systems and transducers. DC circuits, Single phase and polyphase circuits Magnetic circuits and transformers (ideal and practical), DC machines: motors and generators. AC machines: induction motors, synchronous motors, and alternators. Power factor correction.



**16-Mec-A6    Advanced Fluid Mechanics**

Review of basic concepts; elementary two-dimensional potential flow, vorticity and circulation, one-dimensional compressible flow of an inviscid perfect gas, isentropic flow through nozzles, shock waves, frictional compressible flow in conduits, equations of viscous flow, laminar and turbulent boundary layers. Bernoulli's equation and Navier-Stokes equations. Dimensional analysis and similitude.

**16-Mec-A7    Advanced Strength of Materials**

Stress-Strain Analysis: Stress and strain, transformations, principal stresses, graphical representation by Mohr's circles of biaxial and triaxial cases, generalized Hooke's law including thermal strains, equations of equilibrium and compatibility, plane strain and plane stress problems. Failure theories and limit analysis. Euler critical loads for columns, curved beams, thick-walled cylinders and rotating disks, contact stresses, strain gauges and their application, stress concentrations, introductory fracture mechanics.

Energy Methods: Strain energy principles, virtual work, Castigliano's theorem. Applications to cases of axial, bending, and torsional loadings. Applications to statically indeterminate problems.

**ELECTIVE EXAMINATIONS****16-Mec-B1 Advanced Machine Design**

Stress analysis and design of machine elements under conditions of: shock, impact, inertial forces, initial and residual stresses, corrosion environments, wear, elevated temperatures (creep), and low temperatures (brittle fracture). Hydrodynamic lubrication. Applications to the design of: journal bearings, power screws, clutches, brakes, couplings, and linkages. Introduction to probabilistic methods in mechanical design.

**16-Mec-B2 Environmental Control in Buildings**

Heating, ventilating, and air conditioning: Psychrometrics, heating load, cooling load, comfort, ventilation, and room air distribution. Humidifying and dehumidifying, duct and fan design, piping and pump design. Heating, ventilating and cooling systems, and components. Refrigeration.

Noise control: Sound wave characteristics, measurement instruments. Sources of noise, absorption, and transmission. Free field and reverberant conditions. Noise control techniques in buildings.

Energy management technology: Energy usage in buildings, control systems and instrumentation, lighting systems operation, engineering/economic analysis principles, energy audit procedures.

**16-Mec-B3 Energy Conversion and Power Generation**

Fuel sources and characteristics: hydrocarbon fuels, nuclear fission, fusion fuels and fuel cells. Fuel reserves. Applications of steam and gas cycles for large-scale commercial power generation; theory and practice of fossil boilers, nuclear reactors, steam and gas turbines, hydroturbines, and fuel cells. Methods of improving conversion efficiency of power generation systems. Energy storage methods and limitations. Renewable energy methods: wind, solar heating and photovoltaics, hydroelectric, geothermal, ocean thermal energy conversion, waves. Safety, environmental and emissions, economic, and social issues.

**16-Mec-B4 Integrated Manufacturing Systems**

Production automation and the role of the computer in modern manufacturing systems via an comprehensive overview of applications of advanced technologies in manufacturing and their business impact on the competitive dimensions of cost, flexibility, quality and deliverability. Particular topics include: facility layout; cellular manufacturing; fundamentals of automation, numerical control programming, material handling and storage, automatically-guided vehicles, flexible manufacturing systems, group technology, programmable logic controllers, concurrent engineering, production planning and control, production activity control systems, automatic identification and data collection, lean and agile manufacturing, computer-aided process planning, forecasting, inventory management and control, quality control and inspection and inspection technologies.

**16-Mec-B5 Product Design and Development**

Modern tools and methods for creative product design and development involving product research, establishment of design parameters, experimentation, development of conceptual alternatives, visualization, evaluation, revision, optimization and presentation. Particular topics include: The engineering design process, development processes and organizations, product planning, identifying customers needs, product specifications, concept generation, concept selection, prototyping, robust design, concept testing, product architecture, industrial design, design for manufacturing, patents and intellectual property, product development economics, and managing projects.

**16-Mec-B6 Fluid Machinery**

Dimensional analysis and similitude. Performance characteristics. Specific speed and machine selection, idealized velocity diagram. System characteristics and operating point and matching a pump to a piping system. System regulation, momentum and energy transfer, thermodynamic analysis, and efficiency definitions. Two-dimensional cascade analysis and performance. Application to pumps, fans, compressors, and turbines. Performance limits due to unsteady flow stalling and cavitation.

**16-Mec-B7 Aero and Space Flight**

Atmospheric characteristics relating to flight; measurement of air speed. Prediction of 2-D lift and drag using momentum and pressure methods; boundary layers and friction drags; dimensional analysis and wind tunnel measurements pertaining to lift and drag; induced drag and total airplane drag. Propulsion systems: turbo-fan and propeller/engine combinations; propulsion efficiency; thrust/power characteristics. Airplane performance; climb rate, time of climb, ceiling, generalized power required curve; range-payload characteristics; turns, take off, and landing; flight performance including stall, structural, and gust envelopes. Static stability and control. Re-entry and launch issues for space flight.

**16-Mec-B8 Engineering Materials**

Working properties of steel, aluminum, magnesium, and titanium light alloys, superalloys and metal matrix composites. High temperature materials, metallic foams and other cellular materials, precursor-derived ceramics, corrosion of materials, intermetallics, multicomponent alloys, biomedical materials, polymeric composites as structural materials, ultrafine and nano structured materials. Microscale and nanoscale mechanisms responsible for their unique properties, such as molecular mobility and phase transitions. Working properties of polymers, shape memory alloys, piezoelectric materials, electro-rheological fluids, magnetostrictive materials, and fibre-reinforced composites. Selection of materials. Testing of engineering materials. Emphasis on those used in aircraft, high-speed ground transportation vehicles, underwater, and space applications.

**16-Mec-B9 Advanced Engineering Structures**

Materials and mechanics issues. Constitutive models for macroscale representation of the material response to mechanical load, temperature changes, electric field, etc. High and low temperature problems. Strength theories for triaxial cases, stress concentration, fatigue analysis and endurance limit, plastic behaviour, residual stresses, creep and stress relaxation. Fatigue and crack propagation. Design and analysis of structures: torsion of shells and box beams. Bending of thin-walled beams with open and closed sections. Flexural axis, shear lag, effects of stringers and booms. Pressure cabin problems, introduction to dynamic loading, normal modes, response to gust and landing loads. Aeroelastic effects, flutter and divergence.

**16-Mec-B10 Finite Element Analysis**

Linear static analysis: basic concepts, shape functions, bar and beam elements, direct and energy-based formulations, simple coordinate transformations, element assembly, boundary conditions, equation solution. Planar model formulations, work equivalent loads. Isoparametric element formulation: Jacobian matrix, numerical integration, stress averaging. Modeling, common errors, convergence, and accuracy issues. Introductory 3D solids, solids of revolution, plates and shells. Thermal analysis: matrix formulation, steady state and transient response. Introductory nonlinear modeling and procedures: simple material nonlinearity, stress stiffening, contact interfaces.

**16-Mec-B11 Acoustics and Noise Control**

Function of hearing system, acquired deafness, acoustics standards and recommendations. Basic principles and calculations of acoustics phenomenon. Instrumentation about noise measurement, frequency-analysis sound meter. Acoustics reflection and transmission, characterization and selection of acoustics materials. Room acoustics, preventive calculation of noise level in rooms. Sound propagation in conduits, muffler design. Noise analysis and application of noise reduction techniques.

**16-Mec-B12 Robotics**

Robot components (sensors, actuators, and end effectors, and their selection criteria); basic categories of robots (serial and parallel manipulators, mobile robots); mobility/constraint analysis; workspace analysis; rigid body kinematics (homogeneous transformation, angle and axis of rotation, Euler angles, cylindrical and spherical coordinates); manipulator kinematics and motion trajectories (displacement and velocity analyses, differential relations, Jacobian matrix); non-redundant and redundant sensing/actuation of manipulators; manipulator statics (force and stiffness); singularities; and manipulator dynamics.

**16-Mec- B13 Biomechanics (04-Bio-A4)**

The musculoskeletal system; general characteristics and classification of tissues and joints. Elastic and viscoelastic mechanical characterization of biological tissues including bone, cartilage, ligament and tendon. Principles of viscoelastic and the rate sensitivity of biological materials. The stress-strain-time or constitutive equations for soft connective tissue components. Biomechanics and clinical problems in orthopaedics. Modelling and force analysis of musculoskeletal systems. Passive and active kinematics. Mechanical properties of biological and commonly used biomedical engineering materials.

**11-CS-1 Engineering Economics**

Basic concepts of engineering economics through understanding of the theoretical and conceptual financial project analysis. Types and applications of engineering economic decisions. Capital, cash flow, and the time value of money concepts. Nominal and effective interest rates when considering loans, mortgages, and bonds. The application of present worth analysis, annual equivalent analysis and rate of return analysis in evaluating independent projects, comparing mutually exclusive projects, analyzing lease vs. buy alternatives and making decisions. After-tax financial analysis requiring an understanding of capital cost allowance (depreciation) and corporate income tax. Understanding methods of financing and capital budgeting. Break-even, sensitivity and risk analyses.

**11-CS-2 Engineering in Society – Health and Safety**

The duties and legal responsibilities for which engineers are accountable; safety laws and regulations; and a basic knowledge of potential hazards and their control: biological hazards – bacteria, viruses; chemical hazards - gases, liquids and dusts; fire and explosion hazards; physical hazards – noise, radiation, temperature extremes; safety hazards – equipment operation; workplace conditions - equity standards, human behaviour, capabilities, and limitations; managing safety and health through risk management, safety analyses, and safety plans and programs; practices and procedures to improve safety. The roles and social responsibilities of an engineer from a professional ethics point of view, as applied in the context of Canadian values. The integration of ethics into engineering practice, and its effect on public safety and trust.

**11-CS-3 Sustainability, Engineering and the Environment**

Basic knowledge of soil, water and air quality engineering: soil and water interaction, water supply issues, human activities and their interaction on soil, air and water resources. Fundamentals of: soil erosion, water quality, atmospheric pollution (carbon and nitrogen cycle), climate change, risk assessment. Basic knowledge of renewable energy sources: solar, photovoltaic, wireless electricity, thermal, wind, geothermal, and biofuels. **Introduction to** renewable materials engineering; nano materials, new material cycles. Eco-product development, and product life cycle assessment; recycling technologies; reuse of products; design for disassembly, recycling, e-waste, and reverse manufacturing. Consumption patterns; transportation; environmental communication; consumer awareness. Optimized energy and resources management. Sustainable methods: sustainability indicators; life cycle assessment; regulatory aspects of environmental management, ecological planning.

**11-CS-4 Engineering Management**

Introduction to management principles and their impact upon social and economic aspects of engineering practice. Engineering management knowledge topics including: market research, assessment and forecasting; strategic planning; risk and change management; product, service and process development; engineering projects and process management; financial resource management; marketing, sales and communications management; leadership and organizational management; professional responsibility. New paradigms and innovative business models, including: sustainable production, products, service systems and consumption; best practices and practical examples of successful implementations of sustainable scientific and engineering solutions.

### 3.2 ENGINEERING REPORT

Upon passing the examination(s) assigned by PEO's Academic Requirements Committee, a candidate may be required to write an Engineering Report. The report must demonstrate the candidate's ability to present an engineering problem, observation, or idea, and to analyze it logically and accurately using engineering principles, and to draw conclusions or make recommendations. The work must include acceptable technical content involving engineering analysis, design, development, or research. The report must also demonstrate a satisfactory level of writing and graphical skills, thus the quality of the presentation will be a factor in determining the acceptability of the report.

The report itself need not prove originality of ideas, but the candidate should demonstrate his/her ability to appreciate, present, differentiate between and draw conclusions from observations and ideas. The definition of a "report" is flexible and could also include discussion and judgement of opposed theories or methods, or a description of a novel technique or process and a discussion of the practicality of its application. The key consideration is that the report address a new issue, and not repeat the coverage of the particular subject available in textbooks. It is the current state of the art, the novel or the contentious that is expected to be explored in the report.

While no rigid rules of format are specified, it is recommended that the report be suitably subdivided and include:

- a) A title page and date
- b) A signed declaration of authorship
- c) A table of contents
- d) A summary of the report and its conclusions
- e) Technical content including analysis, design, development or research
- f) Conclusions and/or recommendations
- g) A list of the technical literature cited
- h) A list of acknowledgements, contributors, reviewers and sources of information

The report should be about 5,000 words long, not including tables and graphs. Diagrams, illustrations, etc. should be clearly and properly identified. It is preferable to locate graphs, diagrams, etc. necessary for the understanding of the text at the place where reference to them is made.

## PEO NAVAL ARCHITECTURAL ENGINEERING EXAMINATIONS

### INTRODUCTION

Each discipline examination syllabus is divided into two examination categories: compulsory and elective. A full set of Naval Architectural Engineering examinations consists of eighteen, three-hour examination papers and an engineering report. Candidates will be assigned examinations based on an assessment of their academic background. Examinations from discipline syllabi other than those specific to the candidates' discipline may be assigned at the discretion of PEO's Academic Requirement Committee.

Information on examination scheduling, textbooks, materials provided or required, and whether the examinations are open or closed book, will be provided by PEO's examinations Centre.

### BASIC STUDIES

#### **04-BS-1 Mathematics**

Calculus, Vector, and Linear Algebra: Applications involving matrix algebra, determinants, eigenvalues; first and second order linear ordinary differential equations, Laplace transforms. Vector algebra; vector functions and operations; orthogonal curvilinear coordinates; applications of partial derivatives, Lagrange multipliers, multiple integrals, line and surface integrals; integral theorems (Gauss, Green, Stokes). Power series.

#### **04-BS-2 Probability and Statistics**

Concepts of probability, events and populations, probability theorems, concept of a random variable, continuous and discrete random variables, probability distributions, distributions of functions of a random variable, sampling and statistical estimation theory, hypothesis testing, simple regression analysis.

#### **04-BS-3 Statics and Dynamics**

Force vectors in two- and three-dimensions, equilibrium of a particle in two- and three-dimensions; moments and couples; equilibrium of rigid bodies in two- and three-dimensions; centroids, centres of gravity; second moment of area, moment of inertia; truss, frame and cable static analysis; friction. Planar kinematics of particles and rigid bodies; planar kinetics of particles and rigid bodies; work and energy, impulse, and momentum of particles and rigid bodies.

#### **04-BS-5 Advanced Mathematics**

Series Solutions of Differential Equations: Series solutions of ordinary differential equations, boundary value problems and orthogonal functions, Fourier series.

Numerical Methods: Use of computers for numerical solution of engineering problems, including techniques involving library subroutines and spreadsheets. Approximations and errors, interpolation, systems of linear and non-linear algebraic equations, curve fitting, numerical integration and differentiation, and ordinary differential equations.

#### **04-BS-6 Mechanics of Materials**

Definitions of normal stress, shearing stress, normal strain, shearing strain; shear force and bending moment diagrams; members subjected to axial loading; members subjected to torsional loading; compound stresses, Mohr's circle; deformation of flexural and torsional members; failure theories; elastic and inelastic strength criteria; columns.

**04-BS-7      Mechanics of Fluids**

Fluid characteristics, dimensions and units, flow properties, and fluid properties; the fundamentals of fluid statics, engineering applications of fluid statics; the one-dimensional equations of continuity, momentum, and energy; laminar and turbulent flow, flow separation, drag and lift on immersed objects; wall friction and minor losses in closed conduit flow; flow of incompressible and compressible fluids in pipes; dimensional analysis and similitude; flow measurement methods.

**04-BS-9      Basic Electromagnetics**

Introduction to the basic electromagnetic principles upon which electrical engineering is based (laws in both integral and differential form). Classical development of electrostatics and magnetostatics leading to Maxwell's equations. Application of electromagnetic theory to calculation of d-c circuit parameters, study of plane wave transmission in various media.

**04-BS-10     Thermodynamics**

Thermodynamic states of simple systems; the laws of thermodynamics; equilibrium, PVT and other thermodynamic diagrams; equation of state; compressibility charts and steam tables; calculation of property changes; enthalpy; applications of thermodynamics, cycles, reversibility; thermodynamics of phase changes, Gibbs phase rule, gas-vapour mixtures.

**04-BS-11     Properties of Materials**

Properties of materials for mechanical, thermal and electrical applications. Atomic bonding, solid solutions, crystallization. Equilibrium phase diagrams, applications to steel and aluminium alloys, heat treatments. Structure and special properties of polymers and ceramic materials. General characteristics of metallic composites, polymeric composites and concrete. Introduction to materials in hostile environments: corrosion, creep at high temperature, refractory materials, subnormal temperature brittle fracture.

**04-BS-12     Organic Chemistry**

Principles of organic chemistry developed around the concepts of structure and functional groups. The main classes of organic compounds. Properties of pure substances. Introduction to molecular structure, bond types, properties, synthesis and reactions, reaction mechanisms, as a means of systematizing organic reactions.

**04-BS-13     Biology**

Cellular reproduction, growth, and differentiation; metabolism and bioenergetics of living cells; cell structure and function related to the material properties of plant and animal tissues; introductory microbiology — characteristics and classification of microorganisms; interactions of microorganisms with man in the natural world; kinetics and mathematical models of microbial growth; engineered biological systems such as bio-reactors, bio-instrumentation, and waste treatment systems.

**04-BS-15     Engineering Graphics and Design Process**

Engineering drawing: Orthographic sketching. Standard orthographic projection. Principal views, selection and positioning of views. Visualization. Conventions and practices. First and second auxiliary views. Basic descriptive geometry. Section views, types, hatching conventions. Basic dimensioning requirements. Tolerance for fits and geometry control. Detail drawings and assembly drawings, other drawings and documents used in an engineering organization. Bill of materials. Fasteners and welds. Design process and methods. Project management & teamwork. Requirements and function analysis in design. Conceptual design and testing. Concept evaluation design factors such as: cost, quality, manufacturability, safety, etc. Systems modelling & design detail.



**GROUP A**

**COMPULSORY EXAMINATIONS**

**16-Nav-A1 Fundamentals of Naval Architecture**

Hull form definition: principal dimensions, ships' lines, coefficients of form. Hull form characteristics: integration methods, Bonjean curves, wetted surface, hydrostatic curves. Equilibrium conditions. Initial stability, metacentric height, cross curves of stability, GZ curve, free surface effect, effects of changes in weight on stability, stability criteria, inclining experiment. Dynamical stability. Trim, moment causing trim, effect of added weights on draft, trim and heel. Submerged equilibrium, trim dive. Stability when grounded. Intact stability of unusual ship forms. Free communication effect. Subdivision and damage stability calculations. Stability criteria for damaged stability. Load line regulations, tonnage regulations. Use of computers in ship's calculations.

**16-Nav-A2 Hydrodynamics of Ships (I): Resistance and Propulsion**

Review of fluid dynamic concepts, dimensional analysis, frictional resistance, wave-making resistance, other components of resistance. Use of models, presenting model resistance data. Functional relationship between resistance and hull form. Algorithms for resistance calculations. Advanced marine vehicles. Powering of ships, theory of propeller action. Law of similitude for propellers, interaction between hull and propellers. Model self-propulsion tests. Geometry of screw propellers. Cavitation. Propeller selection and design. Other propulsion devices such as: jet propulsion, air propulsion (sail, air propellers), paddle wheels, vertical-axis propellers (Kirsten, Voith-Schneider) etc. Ship standardization trials.

**16-Nav-A3 Hydrodynamics of Ships (II): Ship Motion**

Ocean waves, wave spectral density. Rigid body dynamics of marine vehicles and structures, ship responses to regular and irregular waves. Introduction to hydroelastic analysis methods of ships and ocean structures. Manoeuvring and control of ship motions, assessing ship's performance in a seaway. Directional stability. Design aspects.

**16-Nav-A4 Ship Structure and Strength of Ships**

Ship types, framing systems, longitudinal strength requirements, classification rules. Structural components, hull materials, methods of joining structural parts. Hull outfit and fittings with special emphasis on construction process, hull preservation and maintenance. Deckhouses and superstructures. Ship structural loads, analysis of hull girders (stress and deflection), vertical shear force, bending moment, torsion, midship section and bulkhead configurations. Thermal effects on primary stresses and deflections. Bending of flat plates, shear lag and stress diffusion. Load carrying capability and structural performance criteria. Reliability of structures, ultimate strength. Analytical optimization of structures.

**16-Nav-A5 Ship Design**

Preliminary design methods for the design of marine platforms and vehicles from mission statement to the selection of one or more acceptable solutions. Weight and cost estimation, power requirements estimation, and selection of principal design characteristics. Economic and operational evaluation of alternative solutions. Optimization.

**16-Nav-A6 Advanced Strength of Materials (16-Mec-A7)**

Stress-Strain Analysis: Stress and strain, transformations, principle stresses, graphical representation by Mohr's circles of biaxial and triaxial cases, generalized Hooke's law including thermal strains, equations of equilibrium and compatibility, plane strain and plane stress problems. Failure theories and limit analysis. Euler critical loads for columns, curved beams, thick-walled cylinders and rotating discs, contact stresses, strain gauges and application, stress concentrations including fracture mechanics.

Energy Methods: Strain energy principles, virtual work, Castigliano's theorem. Applications to cases in axial, bending, and torsional loadings. Applications to statically indeterminate problems.

**GROUP B**

**ELECTIVE EXAMINATIONS**

**16-Nav-B1 Applied Thermodynamics and Heat Transfer (16-Mec-A1)**

Thermodynamics: Review of the fundamental laws of thermodynamics, introductory psychrometry and analysis of the ideal gas compressor cycle, Rankine cycle, Otto cycle, Diesel cycle, Brayton cycle and the vapour compression refrigeration cycle.

Heat Transfer: Application of the principles of steady and transient conduction heat transfer, natural and forced convection heat transfer and radiation heat transfer. Thermal analysis of heat exchangers.

**16-Nav-B2 Marine Engineering**

Ship system formulations, main propulsion system requirements, main propulsion system trade-off studies, arrangement of machinery, piping diagrams, auxiliary systems.

Characteristics of internal combustion engines, marine uses for such engines. Marine steam generators, selection and design of boilers. Main propulsion steam engines. Main propulsion steam turbines. Main propulsion gas turbines. Electric propulsion drives.

Propeller shafting and shafting system vibration analysis. Pumps, blowers, compressors, ejectors, condensers, heat exchangers, distilling plants. Hull machinery design considerations and machinery installations, machinery foundation designs, hydrostatic power transmission equipment, and systems.

Machinery for environmental control and waste treatment. Electric generating plants, switchboards and panels, lighting and power distribution, power equipment, lighting fixtures. Electronics navigation and radio communication. Automation systems. Safety considerations.

Fundamentals of pressurized-water nuclear steam supply systems for use in marine propulsion, reactor design considerations, nuclear fuels, reactor coolants, reactor control, shielding, safety, health, physics, economics.

**16-Nav-B3 Small Commercial Ships**

Types of small commercial ships. Specific design criteria for each type. Scantling, powering, propulsion and stability requirements. Type specific systems. Various construction materials and their construction techniques. Regulations applicable to small commercial ships. Classification society rules.

**16-Nav-B4 Advanced Structural Analysis**

Analysis of statically indeterminate structures, including trusses, beams and frames. Moment distribution, slope deflection and energy methods. Force and deformation methods applied to matrix formulation. Bending and buckling of plates. (Prerequisite examinations: 16-Nav-A4 and 16-Mec-A4)

**16-Nav-B5 Ship Production and Shipyard Management**

General aspects of shipyard organization and management; history and background of modern industry; industrial tendencies; principles of organization; principles of management. Plant location, layout and construction; handling of materials, production engineering and inspection, quality control, procedure control and systems. Control of production, time and motion study. Material control, plant safety. Industrial relations, personnel management, training, human relations and labour organizations. Drydocking and maintenance of ships.

**16-Nav-B6 Design and Manufacture of Machine Elements (16-Mec-A4)**

Theory and methodology related to conceptual design; review of the methods used in stress analysis; simple design factor approach; variable loads; stress concentrations; bolts and bolted joints; welded joints; springs; shaft and bearing design; clutches, brakes, and braking systems.

The role and characterization of manufacturing technology within the manufacturing enterprise is also examined. Topics include an overview of the deformation process, joining processes, consolidation processes, material removal processes, material alteration processes; composites manufacturing, nano-and-microfabrication technologies rubber processing, glass working, coating processes, mechanical assembly, electronics packaging and assembly, and production lines; and process selection and planning; quality control systems.

**16-Nav-B7 Environmental Control in Ships**

Heating, Ventilation and Air Conditioning: Psychometrics, heating load, cooling load, comfort, ventilation and room air distribution. Humidifying and dehumidifying, duct and fan design, piping and pump design. Heating, ventilating and cooling systems and components. Refrigeration.

Noise Control: Sound wave characteristics, measurement instruments. Sources of noise, absorption and transmission. Free field and reverberant conditions. Noise control techniques in ships.

Energy Management Technology: Energy resources and supplies, control systems and instrumentation, lighting, systems operation, engineering/economic analysis principles, energy audit procedures.

Shipboard waste management, collection systems. Environmental pollution and management. Water quality; principles involved in design and operation and physical, chemical, and biological treatment processes, and shipboard waste treatment.

**16-Nav-B8 Ocean Engineering and Offshore Structures**

Hydrostatics of rigid floating or submerged structures; mooring systems; wave and ice loads; diffraction theory; offshore platform design requirements; safety and risk management.

**16-Nav-B9 Advanced Fluid Mechanics (16-Mec-A6)**

Review of basic concepts; elementary two-dimensional potential flow, vorticity and circulation, one-dimensional compressible flow of an inviscid perfect gas, isentropic flow through nozzles, shock waves, frictional compressible flow in conduits, equations of viscous flow, laminar and turbulent boundary layers. Bernoulli's equation and Navier-Stokes equations. Dimensional analysis and similitude.

**16-Nav-B10 Finite Element Analysis (16-Mec-B10)**

Linear static analysis: basic concepts, shape functions, bar and beam elements, direct and energy-based formulations, simple coordinate transformations, element assembly, boundary conditions, equation solution. Planar model formulations, work equivalent loads. Isoparametric element formulation: Jacobian matrix, numerical integration, stress averaging. Modeling, common errors, convergence, and accuracy issues. Introductory 3D solids, solids of revolution, plates and shells. Thermal analysis: matrix formulation, steady state and transient response. Introductory nonlinear modeling and procedures: simple material nonlinearity, stress stiffening, contact interfaces.

## COMPLEMENTARY STUDIES

### **11-CS-1      Engineering Economics**

Basic concepts of engineering economics through understanding of the theoretical and conceptual financial project analysis. Types and applications of engineering economic decisions. Capital, cash flow, and the time value of money concepts. Nominal and effective interest rates when considering loans, mortgages, and bonds. The application of present worth analysis, annual equivalent analysis and rate of return analysis in evaluating independent projects, comparing mutually exclusive projects, analyzing lease vs. buy alternatives and making decisions. After-tax financial analysis requiring an understanding of capital cost allowance (depreciation) and corporate income tax. Understanding methods of financing and capital budgeting. Break-even, sensitivity and risk analyses.

### **11-CS-2      Engineering in Society – Health and Safety**

The duties and legal responsibilities for which engineers are accountable; safety laws and regulations; and a basic knowledge of potential hazards and their control: biological hazards – bacteria, viruses; chemical hazards - gases, liquids and dusts; fire and explosion hazards; physical hazards – noise, radiation, temperature extremes; safety hazards – equipment operation; workplace conditions - equity standards, human behaviour, capabilities, and limitations; managing safety and health through risk management, safety analyses, and safety plans and programs; practices and procedures to improve safety. The roles and social responsibilities of an engineer from a professional ethics point of view, as applied in the context of Canadian values. The integration of ethics into engineering practice, and its effect on public safety and trust.

### **11-CS-3      Sustainability, Engineering and the Environment**

Basic knowledge of soil, water and air quality engineering: soil and water interaction, water supply issues, human activities and their interaction on soil, air and water resources. Fundamentals of: soil erosion, water quality, atmospheric pollution (carbon and nitrogen cycle), climate change, risk assessment. Basic knowledge of renewable energy sources: solar, photovoltaic, wireless electricity, thermal, wind, geothermal, and biofuels. **Introduction to** renewable materials engineering; nano materials, new material cycles. Eco-product development, and product life cycle assessment; recycling technologies; reuse of products; design for disassembly, recycling, e-waste, and reverse manufacturing. Consumption patterns; transportation; environmental communication; consumer awareness. Optimized energy and resources management. Sustainable methods: sustainability indicators; life cycle assessment; regulatory aspects of environmental management, ecological planning.

### **11-CS-4      Engineering Management**

Introduction to management principles and their impact upon social and economic aspects of engineering practice. Engineering management knowledge topics including: market research, assessment and forecasting; strategic planning; risk and change management; product, service and process development; engineering projects and process management; financial resource management; marketing, sales and communications management; leadership and organizational management; professional responsibility. New paradigms and innovative business models, including: sustainable production, products, service systems and consumption; best practices and practical examples of successful implementations of sustainable scientific and engineering solutions.

### 3.2 ENGINEERING REPORT

Upon passing the examination(s) assigned by PEO's Academic Requirements Committee, a candidate may be required to write an Engineering Report. The report must demonstrate the candidate's ability to present an engineering problem, observation, or idea, and to analyze it logically and accurately using engineering principles, and to draw conclusions or make recommendations. The work must include acceptable technical content involving engineering analysis, design, development, or research. The report must also demonstrate a satisfactory level of writing and graphical skills, thus the quality of the presentation will be a factor in determining the acceptability of the report.

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While no rigid rules of format are specified, it is recommended that the report be suitably subdivided and include:

- a) A title page and date
- b) A signed declaration of authorship
- c) A table of contents
- d) A summary of the report and its conclusions
- e) Technical content including analysis, design, development or research
- f) Conclusions and/or recommendations
- g) A list of the technical literature cited
- h) A list of acknowledgements, contributors, reviewers and sources of information

The report should be about 5,000 words long, not including tables and graphs. Diagrams, illustrations, etc. should be clearly and properly identified. It is preferable to locate graphs, diagrams, etc. necessary for the understanding of the text at the place where reference to them is made.

## 2016 PEO MECHATRONICS ENGINEERING EXAMINATIONS

### INTRODUCTION

Each discipline examination syllabus is divided into two examination categories: compulsory and elective. A full set of Mechatronics Engineering examinations consists of eighteen, three-hour examination papers and an engineering report. Candidates will be assigned examinations based on an assessment of their academic background. Examinations from discipline syllabi other than those specific to the candidates' discipline may be assigned at the discretion of PEO's Academic Requirement Committee.

Information on examination scheduling, textbooks, materials provided or required, and whether the examinations are open or closed book, will be provided by PEO's examinations Centre.

### BASIC STUDIES

#### COMPULSORY EXAMINATIONS

##### **04-BS-1 Mathematics**

Calculus, Vector, and Linear Algebra: Applications involving matrix algebra, determinants, eigenvalues; first and second order linear ordinary differential equations, Laplace transforms. Vector algebra; vector functions and operations; orthogonal curvilinear coordinates; applications of partial derivatives, Lagrange multipliers, multiple integrals, line and surface integrals; integral theorems (Gauss, Green, Stokes). Power series.

##### **04-BS-2 Probability and Statistics**

Concepts of probability, events and populations, probability theorems, concept of a random variable, continuous and discrete random variables, probability distributions, distributions of functions of a random variable, sampling and statistical estimation theory, hypothesis testing, simple regression analysis.

##### **04-BS-3 Statics and Dynamics**

Force vectors in two- and three-dimensions, equilibrium of a particle in two- and three-dimensions; moments and couples; equilibrium of rigid bodies in two- and three-dimensions; centroids, centres of gravity; second moment of area, moment of inertia; truss, frame and cable static analysis; friction. Planar kinematics of particles and rigid bodies; planar kinetics of particles and rigid bodies; work and energy, impulse, and momentum of particles and rigid bodies.

##### **04-BS-4 Electric Circuits and Power**

Basic laws, current, voltage, power; DC circuits, network theorems, network analysis; simple transients, AC circuits. Impedance concept, resonance; use and application of phasors and complex algebra in steady-state response; simple magnetic circuits; basic concepts and performance characteristics of transformers; an introduction to diodes and transistors; rectification and filtering; simple logic circuits.

##### **04-BS-7 Mechanics of Fluids**

Fluid characteristics, dimensions and units, flow properties, and fluid properties; the fundamentals of fluid statics, engineering applications of fluid statics; the one-dimensional equations of continuity, momentum, and energy; laminar and turbulent flow, flow separation, drag and lift on immersed objects; wall friction and minor losses in closed conduit flow; flow of incompressible and compressible fluids in pipes; dimensional analysis and similitude; flow measurement methods.

**04-BS-8 Digital Logic Circuit**

Boolean algebra, encoders, decoders, shift registers, and asynchronous and synchronous counters together with timing considerations. Design of asynchronous circuits, synchronous sequential circuits, and finite state machines. Karnaugh mapping techniques, and state tables and diagrams. Introduction to programmable logic.

**04-BS-11 Properties of Materials**

Properties of materials for mechanical, thermal and electrical applications. Atomic bonding, solid solutions, crystallization. Equilibrium phase diagrams, applications to steel and aluminium alloys, heat treatments. Structure and special properties of polymers and ceramic materials. General characteristics of metallic composites, polymeric composites and concrete. Introduction to materials in hostile environments: corrosion, creep at high temperature, refractory materials, subnormal temperature brittle fracture.

**OPTIONAL EXAMINATIONS**

**04-BS-5 Advanced Mathematics**

Series Solutions of Differential Equations: Series solutions of ordinary differential equations, boundary value problems and orthogonal functions, Fourier series. Numerical Methods: Use of computers for numerical solution of engineering problems, including techniques involving library subroutines and spreadsheets. Approximations and errors, interpolation, systems of linear and non-linear algebraic equations, curve fitting, numerical integration and differentiation, and ordinary differential equations.

**04-BS-6 Mechanics of Materials**

Definitions of normal stress, shearing stress, normal strain, shearing strain; shear force and bending moment diagrams; members subjected to axial loading; members subjected to torsional loading; compound stresses, Mohr's circle; deformation of flexural and torsional members; failure theories; elastic and inelastic strength criteria; columns.

**04-BS-9 Basic Electromagnetics**

Introduction to the basic electromagnetic principles upon which electrical engineering is based (laws in both integral and differential form). Classical development of electrostatics and magnetostatics leading to Maxwell's equations. Application of electromagnetic theory to calculation of d-c circuit parameters, study of plane wave transmission in various media.

**04-BS-10 Thermodynamics**

Thermodynamic states of simple systems; the laws of thermodynamics; equilibrium, PVT and other thermodynamic diagrams; equation of state; compressibility charts and steam tables; calculation of property changes; enthalpy; applications of thermodynamics, cycles, reversibility; thermodynamics of phase changes, Gibbs phase rule, gas-vapour mixtures.

**04-BS-12 Organic Chemistry**

Principles of organic chemistry developed around the concepts of structure and functional groups. The main classes of organic compounds. Properties of pure substances. Introduction to molecular structure, bond types, properties, synthesis and reactions, reaction mechanisms, as a means of systematizing organic reactions.

**04-BS-13 Biology**

Cellular reproduction, growth, and differentiation; metabolism and bioenergetics of living cells; cell structure and function related to the material properties of plant and animal tissues; introductory microbiology — characteristics and classification of microorganisms; interactions of microorganisms with man in the natural world; kinetics and mathematical models of microbial growth; engineered biological systems such as bio-reactors, bio-instrumentation, and waste treatment systems.

**04-BS-14 Geology**

The structure of the earth, plate tectonics, earthquakes and igneous activity. Minerals and rocks including their formation, identification, basic properties, and classification. Processes of weathering, erosion, transport, and deposition of geological materials and their results of significance to engineering. Occurrence, flow, and quality of groundwater. Introductory aspects of structural geology including faulting, folding, and the overall formation of discontinuities and their effect on the engineering properties of rock masses. Aerial photography and geological maps.

**04-BS-15 Engineering Graphics and Design Process**

Engineering drawing: Orthographic sketching. Standard orthographic projection. Principal views, selection and positioning of views. Visualization. Conventions and practices. First and second auxiliary views. Basic descriptive geometry. Section views, types, hatching conventions. Basic dimensioning requirements. Tolerance for fits and geometry control. Detail drawings and assembly drawings, other drawings and documents used in an engineering organization. Bill of materials. Fasteners and welds. Design process and methods. Project management & teamwork. Requirements and function analysis in design. Conceptual design and testing. Concept evaluation design factors such as: cost, quality, manufacturability, safety, etc. Systems modelling & design detail.

**04-BS-16 Discrete Mathematics**

Logic: propositional equivalences, predicates and quantifiers, sets, set operations, functions, sequences and summations, the growth of functions. Algorithms: complexity of algorithms, the integers and division, matrices. Methods of proof: mathematical induction, recursive definition. Basics of counting: pigeonhole principle, permutations and combinations, discrete probability. Recurrence relations: inclusion-exclusion. Relations and their properties: representing relations, equivalence relations. Introduction to graphs: graph terminology, representing graphs and graph isomorphism, connectivity, Euler and Hamilton paths. Introduction to sorting.



**GROUP A****COMPULSORY EXAMINATIONS****16- Mex-A1 System Analysis and Control**

Open-loop and feedback control. Laws governing mechanical, electrical, fluid, and thermal control components. Mathematical models of mechanical, hydraulic, pneumatic, electrical and control devices. Block diagrams, transfer functions, response of servomechanisms to typical input signals (step function, impulse, harmonic), frequency response, Bode diagram, stability analysis, and stability criteria. Improvement of system response by introduction of simple elements in the control circuit. Regulation of physical process: proportional, integral, and derivative control. Theory of linear controller design.

**16- Mex-A2 Circuits and Electronics**

Electric circuit components: lumped parameter models. Nodal and mesh analysis of linear, passive circuits; equivalent networks. Steady state analysis of lumped parameter, time-invariant circuits: differential equation formulation, sinusoidal inputs, frequency response, impulse response, and transfer functions. Laplace transform analysis and circuit transient response. Two-port circuit models and analysis. Semiconductor devices; diodes and thyristors. Bipolar and field effect transistors as linear devices and switches. Bias circuits, basic amplifiers, small - signal equivalent circuits, transfer functions, and frequency response. Operational amplifiers and comparators. Digital integrated circuits and logic families: TTL, TTL-LS, and CMOS.

**16- Mex-A3 Digital Systems and Computers**

Combinational, sequential, and synchronous logic circuits. Register level design of digital systems. Computer arithmetic, central processing unit, memory systems and peripherals. Assembly language programming, interrupts, and interfacing and communication. Computer architecture.

**16- Mex-A4 Applied Thermodynamics and Heat Transfer**

Thermodynamics: Review of the fundamental laws of thermodynamics, introductory psychrometry and analysis of the ideal gas compressor cycle, Rankine cycle, Otto cycle, Diesel cycle, Brayton cycle and the vapour compression refrigeration cycle. Heat Transfer: Application of the principles of steady and transient conduction heat transfer, natural and forced convection heat transfer and radiation heat transfer. Thermal analysis of heat exchangers.

**16- Mex-A5 Kinematics and Dynamics of Machines**

Kinematic and Dynamic Analysis: Graphical and analytical methods for kinematic analysis of planar and spatial mechanisms and elementary body motion in space, static and dynamic force analyses of mechanisms, gyroscopic forces, dynamics of rotating machinery, cam and gear mechanisms and specifications. Vibration Analysis: Free and forced vibration of undamped and damped lumped single and multi degrees of freedom systems with, analytical and numerical techniques of solution, viscous damping, vibrational isolation, vibration measurement and control.

**16- Mex-A6 Systems Analysis and Simulation**

Computer simulation of systems. Design of simulation models of discrete systems. Statistical foundations and methodology. Generation of random variates. Design of simulation experiments. Simulation programming

languages. Applications: the analysis and design of systems for production, and distribution. Model validation. Simulation output analysis. Use of software.

**16- Mex-A7 Instrumentation, Measurements, Sensors and Actuators**

Instrumentation of an Engineering System; Component Interconnection and Signal Conditioning; Performance Specification and Instrument Rating Parameters; Estimation from Measurement; Measurement Accuracy and Standards; Analog Sensors and Transducers Digital and Innovative Sensing; Mechanical Transmission Components; Stepper Motors; Continuous-Drive Actuators.

## GROUP B

### ELECTIVE EXAMINATIONS (THREE REQUIRED)

#### **16- Mex-B1 Signals and Communications**

Analysis of continuous-time signals: Fourier series and Fourier transform; magnitude, phase, and power spectra. Analysis of discrete-time signals: Nyquist sampling theorem; the Z-transform. Analog communication systems: amplitude and frequency modulation and demodulation. Digital communication systems: pulse code modulation; bandpass modulation and demodulation techniques.

#### **16- Mex-B2 Digital Signal Processing**

Discrete-time signals and systems: system input-output and convolution, Z-transform and transfer functions. Discrete-time Fourier transform (DFT) and Fast Fourier transform (FFT). Design of finite impulse response (FIR) and infinite impulse response (IIR) filters. DSP implementation considerations.

#### **16- Mex-B3 Advanced Control Systems**

Modelling of engineering systems; state variables and transfer function representations. Analytical and numerical solutions of state variable equations. Observability, controllability, stability; classical design, stabilization by pole assignment. Systems with delay. Systems with noise. Computer control, discrete systems. System identification; least squares.

#### **16- Mex-B4 Acoustics and Noise Control**

Function of hearing system, acquired deafness, acoustics standards and recommendations. Basic principles and calculations of acoustics phenomenon. Instrumentation about noise measurement, frequency-analysis sound meter. Acoustics reflection and transmission, characterization and selection of acoustics materials. Room acoustics, preventive calculation of noise level in rooms. Sound propagation in conduits, muffler design. Noise analysis and application of noise reduction techniques.

#### **16- Mex-B5 Robot Mechanics**

Robot components (sensors, actuators, and end effectors, and their selection criteria); basic categories of robots (serial and parallel manipulators, mobile robots); mobility/constraint analysis; workspace analysis; rigid body kinematics (homogeneous transformation, angle and axis of rotation, Euler angles, cylindrical and spherical coordinates); manipulator kinematics and motion trajectories (displacement and velocity analyses, differential relations, Jacobian matrix); non-redundant and redundant sensing/actuation of manipulators; manipulator statics (force and stiffness); singularities; and manipulator dynamics.

#### **16- Mex-B6 Power Electronics and Drives**

Principles and modelling of electric machines: dc machines, induction machines, and synchronous machines. Power electronic devices and converters: choppers, inverters, cycloconverters, and switched power supplies. Electric drives: torque and speed control, and field and vector oriented control techniques.

### **16- Mex-B7 Design and Manufacture of Machine Elements**

Theory and methodology related to conceptual design; review of the methods used in stress analysis; simple design factor approach; variable loads; stress concentrations; bolts and bolted joints; welded joints; springs; shaft and bearing design; clutches, brakes, and braking systems. The role and characterization of manufacturing technology within the manufacturing enterprise is also examined. Topics include an overview of the deformation process, joining processes, consolidation processes, material removal processes, material alteration processes; composites manufacturing, nano- and-microfabrication technologies rubber processing, glass working, coating processes, mechanical assembly, electronics packaging and assembly, and production lines; and process selection and planning; quality control systems.

### **16- Mex-B8 Product Design and Development**

Modern tools and methods for creative product design and development involving product research, establishment of design parameters, experimentation, development of conceptual alternatives, visualization, evaluation, revision, optimization and presentation. Particular topics include: The engineering design process, development processes and organizations, product planning, identifying customers needs, product specifications, concept generation, concept selection, prototyping, robust design, concept testing, product architecture, industrial design, design for manufacturing, patents and intellectual property, product development economics, and managing mechatronic-related projects.

### **16- Mex-B9 Integrated Manufacturing Systems**

Production automation and the role of the computer in modern manufacturing systems via an comprehensive overview of applications of advanced technologies in manufacturing and their business impact on the competitive dimensions of cost, flexibility, quality and deliverability. Particular topics include: facility layout; cellular manufacturing; fundamentals of automation, numerical control programming, material handling and storage, automatically-guided vehicles, flexible manufacturing systems, group technology, programmable logic controllers, concurrent engineering, production planning and control, production activity control systems, automatic identification and data collection, lean and agile manufacturing, computer-aided process planning, forecasting, inventory management and control, quality control and inspection and inspection technologies.

### **16- Mex-B10 Power Systems and Machines**

Magnetic circuits and transformers. Wye and delta connected three-phase systems. Generation, transmission, and distribution of electric power. Three-phase transformers. AC and DC machines. Three-phase synchronous machines and three phase induction motors.

**COMPLEMENTARY STUDIES****11-CS-1      Engineering Economics**

Basic concepts of engineering economics through understanding of the theoretical and conceptual financial project analysis. Types and applications of engineering economic decisions. Capital, cash flow, and the time value of money concepts. Nominal and effective interest rates when considering loans, mortgages, and bonds. The application of present worth analysis, annual equivalent analysis and rate of return analysis in evaluating independent projects, comparing mutually exclusive projects, analyzing lease vs. buy alternatives and making decisions. After-tax financial analysis requiring an understanding of capital cost allowance (depreciation) and corporate income tax. Understanding methods of financing and capital budgeting. Break-even, sensitivity and risk analyses.

**11-CS-2      Engineering in Society – Health and Safety**

The duties and legal responsibilities for which engineers are accountable; safety laws and regulations; and a basic knowledge of potential hazards and their control: biological hazards – bacteria, viruses; chemical hazards - gases, liquids and dusts; fire and explosion hazards; physical hazards – noise, radiation, temperature extremes; safety hazards – equipment operation; workplace conditions - equity standards, human behaviour, capabilities, and limitations; managing safety and health through risk management, safety analyses, and safety plans and programs; practices and procedures to improve safety. The roles and social responsibilities of an engineer from a professional ethics point of view, as applied in the context of Canadian values. The integration of ethics into engineering practice, and its effect on public safety and trust.

**11-CS-3      Sustainability, Engineering and the Environment**

Basic knowledge of soil, water and air quality engineering: soil and water interaction, water supply issues, human activities and their interaction on soil, air and water resources. Fundamentals of: soil erosion, water quality, atmospheric pollution (carbon and nitrogen cycle), climate change, risk assessment. Basic knowledge of renewable energy sources: solar, photovoltaic, wireless electricity, thermal, wind, geothermal, and biofuels. **Introduction to** renewable materials engineering; nano materials, new material cycles. Eco-product development, and product life cycle assessment; recycling technologies; reuse of products; design for disassembly, recycling, e-waste, and reverse manufacturing. Consumption patterns; transportation; environmental communication; consumer awareness. Optimized energy and resources management. Sustainable methods: sustainability indicators; life cycle assessment; regulatory aspects of environmental management, ecological planning.

**11-CS-4      Engineering Management**

Introduction to management principles and their impact upon social and economic aspects of engineering practice. Engineering management knowledge topics including: market research, assessment and forecasting; strategic planning; risk and change management; product, service and process development; engineering projects and process management; financial resource management; marketing, sales and communications management; leadership and organizational management; professional responsibility. New paradigms and innovative business models, including: sustainable production, products, service systems and consumption; best practices and practical examples of successful implementations of sustainable scientific and engineering solutions.

### 3.2 ENGINEERING REPORT

Upon passing the examination(s) assigned by PEO's Academic Requirements Committee, a candidate may be required to write an Engineering Report. The report must demonstrate the candidate's ability to present an engineering problem, observation, or idea, and to analyze it logically and accurately using engineering principles, and to draw conclusions or make recommendations. The work must include acceptable technical content involving engineering analysis, design, development, or research. The report must also demonstrate a satisfactory level of writing and graphical skills, thus the quality of the presentation will be a factor in determining the acceptability of the report.

The report itself need not prove originality of ideas, but the candidate should demonstrate his/her ability to appreciate, present, differentiate between and draw conclusions from observations and ideas. The definition of a "report" is flexible and could also include discussion and judgement of opposed theories or methods, or a description of a novel technique or process and a discussion of the practicality of its application. The key consideration is that the report address a new issue, and not repeat the coverage of the particular subject available in textbooks. It is the current state of the art, the novel or the contentious that is expected to be explored in the report.

While no rigid rules of format are specified, it is recommended that the report be suitably subdivided and include:

- a) A title page and date
- b) A signed declaration of authorship
- c) A table of contents
- d) A summary of the report and its conclusions
- e) Technical content including analysis, design, development or research
- f) Conclusions and/or recommendations
- g) A list of the technical literature cited
- h) A list of acknowledgements, contributors, reviewers and sources of information

The report should be about 5,000 words long, not including tables and graphs. Diagrams, illustrations, etc. should be clearly and properly identified. It is preferable to locate graphs, diagrams, etc. necessary for the understanding of the text at the place where reference to them is made.

## **RESPONSE TO ENGINEERS CANADA’S PROPOSED “FRAMEWORK FOR REGULATION” ELEMENTS**

**Purpose:** To provide comments back to Engineers Canada on 17 new elements in its Framework for Regulation.

**Motions for Council to consider: (requires a simple majority of votes cast to carry)**

**1. That Council accept the New Framework Task Force’s recommendations on Engineers Canada’s most recent “Elements of Engineering Regulation”, as detailed in the “Recommendations to Council” column as presented at C-511-2.7, Appendix A, and forward them on to Engineers Canada as PEO’s comments.**

**2. That Council asks Engineers Canada to clarify the criteria used for determining which elements should be included in the Framework for Regulation.**

**Prepared by:** A. Tapp, Policy Analyst, Tribunals & Regulatory Affairs

**Moved by:** Councillor Roydon Fraser, P.Eng., NFTF member and Council Liaison

### **1. Need for PEO Action**

In 2016, Engineers Canada published two sets of draft elements for inclusion in their national regulatory framework. Their “Framework for Regulation” is “a set of aspirational elements that form the baseline for engineering regulators”, with each element being a document detailing the stance they believe provincial regulators should take in regards to certain topics or issues in engineering regulation. They requested that the provincial regulators provide them with feedback on each element.

PEO’s National Framework Task Force (NFTF) has reviewed these elements and has produced recommendations for Council’s comments to Engineers Canada. Appendix A details the NFTF’s element-by-element recommendations to Council.

### **2. Proposed Action / Recommendation**

That Council accept the comments made by the NFTF for each of the elements, and forward them to Engineers Canada as PEO’s response to their request for feedback.

The NFTF also recommends that Council ask Engineers Canada to provide the criteria that were used when considering which elements to develop and include in the framework.

### **3. Next Steps (if motion approved)**

NFTF’s feedback on each element will be forwarded to Engineers Canada, and the NFTF will await Engineers Canada’s further feedback.

#### 4. Peer Review & Process Followed

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Process Followed</b>          | <p>The NFTF was formed by Council in May 2009 “to explore, under the auspices of Engineers Canada, a national framework for licensure”. In late 2014, Engineers Canada reconstituted the Canadian Framework for Licensure as the aspirational, non-licensing specific “Framework for Regulation”, and in June 2016, Engineers Canada requested feedback on 13 additional elements. In July 2016, PEO’s Executive Committee agreed that the National Framework Task Force (NFTF), chaired by Diane Freeman, was the best vehicle to provide comment on the 13 new elements on PEO’s behalf.</p> <p>Members of PEO’s National Framework Task Force reconvened on Tuesday, October 11, 2016 to review their terms of reference and membership. This was done in view of how best to assist PEO Council with providing input to the 13 Consultation Documents issued in draft by Engineers Canada’s Framework for Regulation group. Engineers Canada also posted four more elements in October 2016.</p> <p>PEO staff were directed by the NFTF to review the policy intent of the draft elements, and contacted Engineers Canada to obtain problem statements for each one. As Engineers Canada could not provide these, staff inferred possible problem statements for each element. To aid the Task Force in providing advice, staff also compiled a list of Council motions and statements related to each item, and sought advice from staff subject matter experts. This information was presented to the task force, who formulated their responses to each element over two sessions in January and February 2017.</p> |
| <b>Council Identified Review</b> | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Actual Motion Review</b>      | The motions were reviewed by the Task Force members following the last meeting and were approved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

#### 5. Appendices

- Appendix A – NFTF Recommendations on Engineers Canada Framework Elements
- Appendix B – Compilation of Reviewed Framework Elements



# Appendix A: Engineers Canada Framework Element Problem Statements + Related PEO Positions

C-511-2.7  
Appendix A

## Elements Under Review for December 31, 2016

| Framework Element                         | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                  | Inferred Problem Statement                                                                                                                                                      | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Policy Instrument                | Recommendation to Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Alternative Dispute Resolution</b>  | “Alternative dispute resolution (“ADR”) can help protect the public by achieving timely solutions focused on remediation in appropriate cases. Disciplinary processes should allow for ADR opportunities.” | Public safety is being negatively impacted by lengthy complaint and discipline proceedings. Remediation may be more appropriate in certain instances than disciplinary measures | <p>In December 1999, Council approved Recommendation 5.2.1 of the Report of the Task Force on Admissions, Complaints, Discipline, and Enforcement, which called on PEO to create an ADR program.</p> <p>In June 2014, the Council defeated a series of motions calling for a complaints’ ‘triage process’ that would have allowed staff to deal with complaints before they went to the complaints committee. This may conflict with the Engineers Canada recommendation that “A complaint may be referred to ADR at any time prior to the commencement of a disciplinary hearing”. As Council has expressed a desire for the Complaints Committee to review all complaints, it is likely that a matter could only be sent to ADR after it had been reviewed by the Complaints Committee.</p> | Professional Engineers Act S. 26 | <p>PEO states that ADR is not required to be mandated in the Act. PEO supports the inclusion of this element provided that: 1) the use of ADR is an instrument for the complainant only up until referral to the Complaints Committee; and 2) only when the ADR request is made by the complainant and imposed on the respondent. PEO recommends that the use of ADR at any further point in the Disciplinary process is inconsistent with transparency in the public interest.</p> <p>PEO requests that Engineers Canada provide evidence on ADR use for a profession regulatory environment.</p> |
| <b>2. Canadian Experience Requirement</b> | “To establish fair and defensible practices in the                                                                                                                                                         | Existing Canadian experience work requirements for licensure                                                                                                                    | In December of 1999, Council approved Recommendation 4.6.2 of the Report of the Task Force on Admissions, Complaints, Discipline, and Enforcement, which recommended that applicants who have satisfied                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Regulation 941 S. 33             | PEO’s current position is defensible, and any changes made to the experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

<sup>1</sup> As provided by Engineers Canada

| Framework Element | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                                                    | Inferred Problem Statement                                                                                                             | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Policy Instrument | Recommendation to Council                                                                             |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------|
|                   | <p>application of the Canadian work experience requirement. Regulators should have a flexible approach in the application of the work experience requirement to ensure that it does not present an inappropriate or discriminatory barrier to licensure”</p> | <p>can present an inappropriate or discriminatory barrier to entry. They may be legally challenged and must be fair and defensible</p> | <p>all licensing criterial but the twelve-month Canadian Experience requirement should be granted a provisional license.</p> <p>In November 2007, Council reaffirmed their commitment to a 12-month Canadian Experience requirement when adding a provision to the general regulation that covered engineers who were licensed in another jurisdiction. The provision specified that engineers in jurisdictions with which PEO had a mobility agreement would be recognized as meeting PEOs licensing standards providing that they had 12 months of Canadian experience (in addition to several other requirements).</p> <p>In September 2009, Council approved a position statement indicating that PEO believed the Ontario Labour Mobility Act (OLMA) put labour mobility ahead of public safety, and compromised ability to assess licensees.</p> <p>In June 2010, Council moved to create a National Mobility Task Force, one of the objectives of which was to make recommendations to increase national mobility in light of OLMA.</p> <p>In November 2010, the Council voted to waive their proposed additional requirements (which the government allowed regulators to propose) to the OLMA, as these requirements were rejected by the government. The National Mobility Task Force was directed to supply Council with new additional requirements, but the task force was instead discontinued.</p> <p>In September 2014, Council created a new Licensing Committee to coordinate the ongoing development and implementation of PEO’s licensing processes and requirements.</p> <p>In September 2015, Council approved a position statement explaining PEO’s rationale for the Canadian experience requirement. The 12 months’ Canadian experience requirement gives PEO time to evaluate</p> |                   | <p>requirement would have to be based on evidence. PEO is not supportive of the proposed element.</p> |

| Framework Element                | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                                                                                                  | Inferred Problem Statement                                                                                                                                                                                                                                                                                  | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Policy Instrument          | Recommendation to Council                                                                                                                                                                                                                                                         |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                             | <p>an applicant’s practice skills and suitability to practice in Canada. The position statement may be found <a href="#">here</a>.</p> <p>In March 2016, a motion was put forward to petition the Attorney General to exclude PEO from the Act for three years. The OLMA does not permit PEO to gather full educational and experiential records from inter-provincial applicants, and PEO wants access to this information to ensure that these applicants are meeting Ontario standards (such as the Canadian experience requirement). The motion was tabled, and was scheduled to be reviewed at the November 2016 Council meeting, but the review has yet to take place. There are also discrepancies between Ontario and other Canadian engineering licensing bodies apart from the 12 months Canadian Experience requirement.</p> |                            |                                                                                                                                                                                                                                                                                   |
| <p><b>3. Code of Conduct</b></p> | <p>“To establish and articulate standards of professional conduct to complement and supplement the code of ethics. A code of conduct provides practical guidance to registrants in complying with their professional obligations and facilitates the protection of the public by forming the basis for</p> | <p>Existing ethical codes do not provide the practical advice a practitioner needs to comply with their professional obligations. A violation of the Code of Ethics alone does not constitute “professional misconduct” in Ontario [s. 72(2)(g) of Reg. 941]. A violation of the Code of Conduct would.</p> | <p>In September 2009, Council created the Code of Ethics Task Force with the purpose of updating PEO’s Code of Ethics with a focus on 1) moving some ethics requirements to professional misconduct; and 2) making some ethics codes solely enforceable. The Task Force is currently inactive.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Regulation 941 S.77</p> | <p>PEO accepts this element for regulation, with the provisos that: 1) a Code of Ethics and a Code of Practice are different but complementary instruments; and 2) Practice Standards are a more appropriate instrument for setting out expectations of practitioner conduct.</p> |

| Framework Element                                           | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                        | Inferred Problem Statement                                                                                                                                                                                                                                                                                                                                                                                                                                       | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Policy Instrument                                                                       | Recommendation to Council                                                                                                                                      |
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|                                                             | uniform disciplinary action.”                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                         |                                                                                                                                                                |
| <p><b>4. Fitness to Practice</b></p>                        | <p>“Procedures that address concerns regarding fitness to practice due to health issues will protect the public interest. Procedures that seek appropriate remedial outcomes will permit registrants to return to practice.”</p> | <p>Public safety is being harmed by a lack of procedures regarding health-related fitness to practice issues. As there is a high burden of proof for findings of incompetence (which can include mental and physical infirmities), regulators may be less willing to act on issues of fitness to practice, and engineers who are unfit to practice may practice for longer may be disciplined in a way that does not account for accommodations or recovery.</p> | <p>In February 1989, Council identified ‘health issues’ as one of the possible criteria for fee remissions. Fee remission requires the license holder to sign an undertaking to not practice engineering.</p> <p>In June 2014, Council declined to investigate introducing regulation-making power for the term ‘incompetence’. This is what the Professional Engineers Act current says about incompetence:</p> <p><i>28(3) The Discipline Committee may find a member of the Association or a holder of a temporary licence, a provisional licence or a limited licence to be incompetent if in its opinion,</i></p> <p><i>(a) the member or holder has displayed in his or her professional responsibilities a lack of knowledge, skill or judgment or disregard for the welfare of the public of a nature or to an extent that demonstrates the member or holder is unfit to carry out the responsibilities of a professional engineer; or</i></p> <p><i>(b) the member or holder is suffering from a physical or mental condition or disorder of a nature and extent making it desirable in the interests of the public or the member or holder that the member or holder no longer be permitted to engage in the practice of professional engineering or that his or her practice of professional engineering be restricted. R.S.O. 1990, c. P.28, s. 28 (3); 2001, c. 9, Sched. B, s. 11 (37).</i></p> | <p>Professional Engineers Act S. 28</p>                                                 | <p>PEO takes no position on this element.</p>                                                                                                                  |
| <p><b>5. Information to be Included in the Register</b></p> | <p>“The regulator protects the public interest by ensuring that the public has access to meaningful, relevant information</p>                                                                                                    | <p>Not having access to meaningful, relevant information about registrants will negatively impact the public’s/client’s ability to make informed decisions regarding</p>                                                                                                                                                                                                                                                                                         | <p>In June 1984, Council gave the registrar permission to remove from the register engineers who had still not paid their membership fees 8 months after the fees became due.</p> <p>In March 2006, Council approved the Expanded Public Information Model, which details exactly which register data is made public and why.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Professional Engineers Act S. 21</p> <p>Expanded Public Information Model (EPIM)</p> | <p>PEO has made changes to the Register in response to the Belanger inquiry and recommends that Engineers Canada use PEO’s policy to inform their element.</p> |

| Framework Element                                       | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                        | Inferred Problem Statement                                                                                                      | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Policy Instrument                                | Recommendation to Council                                                                                                                                                                                                                           |
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|                                                         | <p>regarding registrants, which enhances the ability of the public to make decisions regarding professional services and increases the accountability of the regulator.”</p>                                     | <p>engineering services and those offering them.</p>                                                                            | <p>In August 2013, PEO submitted their written submission to the Eliot Lake Inquiry. Two of the recommendations made by PEO relate to increasing the information it displays on its website and keeps in its register.</p> <p>In February 2016, Council voted, based on the recommendations of the Elliot Lake Commission of Inquiry, to expand the information included in the register and to make all register information available on the website. The motion makes specific references to the date of any Discipline hearing, the date of a decision of the Discipline Committee, its finding of professional misconduct or incompetence, the penalty imposed, and a link to the decision and reasons.</p>                                                                                                                                                                                                                                                                                                                                                |                                                  |                                                                                                                                                                                                                                                     |
| <p><b>6. Membership Rights and Responsibilities</b></p> | <p>“Common classes of membership facilitates professional mobility. Clearly defining the rights and responsibilities of different classes of members will enhance the governance of engineering regulators.”</p> | <p>Governance and professional mobility could be negatively impacted by ill-defined membership rights and responsibilities.</p> | <p>In September 2002, Council approved the ‘Licensed Engineering Technologist’ title, a variety of limited license. They are still not members of PEO.</p> <p>In September 2005, Council granted Engineers-in-Training (EIT) members the right to vote for and to hold chapter executive positions.</p> <p>In March 2006, Council motioned to explore if there was a way to accomplish the goals of the LET without modifying the <i>Professional Engineers Act</i>.</p> <p>In September 2006, the Registrar was instructed to draft new classes of Temporary Licenses, including the LET.</p> <p>In February 2008, the Council adopted a position paper on creating a Multi-Tiered Value-Added Licensing System, where all qualified engineering professionals whose governance is required for the public interest would be issued a license, temporary license, provisional license, or limited license.</p> <p>In September 2009, Council approved a position statement indicating that they believed the Ontario Labour Mobility Act (OLMA) put labour</p> | <p>Professional Engineers Act S. 14 &amp; 18</p> | <p>PEO recommends that Engineers Canada modify this element to reflect the different models that exist across the country, and not develop a one-size-fits-all model. Membership issues are governance matters that are not core to regulation.</p> |

| Framework Element                | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                                                                                                      | Inferred Problem Statement                                                                                                                                                                                                                                                                                                | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Policy Instrument                                                                                             | Recommendation to Council                                                                                                             |
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|                                  |                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                           | <p>mobility ahead of public safety, and compromised PEO’s ability to assess applicants.</p> <p>In June 2010, Council moved to create a National Mobility Task Force, one of the objectives of which was to make recommendations to increase national mobility in light of OLMA.</p> <p>In November 2010, the Council voted to waive their proposed additional requirements (which the government allowed regulators to propose) to the OLMA, as these requirements had been rejected by the government. The National Framework Task Force was directed to supply Council with new additional requirements.</p> <p>In September 2014, Council created a new Licensing Committee to coordinate the ongoing development and implementation of PEO’s licensing processes and requirements.</p> |                                                                                                               |                                                                                                                                       |
| <p><b>7. Practice Review</b></p> | <p>“Practice review programs protect the public by ensuring that registrants maintain their competencies in the areas in which they practice and follow standards of practice. A risk-based program of practice review allows a regulator to proactively engage with registrants to assist them in meeting</p> | <p>Engineers require assistance in maintaining their professional competencies, which is part of their obligation to protect the public. Practice review programs allow the regulator to engage directly with individual engineers, ensure that engineers are more likely to do this than they would do on their own.</p> | <p>In September 2010, Council instructed the Standards and Practice Committee to develop practice standards and/or guidelines regarding practice review and the use of the seal.</p> <p>In June 2014, Council approved the creation of a voluntary self-assessment Practice Review Guideline. It was published in July 2014 and may be found <a href="#">here</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Professional Engineers Act S. 33 (Registrar’s Investigation is the closest we have to practice review)</p> | <p>PEO should consider whether a policy related to practice review is warranted and, if so, this element should inform this work.</p> |

| Framework Element                                               | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                     | Inferred Problem Statement                                                                                                                                                                     | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Policy Instrument                                                           | Recommendation to Council                                                                      |
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|                                                                 | their professional obligations.”                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                             |                                                                                                |
| <p><b>8. Public Identification of Engineering Expertise</b></p> | <p>“A national system of specialist certifications will protect the public by restricting a specific specialist engineering practice to engineers who hold a specialist designation.</p> <p>Consistent national guidelines regarding self-identification by registrants of areas of interest / focus will assist registrants in providing information to the public about their services in a manner which protects the public interest.”</p> | <p>The public is put at risk when certain areas of specialty practice are not restricted to specialist engineers, and when the standards of specialty identification are not nationalized.</p> | <p>From 1976 to 1986, PEO had a Specialty Designations program that provided special rights-to-title (but not to-practice) to 37 classes of engineer. The program was cancelled at a Council meeting in April 1986, with references to “delays in collecting candidates’ references, the restriction of a general title (“Designated Specialist”), the lack of publication of the specialists’ listing to allow for verification, the “by Council invitation” application process with fee waivers being perceived as possible patronage or bias, the breadth of specialization, allowing specialists outside of the initial field of engineering, non-recognition of certain specialties and the right-to-title only.”</p> <p>In February 2002, the Council approved a recommendation to examine a ‘discipline-specific licensing model’.</p> <p>In December 2005, Council directed the Building Code Amendments Task Force to establish the Building Design Specialist (BDS) designation. This was done in an effort to identify engineers who had completed a certification scheme mandated under the Ontario Building Code.</p> <p>In March 2006, Council directed the registrar to not proceed with developing regulations for the Building Design Specialist pending PEO’s challenge of this scheme, which it thought interfered with PEO’s ability to regulate the profession.</p> <p>In March 2006, Council decided to challenge the legality of Bill 124 (Building Code Amendment Act), based on the Act’s requirement that engineers register under a ministry certification scheme before engaging in building related design and general construction activities. PEO ceased work on the BDS pending the outcome of the challenge. In May 2007, the court ruled in favor of PEO. Though some BDS designations were issued and PEO retains the official marks, this designation is no longer issued.</p> | <p>Professional Engineers Act S. 7</p> <p>Regulation 941 S. 54 &amp; 55</p> | <p>PEO does not support this element and recommends that it be removed from the Framework.</p> |

| Framework Element | Purpose and Policy Direction <sup>1</sup> | Inferred Problem Statement | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Policy Instrument | Recommendation to Council |
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|                   |                                           |                            | <p>In January 2007, PEO Council approved a plan to create a working group to provide a software engineering scope of practice. One of the possible consequences foreseen by the Council was the development of a specialty designation for software engineering.</p> <p>In February 2009, Council deferred the creation of 16 engineering specialties, and directed the Professional Standards Committee (PSC) to prioritize them and provide a work schedule for June of that year.</p> <p>In June 2009, Council received the PSC report, created a Specialty Task Force, and directed the task force to report by November.</p> <p>In November 2009, Council voted to table the recommendations of the Software Engineering Specialization Task Force review by Council of a Request-for-Proposal.</p> <p>In June 2013, Council stood down the Specialty Task Force.</p> <p>In August 2013, PEO recommended to the Elliot Lake Commission of Inquiry that PEO develop and regulate a Structural Engineering Specialist designation.</p> <p>In June 2016, Council directed the Professional Standards Committee “to include disclosure requirements to clients in the Performance Standard for Structural Condition Assessments of Existing Buildings, in lieu of a Structural Specialist Designation”. PEO considered mandatory disclosure to be superior to specialty designation in terms of allowing clients of engineers to make better hiring or contracting decisions. It is also a solution based on the current best practices of existing engineering firms.</p> <p>In November 2016, Council approved the new structural assessment guideline, which includes mandatory disclosure. The guideline is currently being drafted by Communications, and the accompanying performance standard should be ready for approval in early 2017.</p> |                   |                           |



| Framework Element                                               | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                                                                                                   | Inferred Problem Statement                                                                                                                                                                                                                                                                                                                                    | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Policy Instrument                       | Recommendation to Council                                                                                                                                                                                                                                                                                                                            |
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| <b>9. Rights and Responsibilities of Non-Practicing Members</b> | <p>“One or more clearly defined categories of membership status, rights and responsibilities for nonpracticing members will protect the public and provide clarity to members regarding their professional obligations.”</p>                                                                                | <p>Insufficient clarity regarding the exact rights and responsibilities of non-practicing engineers is harming public safety; members who do not know their professional obligations will be unable to fill them. Also, regulators need to decide if non-practicing members should be able to run for Council positions, or even vote at member meetings.</p> | <p>In September 2003, Council implemented the current fee remission policy, where engineers are permitted to pay reduced membership fees under certain circumstance if they refrain from practicing engineering. There is no definition of ‘non-practicing’.</p> <p>In 2016, PEO unveiled its PEAK (Practice Evaluation And Knowledge) quality assurance program. The program requests that license holders identify if they are practicing and non-practicing engineers, but this differentiation does not yet apply elsewhere in the organization. Under PEAK, a non-practicing engineer is not obligated to undertake any hours of profession development. PEAK was approved at November 2016 Council meeting to commence on March 31, 2017.</p>                                                                                                                                                                                                                                                                                                                            | <p>Regulation 941 S. 41.1</p>           | <p>PEO does not have any obligation to non-practicing members, but has an obligation to the public to disclose the status of the licence holder vis-à-vis any practice restrictions/conditions etc. Any work on this element by Engineers Canada should reflect these comments and be focused on the responsibilities of non-practicing members.</p> |
| <b>10. Sharing of Regulatory Information</b>                    | <p>“A regulator recognizes that sharing of certain registrant information with other engineering regulators may be necessary to protect the public interest. Regulators strike an appropriate balance between the protection of confidential information and the need to share regulatory information.”</p> | <p>The public is endangered by engineering regulators that are unable to balance the need for the protection of confidential information with the need to share certain information with other regulators.</p>                                                                                                                                                | <p>In September 2004, Council approved PEO’s PIPEDA based privacy policy. In November 2004, Council approved sub-policies related to Chapters and Records Retention.</p> <p>In March 2006, Council approved the Expanded Public Information Model, which details exactly which data is made public and why.</p> <p>In March 2014, Council approved a number of changes to the privacy policy and EPIM, and a variety of activities, including verifying that member information could only be sent to OSPE with a member’s express permission, requiring volunteers and members to complete privacy training and sign confidentiality agreements, and directing the Registrar to develop a separate policy privacy for use with PEO tenants, to develop a consent-for-release of information form for members and EITs, and to engage legal counsel to develop a policy to govern the transfer of member data from PEO to OSPE.</p> <p>In September 2014, Council approved a data sharing agreement with the Ontario Society of Professional Engineers. They also approved</p> | <p>Professional Engineers Act S. 38</p> | <p>PEO supports this element. PEO has made changes to the Register in response to the Belanger inquiry and recommends that Engineers Canada use PEO’s policy to inform their element.</p>                                                                                                                                                            |

| Framework Element                           | Purpose and Policy Direction <sup>1</sup>                                                                                                                                      | Inferred Problem Statement                                                                                                                                                                                              | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Policy Instrument                                                           | Recommendation to Council                                                                      |
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|                                             |                                                                                                                                                                                |                                                                                                                                                                                                                         | <p>changes to the Privacy Policy and EPIM regarding deceased members and education, and required staff and volunteers to sign confidentiality agreements.</p> <p>In March 2015, Council approved changes to PEO’s corporate privacy and social media policy to bring them into alignment. The privacy policy can be found <a href="#">here</a>, and the social media policy can be found <a href="#">here</a>.</p> <p>In February 2016, Council voted, based on the recommendations of the Elliot Lake Commission of Inquiry, to expand the information included in the register and to make all register information available on the website. The motion makes specific references to the date of any Discipline hearing, the date of a decision of the Discipline Committee, its finding of professional misconduct or incompetence, the penalty imposed, and a link to the decision and reasons.</p> <p>In February 2016, Council also voted, as per the Bélanger recommendations, to amend the Act to allow PEO to share information “that comes to an authorized person in the course of their duties, employment, examination, review or investigation pertaining to a holder of a licence, limited license, or temporary license to other regulatory authorities for their investigation within their respective jurisdiction.”</p> |                                                                             |                                                                                                |
| <p><b>11. Specialist Certifications</b></p> | <p>“The purpose of this framework element is to define criteria for the creation of specialist certification and the ongoing maintenance requirements of the certification</p> | <p>A lack of specialty certifications is damaging to the public interest; a lack of specialty certification could increase the likelihood of a non-specialist engineer doing work for which they are not qualified.</p> | <p>From 1976 to 1986, PEO had a Specialty Designations program that provided special rights-to-title (but not to-practice) to 37 classes of engineer. The program was cancelled at a Council meeting in April 1986, with references to “delays in collecting candidates’ references, the restriction of a general title (“Designated Specialist”), the lack of publication of the specialists’ listing to allow for verification, the “by Council invitation” application process with fee waivers being perceived as possible patronage or bias, the breadth of specialization, allowing specialists outside of the initial field of engineering, non-recognition of certain specialties and the right-to-title only.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Professional Engineers Act S. 7</p> <p>Regulation 941 S. 54 &amp; 55</p> | <p>PEO does not support this element and recommends that it be removed from the Framework.</p> |

| Framework Element | Purpose and Policy Direction <sup>1</sup>                                                                                            | Inferred Problem Statement | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Policy Instrument | Recommendation to Council |
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|                   | <p>program. The creation and management of specialist certifications by regulators shall serve and protect the public interest.”</p> |                            | <p>In March 2006, Council directed the registrar to not proceed with developing regulations for the Building Design Specialist pending PEO’s challenge of Bill 124, regarding professional registration practices.</p> <p>In January 2007, PEO Council approved a plan to create a working group with the goal of providing software engineering with a scope of practice. One of the possible consequences of this group foreseen by the Council was the development of a specialty designation for software engineering.</p> <p>In February 2009, Council deferred the creation of 16 engineering specialties, and directed the Professional Standards Committee to prioritize them and provide a work schedule for June of that year.</p> <p>In June 2009, Council received the PSC report, created a Specialty Task Force, and directed the task force to report by November.</p> <p>In November 2009, Council voted to table the recommendations of the Software Engineering Specialization Task Force review by Council of a Request-for-Proposal.</p> <p>In June 2013, Council stood down the Specialty Task Force.</p> <p>In August 2013, PEO recommended to the Elliot Lake Commission of Inquiry that PEO develop and regulate a Structural Engineering Specialist designation.</p> <p>In June 2016, Council directed the Professional Standards Committee “to include disclosure requirements to clients in the Performance Standard for Structural Condition Assessments of Existing Buildings, in lieu of a Structural Specialist Designation”. PEO considered mandatory disclosure to be superior to specialty designation in terms of allowing clients of engineers to make better hiring or contracting decisions. It is also a solution based on the current best practices of existing engineering firms.</p> |                   |                           |

| Framework Element                                                    | Purpose and Policy Direction <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                      | Inferred Problem Statement                                                                                                                                                                                                                                        | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Policy Instrument                                | Recommendation to Council                                                                                                                                                                                                                           |
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|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                   | <p>In November 2016, Council approved the new structural assessment guideline, which includes mandatory disclosure. The guideline is currently being drafted by Communications, and the accompanying performance standard should be ready for approval in early 2017.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                  |                                                                                                                                                                                                                                                     |
| <p><b>12. Titles, Rights and Responsibilities of Registrants</b></p> | <p>“Clearly defined categories of membership status, rights and responsibilities for registrants will protect the public interest and provide clarity to registrants and regulators regarding their professional obligations. Common titles, rights and responsibilities across the country will facilitate professional mobility and enhance the understanding and safety of the public.”</p> | <p>Registrants across the country are unclear as to their professional obligations, and unable to easily transfer between provinces. Implementing national titles, rights, and responsibilities will help alleviate these problems and improve public safety.</p> | <p>In September 2002, Council approved the ‘Licensed Engineering Technologist’ title, a variety of limited license. They are still not members of PEO.</p> <p>In September 2005, Council granted Engineers-in-Training (EIT) members the right to vote for and to hold chapter executive positions.</p> <p>In March 2006, Council motioned to explore if there was a way to accomplish the goals of the LET without modifying the <i>Professional Engineers Act</i>.</p> <p>In September 2006, the Registrar was instructed to draft new classes of Temporary Licenses, including the LET.</p> <p>In February 2008, the Council adopted a position paper on creating a Multi-Tiered Value-Added Licensing System, where all qualified engineering professionals whose governance is required for the public interest would be issued a license, temporary license, provisional license, or limited license.</p> <p>In September 2009, Council approved a position statement indicating that they believed the Ontario Labour Mobility Act (OLMA) put labour mobility ahead of public safety, and compromised PEO’s ability to assess applicants</p> <p>In June 2010, Council moved to create a National Mobility Task Force, one of the objectives of which was to make recommendations to increase national mobility in light of OLMA.</p> | <p>Professional Engineers Act S. 14 &amp; 18</p> | <p>PEO recommends that Engineers Canada modify this element to reflect the different models that exist across the country, and not develop a one-size-fits-all model. Membership issues are governance matters that are not core to regulation.</p> |

| Framework Element                                | Purpose and Policy Direction <sup>1</sup>                                                                       | Inferred Problem Statement                                                                                    | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Policy Instrument                                                                                                                                                                | Recommendation to Council                                                                               |
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|                                                  |                                                                                                                 |                                                                                                               | <p>In November 2010, the Council voted to waive their proposed additional requirements (which the government allowed regulators to propose) to the OLMA, as these requirements had been rejected by the government. The National Framework Task Force was directed to supply Council with new additional requirements.</p> <p>In September 2014, Council created a new Licensing Committee to coordinate the ongoing development and implementation of PEO’s licensing processes and requirements.</p> <p>In February 2015, Council approved changes to Regulation 941 that allowed limited license holders to practice independently under a Certificate of Authorization.</p> <p>In March 2016, a motion was put forward to petition the Attorney General to exclude PEO from the Act for three years. The OLMA does not permit PEO to gather full educational and experiential records from inter-provincial applicants, and PEO wants access to this information to ensure that these applicants are meeting Ontario standards (such as the Canadian experience requirement). The motion was tabled until the November 2016 meeting, but the issue has not been reopened.</p> |                                                                                                                                                                                  |                                                                                                         |
| <p><b>13. Use of International Registers</b></p> | <p>“Use of international registers will simplify and accelerate the registration of experienced engineers.”</p> | <p>Experienced international registrants are being registered too slowly, and the process is too complex.</p> | <p>In September 2002, Council confirmed that they did not believe that participating in international registers was part of PEO’s regulatory mandate.</p> <p>Canada participates in the Washington Accords, which recognizes the similarities between engineering education in its signatory countries. This allows PEO to accelerate the academic assessment of many applicants from these countries (the agreement only effects programs established after the accords were signed). Canada was one of the original signatories in 1989; there are currently 18 signatories and 7 provisional members. [Note: The Washington Accord only concerns academic credentials and is not a register of professional engineers]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Professional Engineers Act S. 2(3) (It was the argument of Council in 2002 that participating in international registers could interfere with PEO’s regulatory functions)</p> | <p>PEO does not endorse this element, since PEO assesses people as individuals and not as programs.</p> |

## Elements Posted on October 31, 2016

| Framework Element                                        | Purpose and Policy Direction <sup>2</sup>                                                                                                                                                                                                                                           | Inferred Problem Statement                                                                                                                                                                                                                                          | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Policy Instrument                                                                                                                                                       | Questions for Regulators and Advice to Council                                                                                                                                                                                                     |
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| <p><b>1. Authentication of Engineering Documents</b></p> | <p>“The purpose is to clarify the appropriate use of the engineer’s seal, stamp or digital signature. Published professional standards and practices for the authentication of engineering documents will enhance protection of the safety, health and welfare of the public. “</p> | <p>Unclear instructions regarding the use and authentication of the engineer’s seal negatively impacts the safety of the public.</p>                                                                                                                                | <p>In January 2005, Council approved the Guidelines for the Use of the Engineer’s Seal. It was subsequently revised in November 2008. This is the most recent version, and is <a href="#">available on the website</a>.</p> <p>In September 2010, Council directed the Professional Standards Committee to develop updated guidelines pertaining to practice review and the use of seal.</p> <p>Section 7.3 of the Use of Seal Guideline explicitly deals with the authentication of electronic documents: “Because electronic documents can easily be changed and copied with no obvious indication, engineering organizations must have well documented processes to support the authenticity and validity of documents with electronic signatures and seals.”</p> | <p>Act, s.40(2)(c), Regulation 941 ss. 52, 53, 54, 55</p>                                                                                                               | <p>PEO acknowledges that use and authentication of the seal is essential for public safety, but this is sufficiently contained in PEO’s current Act, Regulation and Use of Seal Guideline, and can be used as a model for other regulators.</p>    |
| <p><b>2. Independent Review of Structural Design</b></p> | <p>“The purpose is to clarify the appropriate use of an independent review of structural design and the nature of the retainer relationships in independent reviews. Published professional standards and</p>                                                                       | <p>Unclear and/or unpublished Standards of Conduct regarding the independent review of structural design and the nature of retainer relationships are a public safety risk. Lack of independent reviews of structural designs constitutes a public safety risk.</p> | <p>In April 2010, Council directed the Practice and Standards Committee to begin development of a guideline for structural engineering in buildings.</p> <p>In September 2011, Council directed the Registrar to explore modifying PEO’s guidelines and regulations to introduce a “Engineer of Record and Review Commitment” that would “ensure lines of responsibility are clear for all work related to the practice of professional engineering and that in a multi-disciplined project, each discipline must be signed off by a Professional Engineer”</p> <p>In March 2012, Council voted to modify the General Review Commitment section of Regulation 260/08 to provide clear lines of</p>                                                                   | <p>PEO Practice Standards <i>Professional Engineers Providing Structural Engineering Services in Buildings</i></p> <p>PP Guideline on <i>Professional Engineers</i></p> | <p>PEO informs Engineers Canada that this deals with only one aspect of engineering, and should not be an element of regulation. This issue is better dealt with using other regulatory instruments, such as practice guidelines or standards.</p> |

<sup>2</sup> As provided by Engineers Canada

| Framework Element | Purpose and Policy Direction <sup>2</sup>                                                                                                                                              | Inferred Problem Statement | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Policy Instrument                                             | Questions for Regulators and Advice to Council |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------|
|                   | <p>practices for the independent review of structural design and the respective obligations under the review retainer will enhance the safety, health and welfare of the public. “</p> |                            | <p>responsibility for design and general review via stipulations regarding the signing and sealing of drawings, and that the Registrar “be authorized to contact the appropriate authority with responsibility for dealing with stages, bridges, manufacturing processes and engineered products with the purpose of ensuring there is a clear line of responsibility for the engineering component of the work”</p> <p>In September 2013, Council directed the Practice and Standards Committee to develop a guide and practice standard for Structural Engineering Assessments.</p> <p>In June 2014, Council voted to approve a plan developed by EABO (the Engineers, Architects, and Building Officials, a joint liaison group between many different organizations, including PEO) to lobby for changes to the Building Code that would require building projects to have an Engineer or Architect coordinate all professionals involved in the project. The development of this professional role was also stipulated by Belanger Commission of Inquiry’s Recommendation 1.27, which stated “For the construction of any buildings requiring the services of more than one professional consultant, either a professional engineer or an architect should be designated by the owner or the owner’s agent as the prime consultant.”</p> <p>In February 2016, both of the motions above referencing the General Review Commitment section of Regulation 260/08 were rescinded by Council.</p> <p>In November 2016, PEO voted to establish the Coordinating Licensed Professional Joint Subcommittee in conjunction with the OAA. The purpose of the subcommittee is to develop a guideline concerning Coordinating License Professionals, who “will coordinate the design work of architects and engineers for buildings required to be designed by an architect, an engineer, or both.”</p> | <p><i>Reviewing Work of another Professional Engineer</i></p> |                                                |

| Framework Element                                                                      | Purpose and Policy Direction <sup>2</sup>                                                                                                                                                                                                                            | Inferred Problem Statement                                                                                                                                                                                     | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Policy Instrument                                           | Questions for Regulators and Advice to Council                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                        |                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                | <p>Also in November 2016, Council approved and directed PEO to publish the guideline for “Structural Condition Assessments of Existing Buildings and Designated Structures”, the final version of the guideline which Council directed the Practice and Standards Committee to develop in September 2013. This guideline is not yet available on the website.</p> <p>The most recent PEO guideline for providing structural engineering in buildings available on the website was last revised in 1998. The most recent available PEO guideline pertaining the general review of building construction was approved by Council in June, 2003. These guides do not appear to specify the necessity of independent review.</p> <p>The as-of-yet unpublished guideline does not explicitly require independent peer review, but states that reports “should be written in a manner that is unbiased, accurate and understandable by a non-engineer, while containing sufficient technical data and documentation for an independent peer-review.”</p> |                                                             |                                                                                                                                                                                                                                                                       |
| <p><b>3. Selection of Members for the Discipline Committee from the Profession</b></p> | <p>“To set out best practices when considering registrants who are not currently practicing for appointment to a discipline committee. The public interest will be protected when the regulator establishes selection criteria for appointments that are aligned</p> | <p>There are no current best practices for considering prospective discipline committee members who are not practicing. This situation is not aligned with legal case law, and is dangerous to the public.</p> | <p>In 1991, the Discipline and Enforcement Task Force recommended that the Registrar (who had selected discipline panels since before the 1984 Act change) be assisted by an “administrative chair”. This recommendation was not approved.</p> <p>In September 1999, the Task Force on Admissions, Complaints, Discipline and Enforcement recommended that 1) the Chairperson of the Discipline Committee should be appointed by the committee’s members, and 2) the selection of Discipline Panel members should be done by the Chairperson with the assistance of a staff member independent of the complaints process, and according to “a simple system of selection approved by the Chairperson of the Discipline Committee.”</p> <p>In November 2010, Council activated the Complaints and Discipline Task Force, and instructed it to identify possible improvements to PEO’s</p>                                                                                                                                                           | <p>Professional Engineers Act S. 27(1) paras.1, 2 and 4</p> | <p>PEO recommends to Engineers Canada that this element be removed from the Framework for Regulation, as PEO does not feel that this is related to the practice of professional engineering. The stated purpose does not lend itself to a regulatory requirement.</p> |



| Framework Element                             | Purpose and Policy Direction <sup>2</sup>                                                                                                                                                                              | Inferred Problem Statement                                                                                                                                                                                                                                  | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Policy Instrument                                                                                                                                          | Questions for Regulators and Advice to Council                                                                                                                                                                                                                                                                                                                                                          |
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|                                               | with legal case law.”                                                                                                                                                                                                  |                                                                                                                                                                                                                                                             | <p>complaints and discipline processes. This was the most recent major revision to these processes.</p> <p>In September 2011, Council accepted almost all of the task force’s recommendations, including one which recommended “that the Complaints Committee develop for Council’s approval criteria for the required skills and competencies for the position of chair of the Complaints Committee, and identify a rigorous process to ensure qualified individuals are selected and recommended to Council for appointment.”</p> <p>In June 2016, Council amended Recommendation 14 of the task force’s report to read that “the Professional Engineers Act be amended to eliminate the requirement for elected members of Council to sit on Discipline Committee hearing panels.”</p> <p>Our Act is prescriptive in regards to the Discipline Committee, and clearly specifies the Committee’s composition, both in terms what kind of members and the number of members permitted to sit on it. The details of this composition can be found in <a href="#">Section 27</a> of the Act.</p> |                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>4. Uniformity and Harmonization</b></p> | <p>“To enable the full potential of the profession’s ability to serve Canadians by identifying, unifying or harmonizing regulatory legislation, standards, policies and practices where practical and desirable. “</p> | <p>Canadians are harmed by provincial regulators failing to unify or harmonize regulatory legislation, standards, policies, and practices, resulting in barriers to interprovincial labour mobility and differing professional standards and practices.</p> | <p>In September 2009, Council approved a position statement indicating that they believed the Ontario Labour Mobility Act (OLMA) put labour mobility ahead of public safety, and compromised PEO’s ability to assess applicants. The OLMA was passed by Parliament in 2009, and its stated purpose is to ensure that “workers certified in any Canadian province or territory can be employed in Ontario without additional training or testing” (Ministry of Advanced Education and Skills Development, 2009).</p> <p>In June 2010, Council moved to create a National Mobility Task Force, one of the objectives of which was to make recommendations to increase national mobility in light of OLMA.</p>                                                                                                                                                                                                                                                                                                                                                                                     | <p>Professional Engineers Act<br/>Multiple Sections (any harmonization or unification initiative would likely necessitate multiple changes to the Act)</p> | <p>PEO recommends this element be removed. It should be a guiding principle for the Framework for Regulation, rather than a specific element. PEO further recommends that this element be changed to remove the uniformity component, and replace it with “unity of purpose and harmonization of methodology” to promote and support inter-provincial transfers for labour mobility based on mutual</p> |

| Framework Element | Purpose and Policy Direction <sup>2</sup> | Inferred Problem Statement | Related PEO Council Actions and Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Policy Instrument | Questions for Regulators and Advice to Council                       |
|-------------------|-------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------|
|                   |                                           |                            | <p>In November 2010, the Council voted to waive their proposed additional requirements (which the government allowed regulators to propose) to the OLMA, as these requirements had been rejected by the government. The National Framework Task Force was directed to supply Council with new additional requirements.</p> <p>In March 2016, a motion was put forward to petition the Attorney General to exclude PEO from the Act for three years. The OLMA does not permit PEO to gather full educational and experiential records from inter-provincial applicants, and PEO wants access to this information to ensure that these applicants are meeting Ontario standards (such as the Canadian experience requirement). The motion was tabled until the November 2016 meeting, but the issue has not been reopened.</p> |                   | <p>confidence in each other's standards, policies and practices.</p> |

**APPENDIX B**

**NFTF REVIEWED ELEMENTS OF ENGINEERS CANADA'S  
FRAMEWORK FOR REGULATION**

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding alternative dispute resolution. Key questions for consideration:

- Should ADR be a mandatory component to a regulator’s disciplinary process?
- What criteria should be used considered for inclusion or exclusion from and ADR process?
- Are there any restrictions on the contents of settlements?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Alternative dispute resolution

under revision – July 2016

### Purpose and policy direction

Alternative dispute resolution (“ADR”) can help protect the public by achieving timely solutions focused on remediation in appropriate cases. Disciplinary processes should allow for ADR opportunities.

### Key considerations:

1. A complaint may be referred to ADR at any time prior to the commencement of a disciplinary hearing.
2. Criteria for eligibility for referral to ADR includes the following:
  - a. agreement of the registrant, the regulator with input from the complainant,
  - b. the allegations do not involve a threat to public safety,
  - c. the registrant will benefit from rehabilitative measures, and
  - d. public confidence in the profession will not be undermined.
3. Matters not suitable for ADR include:
  - a. matters involving a threat to public safety and
  - b. allegations which, if proven, would be grounds for suspension or revocation of membership.
4. There should be independent oversight over whether matters that are more appropriately referred to disciplinary panel are not settled through ADR.

5. The benefits of an ADR process include:
  - a. timely, cost-effective dispute resolution, and
  - b. the opportunity to draft a resolution that
    - i. meets the needs of the registrant, the statutory mandate of the regulator and
    - ii. which may not be available to a disciplinary panel. (e.g. a resignation of membership or an agreement that includes attendance at a drug rehabilitation clinic.)
6. ADR proceedings should be conducted by an appropriately trained individual.
7. The parties to the ADR process are the registrant and the engineering regulator. The complainant is not a party but may be requested to provide input into the process and any agreed-upon resolution. Both parties and the complainant may, but need not, be represented by legal counsel.
8. The ADR process should allow a reasonable amount of time for resolution but should not extend the disciplinary process unreasonably.
9. Any agreement reached should be documented and should include:
  - a. all agreed-upon facts;
  - b. all admissions on the part of the registrant; and
  - c. the outcome of the ADR process.Agreements and decisions must be ratified by a statutory committee of the regulator and should be issued as an order of that committee.
10. If, as part of the resolution, the registrant agrees to practice restrictions, then the said practice restrictions should be published in the register.
11. If ADR is unsuccessful in achieving resolution, or if the resolution is rejected by the committee or compliance is breached, all records of the ADR process should be destroyed. No admissions made by the registrant or offers exchanged during the ADR process should be used by the regulator in the subsequent disciplinary process.
12. No committee member who is involved in the ADR process should sit on a disciplinary panel.

## Definitions

**Alternative dispute resolution:** a process or processes for the full or partial resolution of one or more matters which would otherwise be dealt with via disciplinary proceedings and includes without limitation:

- (i) negotiation;

- (ii) mediation;
- (iii) such other process as the parties agree to; or
- (iv) a combination of the above.

*(definition adapted from bylaws of APEGBC s. 18)*

**Related**

Element: Discipline practices

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding Canadian experience requirement. Key questions for consideration:

- Where circumstances warrant, should the Canadian experience requirement be satisfied by an alternate comparable method?
- What criteria should be considered when an alternative comparable method is substituted for the Canadian work experience requirement?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Canadian experience requirement

under revision July 2016

### Purpose and policy direction

To establish fair and defensible practices in the application of the Canadian work experience requirement. Regulators should have a flexible approach in the application of the work experience requirement to ensure that it does not present an inappropriate or discriminatory barrier to licensure.

### Key Considerations

1. As part of a regulator's mandate to protect the public interest, the regulator must be satisfied that applicants a) possess core engineering competencies and b) have the capability to work in the Canadian environment.
2. Core engineering competencies include the ability to:
  - a. apply engineering knowledge, methods and techniques
  - b. use engineering tools, equipment or technology
  - c. protect the public interest
  - d. manage engineering activities
  - e. communicate engineering information
  - f. work collaboratively in a Canadian environment
  - g. maintain and enhance professional knowledge and skills

3. Some aspects of the Canadian environment differ from international environments, including:
  - a. engineering and regulatory practices
  - b. applicable laws, codes and standards
  - c. technical practices
  - d. business practices
  - e. customs, culture, conditions and climate
4. Regulators rely on a minimum work experience under the supervision of a professional engineer licensed in Canada as a primary assessment method to demonstrate an applicant's readiness for licensure.
5. Regulators should, in appropriate circumstances, use alternate comparable methods to the Canadian work experience.
6. Regulators must ensure that the Canadian work experience requirement does not present an inappropriate or discriminatory barrier to licensure for candidates who might otherwise obtain and demonstrate the core engineering competencies through other methods.
7. Many of the core competencies can be obtained and demonstrated through experience obtained outside of Canada, and regulators should accept such experience when they are of equal value as Canadian experience.
8. Assessment of Canadian experience should focus on development of the required competencies, not upon the length of time in practice. Canadian work experience gained as part of post-graduate degree work may be recognized.
9. Engineering regulators should recognize experience obtained outside Canada as being comparable to Canadian experience where applicants demonstrate satisfactory knowledge of local Canadian engineering laws, practices, standards, customs, culture, codes, conditions, climates, and technology.
10. Engineering regulators should consider alternative methods by which applicants can demonstrate the required knowledge and competencies, which may include: examinations, gap analysis and customized bridging programs, detailed references, mentoring and interviews.

## Related

Element: Competency assessment  
Element: Fair registration practices

Engineers Canada Qualifications Board National Guideline on Admission to the Profession

Core Engineering Competencies



### Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding a code of conduct. Key questions for consideration:

- Should there be a code of conduct for the profession?
- What issues should be captured in the code of conduct?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Code of conduct

under revision – July 2016

### Purpose and policy direction

To establish and articulate standards of professional conduct to complement and supplement the code of ethics. A code of conduct provides practical guidance to registrants in complying with their professional obligations and facilitates the protection of the public by forming the basis for uniform disciplinary action.

### Key Considerations

1. The code of conduct is a more detailed and practical extension of the code of ethics, which provides practical guidance for specific aspects of engineering practice. A code of conduct may sometimes be titled differently such as: professional conduct or procedural guidelines.
2. The code of conduct applies to all registrants, including limited licence / permit holders and engineers-in-training.
3. Violations of the code of conduct may constitute professional misconduct.
4. The code of conduct addresses a wide range of issues, including, but not limited to:
  - a. the registrant's obligation to key stakeholders:
    - i. public

- ii. employers / clients
  - iii. employees / subordinates
  - iv. other engineers
  - v. profession / regulator
- b. key ethical issues including:
- i. conflict of interest situations
  - ii. independence and impartiality
  - iii. confidentiality and protection of privacy
  - iv. values and fairness
- c. and, unless covered elsewhere, professional practice issues including:
- i. use of seal and signature (if not included in legislation)
  - ii. availability and diligence
  - iii. fees
  - iv. advertising and promotion
  - v. continuing professional development
- d. activities not specified elsewhere that call into question the integrity of the registrant

**Related:**

Element: Code of ethics

Engineers Canada Qualifications Board Guideline on the Code of Ethics  
Engineers Canada Qualifications Board Model Guide: Concepts of Professionalism

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding fitness to practice. Key questions for consideration:

- What is the appropriate balancing of issues for fitness to practice procedures?
- Does the protection of the public override a registrant's livelihood?
- Is there a right for the regulator to require disclosure of confidential health information?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Fitness to practice

under revision July 2016

### Purpose and policy direction

Procedures that address concerns regarding fitness to practice due to health issues will protect the public interest. Procedures that seek appropriate remedial outcomes will permit registrants to return to practice.

### Key considerations

1. Fitness to practice is the ability to practice safely in accordance with accepted standards of practice and to comply with professional obligations.
2. Fitness to practice may be impacted by physical or mental health issues which may arise at any time during a registrant's career.
3. In order to protect the public, engineering regulators require that members be fit to practice at the time of licensure and at all times throughout their careers.
4. Where there is a concern about a registrant's fitness to practice, the engineering regulator should conduct an investigation.
5. Where necessary, legislative authority should be sought so that concerns regarding the fitness to practice can be dealt with through a dedicated process and not through the disciplinary process.
6. Fitness to practice investigations should be conducted in accordance with the principles of natural justice and the applicant/registrant has the right to full disclosure of relevant information in the possession of the regulator and the right to make submissions before a determination is made.

7. Determinations regarding fitness to practice must be based on expert assessments of an individual's physical/mental health.
8. If an applicant is found to be unfit to practice, a licence will not be granted. If a registrant is found to be unfit to practice, the registrant's licence may be suspended. These determinations must be revisited once the individual is able to establish his/her fitness to practice.
9. The goals of the fitness to practice process are the protection of the public and rehabilitation of the individual. There is no punitive or deterrent function.
10. The fitness to practice process is strictly confidential with appropriate levels of privacy protection over health information. Hearings are to be held in private and decisions are not publicly reported however restrictions to practice must be published on the register. However, information may be disclosed in related disciplinary proceedings.

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding information to be included in the register. Key questions for consideration:

- Information included in the register is viewed by many different stakeholders including: registrants, employers, clients, public, competitors, counterpart regulators and politicians. Each stakeholder has a different lens from which they view this information. What information should be included or excluded from the register?

If you have any questions, or would like to submit your feedback, please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Information to be included in the register

under revision July 2016

### Purpose and policy direction

The regulator protects the public interest by ensuring that the public has access to meaningful, relevant information regarding registrants, which enhances the ability of the public to make decisions regarding professional services and increases the accountability of the regulator.

### Key considerations

1. The regulator maintains a register of all individuals and entities registered.
2. The register is available to the public, preferably on the regulator's website.
3. Decisions regarding the information to be included on the public register strike an appropriate balance between the principles of public protection and accountability, fairness and privacy.<sup>1</sup> The publicly available register should be protected against automatic download bots.
4. Each entry in the public register includes:
  - a. registrant's full name,
  - b. unique registration identification number
  - c. type of license and specialist status, if anyd. any conditions or restriction on the registrant's license or ability to practice

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<sup>1</sup> Advisory Group for Regulatory Excellence: *Transparency Principles*, 2015

- e. any pending suspension of the licence or registration
  - f. any findings of professional misconduct or incompetence made by a disciplinary tribunal
5. The Registrar retains discretion to omit a name from the register where necessary for the safety of the registrant.

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding membership rights and responsibilities. Key questions for consideration:

- What are the appropriate categories of registrants who should be eligible for membership?
- What are the appropriate types of membership?
- What rights and privileges should accompany membership?
- What responsibilities should accompany membership?

If you have any questions, or would like to submit your feedback please contact:

Don Mayne  
Practice Lead, Framework for Regulation  
Engineers Canada  
[don.mayne@engineerscanada.ca](mailto:don.mayne@engineerscanada.ca)

**We welcome your feedback!**

## Membership rights and responsibilities under revision

### Purpose and policy direction

Common classes of membership facilitates professional mobility. Clearly defining the rights and responsibilities of different classes of members will enhance the governance of engineering regulators

### Key considerations

#### Eligibility for membership

1. The following categories of registrants are eligible for membership:
  - a. Professional Engineers in good standing
  - b. Limited licence holders
2. The following categories of registrants may be eligible for membership at the discretion of the engineering regulator:
  - a. Other licensees / permit holders
  - b. Engineers-in-training
3. The following categories of registrants are not eligible for membership:
  - a. Organizations
  - b. Students
4. Neither citizenship nor province of residence should be a requirement for membership.

### Membership categories

5. Engineering regulators may establish types of membership, including:
  - a. Regular
  - b. Life
  - c. Retired / non-practicing
  - d. Honorary

### Membership rights and privileges

6. Regular members in good standing have all of the following rights:
  - a. Practice engineering in accordance with the conditions of their registration
  - b. Use of protected titles
  - c. Attending annual meetings of members and meetings of the Council
  - d. Receiving notice of annual meetings of members
  - e. Voting at annual meetings of members and in elections
  - f. Nominating or running for any position on Council
  - g. Receiving notice of the results of elections held under the Act
  - h. Attending courses, seminars, talks or presentations offered by the regulator
  - i. Receiving the regulatory body's official publication
  - j. Receiving any other notice, document or information provided by the regulator and intended for members
7. Other categories of members may have some of the same rights as regular members, but may not have all rights.
8. Members in good standing may receive privileges including:
  - a. Participation on any committee, task groups, etc. established by Council
  - b. Access to benefit, affinity or discount programs

### Membership responsibilities

9. Regular members have responsibilities, including:
  - a. Ensuring that current contact information is provided to the regulator



- b. Payment of dues and fees as assessed by the regulator
  - c. Providing regular information and reports as required
  - d. Compliance with continuing competence requirements including continuing professional development
10. Membership responsibilities may be waived or reduced for certain categories of membership.
11. Waiver of compliance with continuing competence requirements may only be granted to non-practicing categories of members.
12. Regulators will establish requirements for transferring between practicing and non-practicing categories.

**Definitions:**

**Membership:** refers to those individuals who are members of the corporation which is the engineering regulator, and have the corresponding rights. Membership is not synonymous with registration.

**Related:**

Element: Titles, rights and responsibilities of registrants

Element: Rights and responsibilities of non-practicing members

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding practice reviews. Key questions for consideration:

- What is the appropriate purpose of practice reviews?
- How should a regulator select members who should be subject to a practice review?
- What should be the possible outcomes of a practice review?
- When should a referral to discipline be the appropriate outcome?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Practice review

under revision – July 2016

### Purpose and policy direction

Practice review programs protect the public by ensuring that registrants maintain their competencies in the areas in which they practice and follow standards of practice. A risk-based program of practice review allows a regulator to proactively engage with registrants to assist them in meeting their professional obligations.

### Key considerations

1. Practice review forms part of the regulator's program for ensuring continuing competence of registrants. Practice review is complementary and supplementary to continuing professional development, in that continuing professional development addresses continued competence via the acquisition of knowledge and skill, whereas practice review assesses competence in practice.
2. The practice review program is intended to be remedial and educational in nature, rather than punitive.
3. The practice review program is applicable to all registrants, and the regulator uses a risk-based assessment to identify candidates for review. Factors may include:
  - a. area of practice
  - b. size of organization
  - c. change of status of the registrant
  - d. results of a previous practice review
  - e. receipt of complaints

4. Practice reviews are conducted by trained assessors and follow a standardized process.
5. Practice reviews may examine the process by which engineering work is produced, the application of knowledge in the field of practice and the end product of the registrant's work. The evaluation criteria are the minimum standards of practice.
6. Results of practice reviews are considered by the regulator and may lead to outcomes including:
  - a. recommendations for improvements to practices
  - b. requirement to undergo additional training/development
  - c. referral to disciplinary process if professional misconduct is discovered
7. Practice reviews are conducted on a periodic basis. Registrants should be subject to a risk based assessment at least once every 5 years.
8. Results of practice reviews may be disclosed in the event that the matter is referred to discipline but are otherwise confidential.

## Definitions

**Practice review:** A formal review of the practice of a registrant, examining the elements of the process by which the engineering work is produced, the application of knowledge in the area of practice and the end products of the registrant's work.<sup>1</sup>

## Related

Element: Continuing professional development

Engineers Canada Qualifications Board Guideline on Continuing Professional Development and Continuing Competence for Professional Engineers

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<sup>1</sup> Adapted from Canadian Engineering Qualifications Board Guideline on Continuing Professional Development and Continuing Competence for Professional Engineers

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding public identification of engineering expertise. Key questions for consideration:

- What should be the criteria for specialist designations?
- What are the limits on registrants self-identifying areas of interest or focus of practice?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Public identification of engineering expertise

under revision-July 2016

### Purpose and policy direction

A national system of specialist certifications will protect the public by restricting a specific specialist engineering practice to engineers who hold a specialist designation.

Consistent national guidelines regarding self-identification by registrants of areas of interest / focus will assist registrants in providing information to the public about their services in a manner which protects the public interest.

### Key considerations

#### Specialist designation

1. Specific specialist professional engineering practices, such as structural engineering, may be reserved for those registrants who hold a specialist designation.
2. Specialist designations are additional qualifications available to those registrants who meet additional education, examination and experience requirements.
3. Specialist designations entail additional ongoing obligations to ensure competence, including continuing professional development and specialty practice hours.
4. Specialist designations are only available to actively practising professional engineers and professional engineers must continue to practise to maintain the specialist designation.

5. Specialist designations may be revoked in the same manner as a licence.

Self-identification of areas of practice

6. Registrants may describe themselves or advertise their services in a manner which indicates their areas of interest or focus of practice.
7. Registrants may not assume any title or designation that has not been duly granted and may not use the term 'specialist'.
8. Registrants must not advertise their services or expertise in an untruthful or misleading manner.
9. Registrants may only offer services, advise on or undertake engineering assignments in areas of their competence.

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding rights and responsibilities of non-practicing members. Key questions for consideration:

- What is the regulator's continuing obligation to non-practicing members?
- What are the appropriate rights and privileges of non-practicing members?
- What are the appropriate responsibilities of non-practicing members?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Rights and responsibilities of non-practicing members

under revision-July 2016

### Purpose and policy direction

One or more clearly defined categories of membership status, rights and responsibilities for non-practicing members will protect the public and provide clarity to members regarding their professional obligations.

### Key considerations

1. The interests of the public and the profession are served by the regulator recognizing individuals as members even when they are not actively engaged in the practice of engineering.
2. Members who are not engaged in active practice should be subject to different rights and responsibilities from those who are active.
3. Non-practicing members are defined as members who:
  - a. are not conducting any activity that is within the definition of the practice of engineering
  - b. who are not using the P.Eng. designation in a manner which could lead the public to reasonably place reliance on the professional skills or judgement of the engineer
4. Non-practicing status may be temporary or permanent, and may apply to individuals who are:

- a. on leave (medical / parental)
- b. unemployed/not working
- c. retired
- d. not currently resident in the province / country

#### Rights and privileges

- 5. Non-practicing members retain all the rights and privileges of membership, with the exception of:
  - a. the right to practice engineering
  - b. the right to use a protected title in any situation which could lead a member of the public to reasonably place reliance on the individual's professional skills and judgement
  - c. the right to run for positions on Council

#### Responsibilities

- 6. Non-practicing members are subject to lesser responsibilities than practicing members, specifically:
  - a. reduction or waiver of dues or fees
  - b. exemption from continuing competence requirements including continuing professional development

#### Transition

- 7. Members in good standing are granted non-practicing status upon a request accompanied by appropriate supporting documentation.
- 8. Non-practicing members may return to active practice upon request after a period of less than two years of inactivity.
- 9. Members wishing to return to active practice after a period of more than two years may be required to demonstrate proof of current competence.

#### **Related:**

Element: Rights, titles and responsibilities

Element: Membership rights and responsibilities

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding sharing of regulatory information. Key questions for consideration:

- When is it appropriate for a regulator to share otherwise confidential information about registrants?
- When appropriate, what information should a regulator share?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Sharing of regulatory information

under revision-July 2016

### Purpose and policy direction

A regulator recognizes that sharing of certain registrant information with other engineering regulators may be necessary to protect the public interest. Regulators strike an appropriate balance between the protection of confidential information and the need to share regulatory information.

### Key considerations

1. A regulator's duty is to protect the public interest.
2. Regulators have the power to collect personal and confidential information in support of their regulatory mandate, and have a legal requirement to protect personal information from improper disclosure.
3. Regulators must act in accordance with the provincial engineering acts and should seek clarifying legislation where legislation is unclear regarding the ability and/or obligation to disclose regulatory information that is collected from members.
4. Regulators may disclose regulatory information in response to a request for information or may do so on their own initiative, particularly where the public interest needs safeguarding.
5. The appropriateness of disclosure may depend in part on the stage of the proceedings:



- a. regulatory information related to investigations is generally confidential
  - b. regulatory information related to disciplinary proceedings is more likely to be available to the public
6. The appropriateness of disclosure may depend in part on the intended recipient of the information:
- a. disclosure to other engineering regulators or similar professional regulatory bodies is generally permissible and recommended
  - b. disclosure to law enforcement is generally permissible
  - c. disclosure to the public is permissible where there is an identified threat or risk to public safety or welfare

### Definitions

**Regulatory Information:** for the purposes of this element, regulatory information may include:

1. the fact of a complaint or investigation in relation to a registrant
2. information, documents, or evidence generated or obtained during the course of an investigation
3. findings made by a complaints/investigative or discipline committee

### Related

Element: Complaints, discipline and investigation practices

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding specialist certifications. Key questions for consideration:

- What criteria should be used to create a new specialist certification?
- What should be included in the plan for a certification program?
- What terms and conditions should be placed on the certification?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Specialist certifications

under revision-July 2016

### Purpose and policy direction

The purpose of this framework element is to define criteria for the creation of specialist certification and the ongoing maintenance requirements of the certification program. The creation and management of specialist certifications by regulators shall serve and protect the public interest.

### Key considerations

1. Regulators recognize that legislators may require the creation of a new specialist certification.
2. Regulators recognize that legislation may emanate from formal commissions, inquiries or judicial findings or recommendations suggesting the creation of a specialist certification. In such cases, the regulator will work with the appropriate authorities and stakeholders to ensure any resulting specialist certification program is properly legislated, designed and built.
3. Regulators recognize that some legislation (examples below) may refer to a requirement of an engineering specialist but that this does not necessarily require the creation of a specialist certification program.

4. When pending legislation mandating a new specialist certification is tabled, the affected regulator shall provide immediate notice to its counterparts and canvass opportunities for national participation and acceptance of the specialty certification.
5. Where two jurisdictions recognize the same specialist certification, both regulators shall apply the mobility provisions of the Agreement on Internal Trade.
6. In the absence of a legislated requirement to create a specialty certification, regulators will not create a specialty certification without first seeking a consensus of provincial and territorial regulators to create a parallel specialty certifications across Canada.
7. The purpose of the specialty certification shall be defined and must include a statement as to how it will serve and protect the public interest.
8. Specialty certification is often in practice areas where there is increased threat to public safety and for this reason the regulator shall ensure defensibility in program activities.
9. The plan for a specialty certification program shall include its development, implementation, maintenance, administration and revision activities.
  - a. The regulator shall determine, validate and publish a profile of the competencies, tasks, eligibility and performance criteria that are necessary to achieve certification. This profile will be reviewed on a regular schedule.
  - b. The certification program must include valid, reliable and fair assessment methods.
  - c. Certification information shall be posted and shall clearly identify the fees and renewal requirements.
  - d. The program shall develop internal policies for accommodation, appeals and requirements for renewal of certification.
  - e. Renewal requirements may include continuing quality assurance, assessment procedures, continuing professional development, portfolio reviews, and other forms of evidence.
10. Certification granted shall be for fixed periods following which certified registrants may apply for renewal.
11. The regulator shall take all necessary steps to obtain title protection for the specialist certification (e.g. Struct. Eng.) and for the ongoing enforcement of that title protection.
12. Certification may be revoked by the regulator in a similar process as the revocation of a licence to practice.

13. The continued validity of a certification shall be contingent on the holder being in active practice and maintaining a current licence.
14. The regulator will maintain a publicly available list of all certified registrants.
15. Where a regulator becomes aware of a privately sponsored specialty certification or certificate program in its jurisdiction, the regulator shall inform its counterparts and canvas views on a joint response.

**Definition:**

“Specialist certification” is an additional qualification to a professional engineer designation available to those registrants with the necessary established set of competencies gained from education, training and experience.

**Related:**

Element: Public identification of engineering expertise

Element: Technical examinations

Element: Applicants registered in another province or territory

2016 Standards for the Accreditation of Certification Programs published by the National Commission of Certifying Agencies (revised November 2014)

**Research:**

**Elliot Lake Commission Inquiry Recommendation 1.5** – “The prescribed structural inspection should be conducted in accordance with the Performance Standard by a structural engineering specialist who has met the Professional Engineers of Ontario qualification and requirements to be so certified.”

**Example of mandatory legislation:**

|                                |                                                        |
|--------------------------------|--------------------------------------------------------|
| Designated Structural Engineer | Bylaw 11(h) (1) of the Engineers and Geoscientists Act |
|--------------------------------|--------------------------------------------------------|

**Examples of demand side (non-mandatory) legislation:**

|                                       |                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Temporary Work Engineering Specialist | Occupational Health and Safety Act, R.S.O. 1990, chapter O.1 R.S.O. 1990, Reg. 859 Amended to O. Reg. 532/92 |
| Safety Engineering Specialist         | Occupational Health and Safety Act, R.S.O. 1990, chapter O.1 R.S.O. 1990, Reg. 851 Amended to O. Reg. 280/05 |
| Structural Engineering Specialist     | Public Transportation and Highway Improvement Act, R.S.O. 1990, Chapter P.50,                                |

|                                          |                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | Ontario Regulation 104/97, amended to O. Reg. 160/02, Standards for Bridges                                                                                                                                                                                                                                                                        |
| Sanitary Engineering Specialist          | Safe Drinking Water Act, 2002, S.O. 2002, Chapter 32, Ontario Regulation 242/05, no amendments, compliance and enforcement<br>Ontario Regulation 170/03, amended to O. Reg. 253/05, Drinking Water Systems                                                                                                                                         |
| Water Resources Engineering Specialist   | Sustainable Water and Sewage Systems Act, 2002, S.O. 2002, Chapter 29                                                                                                                                                                                                                                                                              |
| Flammable Fuels Engineering Specialist   | Technical Standards and Safety Act, 2000, S.O. 2000, Chapter 16,<br>Ontario Regulation 214/01, no amendments, Compressed Natural Gas<br>Ontario Regulation 217/01, no amendments, Liquid Fuels<br>Ontario Regulation 210/01, no amendments, Oil and Gas Pipeline Systems<br>Ontario Regulation 211/01, no amendments, Propane Storage and Handling |
| Elevating Devices Engineering Specialist | Technical Standards and Safety Act, 2000, S.O. 2000, Chapter 16<br>Ontario Regulation 209/01, amended to O. Reg. 185/03, Elevating Devices                                                                                                                                                                                                         |

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding titles, rights and responsibilities. Key questions for consideration:

- For each category of registrant, what should be the identified rights and responsibilities?
- Which category should be entitled to use a protected title?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Titles, rights and responsibilities of registrants under revision – July 2016

### Purpose and policy direction

Clearly defined categories of membership status, rights and responsibilities for registrants will protect the public interest and provide clarity to registrants and regulators regarding their professional obligations. Common titles, rights and responsibilities across the country will facilitate professional mobility and enhance the understanding and safety of the public.

### Key considerations

1. The regulator defines and articulates distinct categories of registration.
2. The rights and responsibilities associated with each category of registrant are commensurate with the required qualifications and competencies.
3. The regulator may apply terms and conditions to any individual's licence or registration, commensurate with the individual's qualifications and competencies.
4. Professional engineers have the right to practise engineering independently in accordance with the Act, regulations, bylaws, code of ethics and code of conduct, and are accountable for their work. They have the right to use protected titles.
5. Limited licence holders have the right to practise within a restricted and specified scope of professional engineering. They are accountable for their work and must practise in accordance with the Act, regulations, bylaws and code of ethics and code of conduct. They have the right to use a protected title.

6. Holders of other types of restricted licence (provisional, temporary, etc.), have the right to practise within the restrictions set out in the licence, and are accountable for their work. They must practise in accordance with the Act, regulations, bylaws, code of ethics and code of conduct, and may use a protected title.
7. Organizations may be authorized by the regulator to practice professional engineering. Their practice must be in accordance with the Act, regulations, bylaws, code of ethics and code of conduct. A professional engineer must be accountable for all engineering work.
8. Engineers-in-training have the right to perform acts which fall within the practice of engineering under the supervision of a professional engineer, who is accountable for their work. They must become familiar with the Act, regulations and bylaws and must abide by the code of ethics and code of conduct. They have the right to use a protected title.
9. Engineering students include i) those in Canadian Engineering Accreditation Board-accredited programs and ii) those who are studying in a non-accredited program. They may be affiliated with the regulators through outreach and other programs. Engineering students do not have the right to practise engineering other than in circumstances where a professional engineer is accountable for their work. Engineering students do not have the right to use a protected title.

## Related

Elements:      Licensing requirements and competencies: professional engineers  
                    Licensing requirements and competencies: limited licence  
                    Licensing requirements and competencies: engineers-in-training  
                    Membership rights  
                    Accountability of engineering organizations

Engineers Canada Qualifications Board Guideline on the Practice of Professional Engineering in Canada

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding use of international registers. Key questions for consideration:

- With international mobility on the increase, what use should be made of international registers?
- Should there be any additional requirements imposed on the applicants who seek registration under an international register?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Use of international registers

under revision-July 2016

### Purpose and policy direction

Use of international registers will simplify and accelerate the registration of experienced engineers.

### Key Considerations

1. Multinational agreements such as the International Professional Engineers Agreement (IPEA) and the Asia-Pacific Economic Cooperation Engineers Agreement (APEC) facilitate foreign qualification recognition in Canada and the mobility of Canadian engineers abroad.
2. Multinational agreements provide for recognition of substantial equivalency of standards and quality assurance systems used to establish competency of engineers based on a rigorous and ongoing peer evaluation process.
3. Regulators recognize that competent, seasoned engineers, who have been assessed and registered in another jurisdiction, should go through a different registration process than new graduates however individuals from each group are held to an equivalent standard.
4. Regulators accept that registrants recognized pursuant to a multinational agreement to have achieved an international standard of competence that provides context to the regulator's assessment of the academic, work experience and good character requirements for registration.



5. Applicants for registration pursuant to a multinational agreement must meet the law and ethics requirement by successful completion of the professional practice exam as well as any language requirement.
6. Regulators shall maintain necessary records to meet annual reporting where required by a) the multi-national agreement or b) their province or territory

## **Related**

Element: Negotiating international recognition agreements

Engineers Canada Qualifications Board National Guideline on Admission to the Profession

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding authentication of engineering documents. Key questions for consideration:

- What are the overarching principles regarding the sealing of engineering documents?
- Where do practitioners have the most difficulty in determining whether or not to seal a document?
- What do public misunderstandings arise regarding the appearance of the engineering seal?

If you have any questions, or would like to submit your feedback, please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

We will be accepting feedback on this element at this time.

**Thank you for your input!**

## Authentication of engineering documents

in revision:

### Purpose and policy direction

The purpose is to clarify the appropriate use of the engineer's seal, stamp or digital signature. Published professional standards and practices for the authentication of engineering documents will enhance protection of the safety, health and welfare of the public.

### Key considerations

1. The seal, stamp and digital signature (collectively referred to as the "seal") are distinctive marks issued by the regulator for the identification of individual professional engineers in the practice of engineering.
2. The regulator shall publish professional standards and practices for the use of the seal to support:
  - a. registrants in the performance of their professional role,
  - b. the public's understanding and interpretation of engineering documents and
  - c. the perception of engineers as professionals.
3. The regulator, in compliance with legislation, shall:
  - a. prescribe the form and design of seal to be used;

- b. determine the personal identification that is to appear in the seal including name, registration number, expiry date, any statement of limitations such as in the case of temporary registration and professional designations;
  - c. the proper methodology for sealing a document insofar as applying the seal, adding the registrant's signature (as opposed to printing or initialing) and the date;
  - d. publish the qualifications, process and fees required by the regulator to issue or replace a seal;
  - e. set the conditions and the circumstances requiring the seal's destruction or return to the regulator; and
  - f. protect against any improper or fraudulent use.
4. The regulator shall publish a principles document for registrants and the public that clearly outlines:
  - a. the purpose of the seal and of affixing the seal on documents;
  - b. how and what the seal communicates from the registrant to the public for the purpose of reliance in relation to the:
    - i. knowledge, skill and ethical conduct applied;
    - ii. professional engineering decision, opinion, judgment or design; and
    - iii. authorship, date, limitations regarding the use of the document;
  - c. what the seal does not communicate and in particular the difference between a warranty of accuracy and correctness and the professional engineering decision, opinion, judgment and design;
  - d. what an unsealed document cannot communicate in terms of reliance;
  - e. the understanding of the assumption of legal liability through the provision of engineering services that is unaffected by the authentication of professional identity by affixing the seal on the engineering document;
  - f. the importance of not implementing a sealing fee for affixing their seal to documents;
  - g. the distinction between a certificate of authorization and an engineering seal;
  - h. the obligation on the registrant alone to comply with the legislated requirements and the guidelines of the regulator when determining whether the seal is required or should not be applied in a given circumstance; and
  - i. an outline of the potential penalties for misusing a seal.
5. The regulators should produce and publish a descriptive explanatory guide regarding the appropriate use of the seal and best practices, including:
  - a. when the seal must be used or should not be used;
  - b. what versions of documents (e.g. final, interim, draft, incomplete) should be sealed;
  - c. how attachments or bound documents should be handled;
  - d. the sealing of multi-discipline engineering documents;
  - e. working in engineering teams and the respective obligations of subordinates, coordinators and supervisors;
  - f. various document types such as:

- i. shop drawings;
    - ii. documents that incorporate generic standard drawings; and
    - iii. as-built and record drawings;
  - g. handling verification, review or approval processes;
  - h. protecting against inadvertently communicating authorship in areas of the document that are beyond the registrant's competence;
  - i. the extent to which activities connected with affixing the seal can be delegated;
  - j. registrants working as employees providing engineering services to their employer and those occasions when the employee registrant must apply their seal to comply with legislation;
  - k. addressing modifications, revisions or updating of prior engineering work sealed by another registrant;
  - l. the due diligence of verification required of prior engineering works;
  - m. how translated versions or other adaptations are to be handled;
  - n. the circulation of photocopies of sealed documents;
  - o. guidance on clarifying limitations that should be marked on document at the time it is sealed (e.g. "For approval by . . ."; "For permit to . . ."; "For tender"; "For construction...");
  - p. how the professional should retain full control over the use of the seal and protect against misuse and report fraudulent use of any engineering seal; and
  - q. documents that may invite an engineer's signature but require no underlying engineering services (e.g. passport applications or contracts).
- 6. With the increasing prevalence of electronically prepared and issued documents, the regulator shall adapt the legislation, standards and practices to allow for electronic seals and digital signatures to be applied when engineering services are in an electronic format.
- 7. As part of the best practice guidelines the use of engineer seals, the regulator should consider references to overlapping issues such as:
  - a. document management processes for preparing, authorizing, verification, reviewing, duplicating, distributing, destruction, retaining and archiving sealed engineering documents;
  - b. procedure management processes for the underlying engineering work,
  - c. guidance on copyright law when incorporating standard drawings or copying and reproducing prior engineering work; and
  - d. contractual language that further clarifies limitations on the intended use of the sealed engineering documents, copyright and liability issues.

## Draft for Consultation

Your input is requested on the following Framework Element. Engineers Canada is seeking expert feedback and validation regarding independent review of structural design. Key questions for consideration:

- What are the overarching principles regarding an independent review of structural design?
- Where do practitioners have the most difficulty in determining whether to obtain an independent review?

If you have any questions, or would like to submit your feedback, please contact:

Kathryn Sutherland  
Vice-President, Regulatory Affairs  
Engineers Canada  
[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

We will be accepting feedback on this element at this time.

**Thank you for your input!**

## Independent review of structural design

in revision:

### Purpose and policy direction

The purpose is to clarify the appropriate use of an independent review of structural design and the nature of the retainer relationships in independent reviews. Published professional standards and practices for the independent review of structural design and the respective obligations under the review retainer will enhance the safety, health and welfare of the public.

### Key considerations

- 1) The regulator will develop standards and guidelines for practicing members regarding requirements for independent review of structural designs.
- 2) Guideline context - The guideline shall
  - a) reflect that it represents a minimum standard and that the engineer should exercise reasonable discretion to go beyond the guidelines;
  - b) confirm that legislative requirements prevail over any conflict with the wording in the guideline;
  - c) identify that it must be read in context with other guidelines and standards and
  - d) indicate that non-compliance is considered a violation of the standards of practice including the code-of-ethics.
- 3) Triggers for a review – The guideline shall

- a) identify the classes of structural designs (external or internal) that require an independent review and, in particular the need to consider potential public risk as a trigger requiring a review;
  - b) identify any classes of structural design that are exempt from a requirement for independent review;
  - c) describe the review requirements regarding repetitive designs;
  - d) the project timing when a review, or reviews in multi-phase projects, must take place and
  - e) those engineers on a project who are primarily responsible and any secondary responsibilities of other engineers on the project to ensure that an independent review is completed.
- 4) Review purpose - The guideline shall discuss the need for the retainer agreement to reflect
- a) the purpose of the review in relation to the design requirements, the relevant code and whether the engineering documents insofar as structural design meet professional standards;
  - b) the appropriate extent of the review and the discretion of the reviewer to extend the scope of review based on progressive findings;
  - c) the duties of the respective parties and
  - d) the method in which any reviewer's critiques, concerns or deficiencies are to be addressed.
- 5) Review activities – The guideline will discuss the review activities such as
- a) the design criteria, loads and performance requirements;
  - b) geotechnical requirements and materials properties;
  - c) integrity and continuity of paths of the gravity and lateral load-resisting systems;
  - d) sufficiency of documentation for identification of the essential components and for construction guidance;
  - e) those items that, in the reviewer's discretion, should be captured by the review and follow-up regarding critiques, concerns or deficiencies identified by the reviewer.
- 6) Review documentation - The guideline will identify
- a) the requirements for documentation of the review activities including
    - i) identity of the reviewer;
    - ii) the timing of the review in relation to the project timelines;
    - iii) the elements of the design that were reviewed;
    - iv) the calculations that were done or confirmed by the review engineer;
    - v) correspondence and notes of oral communications;
    - vi) whether there were any critiques, concerns or deficiencies with the originating engineer or design and the rationale for those and;
  - b) the archiving of copies of all documentation.
- 7) Qualifications of the reviewer - The guideline will identify
- a) minimum qualifications for the reviewer;
  - b) required and appropriate (type and scale) structural design expertise;
  - c) availability of the reviewer to conduct a proper review;

- d) required ability of the reviewer to critique, raise concerns and identify deficiencies;
  - e) required independence and objectivity of the reviewer and
  - f) avoidance of conflicts of interest with the project, the design and the originating engineer.
- 8) Obligations of the originating engineer – The guideline will describe
- a) the ultimate responsibility of the originating engineer over the engineering work notwithstanding an independent review;
  - b) the review requirements in relation to project components designed by other engineers;
  - c) the difference between a reviewer and a verifier, validator or proof engineer;
  - d) the need for overarching structural duties notwithstanding fragmented design functions;
  - e) the obligation not to change reviewers without disclosure to both reviewers;
  - f) required qualities necessary for the engineering documents, structural plans and supporting documents being sent for review including:
    - i) completeness of the design and specifications;
    - ii) accuracy of the details and calculations;
    - iii) site reports including geotechnical, climatic, soil specifications and seismic criteria;
    - iv) design loads and performance criteria and
    - v) such further information as requested by the review engineer;
  - g) transparency and candid disclosure of any assumptions, areas of concern, risks or doubts; and
  - h) the requirement to maintain a willingness to receive all nature of feedback from the reviewer and to maintain an open dialogue with the reviewer.
- 9) Obligations of the reviewing engineer – The guideline will address
- a) the factors that the reviewing engineer shall consider to determine the scope and degree of review including:
    - i) assessing public and property risk;
    - ii) criticality or degree of harm;
    - iii) complexity of the design;
    - iv) industry standards;
    - v) design repetition within the structure;
    - vi) deviations from traditional designs;
    - vii) quality and comprehensiveness of documents from the originating engineer;
  - b) the requirement to maintain a willingness to provide all nature of feedback and to maintain an open dialogue with the originating engineer;
  - c) the requirement to communicate directly with the originating engineer and not with others unless permission is obtained from the originating engineer; and
  - d) the requirements for follow-up activities resulting from critiques, concerns or deficiencies identified by the reviewing engineer.

References:

[Documented Independent Review of Structural Design](#), *Quality Management Guidelines*; APEGBC, March 31, 2016

# Selection of members for the discipline committee from the profession

revised: June 30, 2016

## Purpose and policy direction

To set out best practices when considering registrants who are not currently practicing for appointment to a discipline committee. The public interest will be protected when the regulator establishes selection criteria for appointments that are aligned with legal case law.

## Key considerations

1. Registrants may stop practicing on a temporary or permanent basis for a variety of reasons including pregnancy leaves, disability, unemployment and retirement. Nevertheless, these individuals may seek and be eligible to fill certain committee roles at the regulator.
2. An important privilege of self-regulation is the authority to be the preliminary and primary adjudicator on allegations of incompetence or professional misconduct.
3. The finality of decisions of discipline committees is enhanced in those jurisdictions where there are legislated provisions that restrict or limit rights of appeal or review.
4. Upon appeal or review, courts give deference to the findings of a discipline committee on the premise that the committee members have a special expertise. The courts have reasoned as follows:
  - a. through repeated experience, discipline committees develop a capacity to draw inferences from facts related to professional practice and to assess the frequency and level of threat to the public;
  - b. discipline committees arguably have greater expertise than courts in the choice of sanction for breaches of professional standards; and
  - c. current members are uniquely positioned to identify professional misconduct and to appreciate its severity.

Note: Where the court used the expression “current members”, it appears the remark was referring to a discipline committee member who happened to be a “current member.” The remark does not appear to be a judicial effort to distinguish “current members” from other classes of members, such as retired members or lifetime members, who may also be “uniquely positioned to identify professional misconduct and to appreciate its severity”.

5. Any decision by a regulator to select non-practicing registrants to serve on discipline committees shall be made by setting out criteria that is consistent, in spirit, with the aforesaid principles.



6. The criteria shall include profession related expertise in addition to other eligibility requirements.

7. The criteria shall be subject to an appropriate approval process of the regulator.

8. Profession related expertise

The regulator shall identify the level of profession related experience that is necessary for members of the discipline committee. This shall include:

- a) years of experience in practice;
- b) maximum number of years since the member has practiced in the profession;
- c) the nature and scope of the member's practice experience; and
- d) the degree of training and orientation necessary and available to familiarize a new committee member with discipline committee case law and the established standards for sanctions.

A regulator must not include any age requirement in violation of applicable human rights legislation.

9. Additional eligibility requirements:

The regulator shall identify eligibility requirements for discipline committee membership. These requirements may include:

- a. prior volunteer experience with the regulator;
- b. prior committee experience with the regulator;
- c. adjudication skills (listening, communication and writing);
- d. conflict of interest guidelines; and
- e. membership class and status.

The membership class and status eligibility requirement for committees may be addressed in the by-laws. The courts have focused attention on profession related experience rather than membership class.

10. Duties and expectations:

The regulator shall publish duties and expectations to enable potential applicants to self-assess their abilities. The duties and expectations may include:

- a. availability and time commitment;
- b. knowledge regarding the disciplinary principles and processes; and
- c. estimated duration an assigned file might be active.

11. Term of appointment and renewability

The regulator shall establish a policy regarding the term of appointment and renewal. This policy should also discuss whether files assigned and commenced during the term of appointment are to be completed by the assigned committee member, notwithstanding the expiry of the term.

12. The regulator shall review their documented eligibility criteria on a periodic basis to ensure currency.

## Draft for Consultation

Your input is requested on the following Framework Element.

Engineers Canada is seeking expert feedback and validation of the Framework Element *Uniformity and harmonization*.

- What are the benefits of uniform or harmonized legislation, standards, policies and practices in the engineering profession?
- What are the necessary activities to achieve the principles of uniformity and harmonization?

If you have any questions, or would like to submit your feedback please contact:

Kathryn Sutherland

Vice-President, Regulatory Affairs

Engineers Canada

[Kathryn.sutherland@engineerscanada.ca](mailto:Kathryn.sutherland@engineerscanada.ca)

**We welcome your feedback!**

## Uniformity and harmonization

**under revision**

### Purpose and policy direction

To enable the full potential of the profession's ability to serve Canadians by identifying, unifying or harmonizing regulatory legislation, standards, policies and practices where practical and desirable.

### Key considerations

- 1) The regulator supports, where practical and desirable, the principles of uniformity and harmonization of regulatory legislation, standards, policies and practices:
  - a) to promote open, efficient, stable domestic regulatory environment;
  - b) to enhance the growth and competitiveness of the profession within the Canadian and global economies;
  - c) to improve clarity, understanding, transparency and environmentally sound practices for the public and profession;
  - d) to reduce and eliminate to the extent possible, barriers and obstacles
    - i) to the free movement of graduates, registrants within Canada and
    - ii) for individuals and organizations doing business within Canada;
  - e) to promote equal professional opportunity and treatment for graduates and registrants throughout Canada regardless of background;
  - f) to promote and provide accreditation tools for the development of quality pre- and post-licensure engineering education that ensures environmental soundness, resilience and sustainability;

- g) to strengthen the regulation of the profession by drawing on the expertise of regulators, legal experts, the profession, advisors and the public from across Canada;
  - h) to provide true value for the profession by providing a service that many regulators could not otherwise afford or achieve;
  - i) to recognize legitimate objectives to accommodate the diverse social, cultural and economic characteristics of the provinces;
  - j) to respect the legislative authorities of Parliament and the provincial legislatures under the Constitution of Canada; and
  - k) to give due consideration to the bilingual character of Canada and the fact that two legal systems are to be served.
- 2) The regulator supports the following activities as necessary to achieve the principles of uniformity and harmonization of regulatory legislation, standards, policies and practices:
- a) the drafting of non-partisan, updated, well-conceived and well-drafted national documents, namely:
    - i) regulatory framework elements,
    - ii) national guidelines; and
    - iii) model guides;
  - b) consultation on inter-provincial issues;
  - c) the promotion of eligible important, timely and emerging areas that call for a widely-accepted uniform or harmonized solution;
  - d) the contribution by regulators of their jurisdictional experience to provide input and feedback to national documents;
  - e) the validation through regulators, legal experts, the profession, advisors and the public from across Canada;
  - f) the seeking and utilization of legislative vehicles and amendments to legislation that are best designed to facilitate the attainment of uniformity and harmonization;
  - g) seeking harmonization in those cases where uniformity is unattainable or inappropriate;
  - h) guarding against the creation of diverging legislation, standards, policies and practices;

- i) a spirit of willingness to adopt or harmonize their own regulatory practices and documents to align with the national documents; and
- j) the encouragement of provincial counterparts to consider, adopt and implement national documents.

**Related:**

**Definitions:**

“uniform” means standard across jurisdictions

“harmonize” means a coordinated effort to make comparable

The following organizations share similar principles and objects of uniformity and harmonization.

**Hague Conference** (<https://www.hcch.net/>) on private international law is the world organization for cross-border co-operation in civil and commercial matters.

**International Institute for the Unification of Private Law**, commonly known as (<http://www.unidroit.org>) is an independent intergovernmental organization whose purpose is to study ways of harmonizing and coordinating the private law of states and groups of states and to gradually prepare for the adoption by its various members of uniform rules of private law.

**Uniform Law Commission** (<http://www.uniformlaws.org/>) has served the states and their citizens by drafting state laws on subjects on which uniformity across the states is desirable and practicable.

**Uniform Law Conference of Canada** (<http://www.ulcc.ca/>) was founded in 1918 to harmonize the laws of the provinces and territories of Canada, and where appropriate the federal laws as well. The Uniform Law Conference of Canada also makes recommendations for changes to federal criminal legislation based on identified deficiencies, defects or gaps in the existing law, or based on problems created by judicial interpretation of existing law.

**United Nations Commission on International Trade Law** (<http://www.uncitral.org>) is the core legal body within the United Nations system in the field of international trade law. UNCITRAL has been tasked by the General Assembly with furthering the progressive harmonization and unification of international trade law, in particular by preparing new international conventions, model laws and uniform laws.

The following organizations have overarching authority over specific cross-jurisdictional regulatory issues:

**Internal Trade Secretariat** (<http://www.ait-aci.ca/>) The Agreement on Internal Trade was signed by Provincial and Territorial trade ministers to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investment within Canada and to establish an open, efficient, and stable domestic market.

**The European Commission** ([http://ec.europa.eu/growth/single-market/index\\_en.htm](http://ec.europa.eu/growth/single-market/index_en.htm)) effects a plan to unlock the full potential of the Single Market. A functioning Single Market stimulates competition and trade, improves efficiency, raises quality, and helps cut prices. It has fuelled economic growth and made the everyday life of European businesses and consumers easier.

# Briefing Note – Decision

## COMMITTEE / TASK FORCE TERMS OF REFERENCE, HUMAN RESOURCES AND WORK PLANS

**Purpose:** To approve committee and task force Terms of Reference, work plans and human resources plans.

**Motion(s) to consider: (requires a simple majority of votes cast to carry)**

1. That Council approve the Legislation Committee (LEC) and Licensing Committee (LIC) Terms of Reference as presented to the meeting at C-511-2.8, Appendices A and B.
2. That Council approve the Licensing Committee (LIC) 2017 Human Resources and Work Plans as presented to the meeting at C-511-2.8, Appendix C.

**Prepared by:** Fern Gonçalves, CHRP, Director People Development

**Moved by:** Councillor Bellini, P.Eng.

### 1. Need for PEO Action

One of the roles of Council, as identified in the *Committees and Task Forces Policy* (Role of Council, Item 3), is to approve committee/task force mandates, Terms of Reference, annual work plans, and annual human resources plans.

The Legislation Committee (LEC) and Licensing Committee (LIC) have submitted their Terms of Reference as mandated by Council to meet the March 31 deadline. In accordance with the *Committee and Task Force Policy – Reference Guide* (Sections 2.5 and 3.2), the documents were submitted to the Advisory Committee on Volunteers (ACV) for review and comment. At the March 2, 2017 ACV meeting, a motion was passed to accept the Legislation Committee (LEC) and Licensing Committee (LIC) Terms of Reference.

The following committee has submitted their human resources and work plans for Council approval:

| Committee                 | HR plan |
|---------------------------|---------|
| Licensing Committee (LIC) | ✓       |

### 2. Proposed Action / Recommendation

- That Council approve the submitted LEC and LIC Terms of Reference as presented.
- That Council approve the submitted human resources and work plan for the respective committee.

### 3. Next Steps (if motion approved)

The approved documents will be posted on the PEO website.

### 4. Peer Review & Process Followed

|                         |                                                                                                                                                                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Process Followed</b> | <ul style="list-style-type: none"> <li>• The LIC and LEC Terms of Reference were submitted to People Development in January - February 2017.</li> <li>• The 2017 LIC HR and Work plan was submitted to People Development in January 2017.</li> </ul> |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Council Identified Review</b> | <b>N/a</b>                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Actual Motion Review</b>      | <ul style="list-style-type: none"> <li>In accordance with the <i>Committee and Task Force Policy – Reference Guide</i> (Sections 2.5 and 3.2), the Terms of Reference documents were submitted to the Advisory Committee on Volunteers (ACV) for review and comment. The ACV reviewed the documents at its March 2, 2017 meeting. No recommendations were proposed for LEC and LIC.</li> </ul> |

**5. Appendix**

- Appendix A – Legislation Committee (LEC)
  - i) Terms of Reference (changes are identified in grey highlight)
- Appendix B – Licensing Committee (LIC)
  - i) Terms of Reference (no change, resubmitted to address term limit requirements)
- Appendix C – Licensing Committee (LIC)
  - i) 2017 Human Resources and Work Plans



## LEGISLATION COMMITTEE (LEC)

### Terms of Reference

Issue Date: February 10, 2017

Review Date: September 30, 2017

Approved by:

|                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Legislated and other Mandate Approved by Council</b></p>                  | <p>Section 30(1) of By-Law No. 1 grants Council the power to appoint the Legislation Committee. By Resolution dated May 8<sup>th</sup>, 2009, Council appointed the Legislation Committee as a Board Committee, comprised entirely of sitting Councillors. Its mandate is to provide oversight and guidance to matters pertaining to PEO's Act, Regulation and By-Laws. This will include but not be limited to:</p> <ul style="list-style-type: none"> <li>(i) acting as custodian for PEO Legislation, identifying PEO policies, rules and operational issues which touch on or affect PEO Legislation and providing guidance as to which of these should be put into legislation;</li> <li>(ii) overseeing draft changes to PEO Legislation;</li> <li>(iii) keeping Council apprised of relevant external Legislative initiatives and changes which may affect PEO Legislation;</li> <li>(iv) in accordance with the Regulatory Policy Protocol approved by Council, reviewing all referred policy proposals that involve authority from the Act, Regulations or By-Laws, and providing regulatory impact analysis and recommendations to Council pursuant, and;</li> <li>(v) reviewing Ontario legislation that conflicts with the authority or provisions of the <i>Professional Engineers Act</i> or its Regulations, and making recommendations for corrective actions pursuant.</li> </ul> |
| <p><b>Key Duties and Responsibilities</b></p>                                   | <p>In support of its mandate, the duties of the Legislation Committee will include but not be limited to identifying regulatory issues for address; monitoring and reviewing policy proposals and providing regulatory impact analysis, providing policy instruction to the Attorney General as per Council's approved intents, and reviewing draft legislation for alignment between policy intent and legislative provisions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>Constituency &amp; Qualifications of Committee/Task Force Members</b></p> | <p>In accordance with the Committees and Task Forces Policy Guideline, as a Board committee, members are appointed each year. The Committee will be composed of seven members. Council has appointed five members, all of whom are currently Councillors. There are also two Ex-Officio members, the President and the President-Elect, as required by Section 30(3) of By-Law No.1.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>Term Limits for Committee Members, Chair and Vice Chair</b></p>           | <p>In accordance with the <i>Committees and Task Forces Policy</i>, Board committee members are appointed annually by Council at the AGM. Committee members can be re-appointed, but under normal circumstances should not serve on a given committee for more than five (5) consecutive years.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>Qualifications and Election of the Chair</b></p>                          | <p>There are no specific qualifications required to be Chair of this Committee. The Chair is chosen by the members.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                                         |                                                                                                                                                         |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualifications and Election of the Vice-Chair(s)</b> | There are no specific qualifications required to be Vice-Chair of this Committee. The Vice-Chair is chosen by the members.                              |
| <b>Duties of Vice-Chair(s)</b>                          | The Vice-Chair will chair meetings where the Chair is unavailable.                                                                                      |
| <b>Quorum</b>                                           | A quorum will be three of the five non-ex officio members.                                                                                              |
| <b>Meeting Frequency &amp; Time Commitment</b>          | The Committee will meet a minimum of 4 times per year. Meetings may be held by teleconference. Meetings are expected to last approximately three hours. |
| <b>Operational Year Time Frame</b>                      | The Committee's operational year will begin just after the Annual General Meeting, and end at the next Annual General Meeting.                          |
| <b>Committee Advisor</b>                                | Deputy Registrar, Tribunals and Regulatory Affairs.                                                                                                     |

# Licensing Committee (LIC)

C-511-2.8  
Appendix B

## Terms of Reference

Issue Date: September 2014

Review Date: January 19, 2017

Approved by:

Review by: Licensing Committee

|                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Legislated or other Mandate approved by Council</b></p>                   | <p><i>To coordinate and integrate the ongoing development of PEO's licensing requirements and processes, including the inputs of other PEO committees and external stakeholders involved in the licensing process</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Key Duties and Responsibilities</b></p>                                   | <ol style="list-style-type: none"> <li>1. Identify the need for, and prioritize, enhancements to PEO's licensing policies, criteria, and processes.</li> <li>2. Propose to Council the creation of subcommittees / task groups to develop licensing policy in specific policy areas, including their population and terms of reference.</li> <li>3. Coordinate the development of proposals for Council approval to enhance PEO's licensing criteria and processes, including appropriate peer review.</li> <li>4. Ensure the involvement of PEO's legislated committees involved in licensure (ARC, ERC, LEC, REC) in peer review of proposed changes to PEO's licensing criteria and processes.</li> <li>5. Assess threats from external sources to the integrity of PEO licensing criteria and processes, and propose proactive strategies and tactics to address them for Council approval.</li> <li>6. Review and advise Council with respect to proposals from internal and external stakeholders for changes to PEO's licensing criteria and processes.</li> <li>7. Maintain, on behalf of Council, a prioritized high-level plan for development and implementation of changes to PEO's licensing criteria and processes.</li> <li>8. Track and document developments and practices in other self-regulating professions with respect to licensure.</li> <li>9. Maintain dialogue with Engineers Canada and its Constituent Associations and boards (CEAB and CEQB) on issues related to licensure.</li> <li>10. Review and comment on elements of the National Framework for Licensure that are relevant to PEO's licensing criteria and processes.</li> <li>11. Communicate regularly with Council and important stakeholders to keep them up to date on issues and developments related to licensure.</li> </ol> |
| <p><b>Constituency &amp; Qualifications of Committee/Task Force Members</b></p> | <p>Nine members as follows:</p> <ul style="list-style-type: none"> <li>• two (2) to be nominated by the Academic Requirements Committee (ARC) – one for a 3-year term, and one for a 2-year term;</li> <li>• two (2) to be nominated by the Experience Requirements Committee (ERC) – one for a 3-year term, and one for a 2-year term;</li> <li>• one (1) to be nominated by the Registration Committee (REC) for a 3-year term;</li> <li>• one (1) to be nominated by the Legislation Committee (LEC) for a 1-year term, as liaison with LEC and Council;</li> <li>• three (3) other members to be drawn from among PEO volunteers with extensive domain knowledge of licensure – one for a 3-year term, and two for a 2-year term.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                | <p>Because of the importance of retaining a solid base of domain knowledge with respect to licensure, it is expected that all committee members will have significant experience with licensure, and that committee turnover will be slower than that of most standing committees.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>Qualifications and election of the Chair</b></p>         | <p>Extensive knowledge of PEO's licensing criteria and processes acquired through volunteering on ARC, ERC, REC, LPTF, and/or NFTF.</p> <p>Broad understanding of the concepts and principles of professional self-regulation and of PEO's core regulatory processes.</p> <p>Election method to be determined by the Committee.</p> <p>Chosen nominee presented to Council for ratification.</p>                                                                                                                                                                                                                                                                                                                      |
| <p><b>Qualifications and election of the Vice Chair(s)</b></p> | <p>Same as for Chair.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>Duties of Vice Chair(s)</b></p>                          | <p>To chair meetings of the main Committee in the chair's absence, and to provide orientation and training for new members.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>Term Limits for Committee members</b></p>                | <p>The objective for term lengths and limits on the Committee is to strike a balance between continuity of knowledge and experience, on the one hand, and proper succession and introduction of "new blood", on the other hand.</p> <p>With the exception of the LEC appointee (an annual appointment, since LEC members are appointed annually by Council), a term on this Committee is either two (2) or three (3) years, with the variation in term length designed to stagger turnover and ensure continuity.</p> <p>Committee members may be reappointed, but under normal circumstances, should be expected to retire from the committee for at least two years after a contiguous term of seven (7) years.</p> |
| <p><b>Quorum</b></p>                                           | <p>5 members</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Meeting Frequency &amp; Time Commitment</b></p>          | <p>The Committee will meet in person at least quarterly, for at least two hours. Additional meetings may be scheduled commensurate with the Committee's workload.</p> <p>Mutually convenient meeting times will be determined by the Chair in consultation with the Committee members.</p> <p>Teleconferencing / videoconferencing facilities may be made available for members unable to attend in person.</p>                                                                                                                                                                                                                                                                                                       |
| <p><b>Operational year time frame</b></p>                      | <p><i>January – December</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Committee advisor</b></p>                                | <p><i>Deputy Registrar - Licensing and Registration</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

# WORK AND HR PLAN - 2017

## LICENSING COMMITTEE (LIC)

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                    |                                                                                                                                    |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Approved by Committee:</b> January 19, 2017                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Review Date:</b> January 19, 2018                                                                                                                                                                                               |                                                                                                                                    |
| <b>Approved by Council:</b> March 24, 2017                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Approved Budget:</b> \$ 9,250 (2017)                                                                                                                                                                                            |                                                                                                                                    |
| <b>Mandate [as approved by Council]</b>                          | To coordinate and integrate the ongoing development of PEO's licensing requirements and processes, including the inputs of other PEO committees and external stakeholders involved in the licensing process.<br>(Established by Council resolution: September 26, 2014)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                    |                                                                                                                                    |
| <b>Key Duties and Responsibilities [from Terms of Reference]</b> | <ol style="list-style-type: none"> <li>1. Identify the need for, and prioritize, enhancements to PEO's licensing policies, criteria, and processes.</li> <li>2. Propose to Council the creation of subcommittees / task groups to develop licensing policy in specific policy areas, including their population and terms of reference.</li> <li>3. Coordinate the development of proposals for Council approval to enhance PEO's licensing criteria and processes, including appropriate peer review.</li> <li>4. Ensure the involvement of PEO's legislated committees involved in licensure (ARC, ERC, LEC, REC) in peer review of proposed changes to PEO's licensing criteria and processes.</li> <li>5. Assess threats from external sources to the integrity of PEO licensing criteria and processes, and propose proactive strategies and tactics to address them for Council approval.</li> <li>6. Review and advise Council with respect to proposals from internal and external stakeholders for changes to PEO's licensing criteria and processes.</li> <li>7. Maintain, on behalf of Council, a prioritized high-level plan for development and implementation of changes to PEO's licensing criteria and processes.</li> <li>8. Track and document developments and practices in other self-regulating professions with respect to licensure.</li> <li>9. Maintain dialogue with Engineers Canada and its Constituent Associations and boards (CEAB and CEQB) on issues related to licensure.</li> <li>10. Review and comment on elements of the National Framework for Licensure that are relevant to PEO's licensing criteria and processes.</li> <li>11. Communicate regularly with Council and important stakeholders to keep them up to date on issues and developments related to licensure.</li> </ol> |                                                                                                                                                                                                                                    |                                                                                                                                    |
| <b>Tasks, Outcomes and Success Measures</b>                      | <b>Task / Activity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Outcomes / Success Measures</b>                                                                                                                                                                                                 | <b>Projected Completion Date</b>                                                                                                   |
|                                                                  | 1. Coordinate with legislated licensing-related committees (ARC, ERC, REC) on licensing policy matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Provide support to the other committees and coordinate their inputs and peer review                                                                                                                                                | As required                                                                                                                        |
|                                                                  | 2. Coordinate with Legislation Committee (LEC) resolution of proposed Act and Regulation changes previously proposed and approved by Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• Clarification of policy intent</li> <li>• Council approval of required policy changes</li> </ul>                                                                                          | As required<br>(Bulk of work related to TK-17 Reg changes should be completed by Dec. 2016, but follow up may be required in 2017) |
|                                                                  | 3. Monitor licensing of individuals practising in emerging disciplines / scopes of practice and assist with process issues arising                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• Critical mass of licensees in emerging disciplines / scopes of practice</li> <li>• Applicants in emerging disciplines / scopes of practice well handled by licensing processes</li> </ul> | Dec. 2016 for CIE<br>Dec. 2017 for NME                                                                                             |

## WORK AND HR PLAN - 2017

### LICENSING COMMITTEE (LIC)

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                          |                                                     |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
|                                               | <p>4. Consider new licensing policy items including:</p> <ul style="list-style-type: none"> <li>• Certifications in emerging scopes of practice</li> <li>• Appeal process for determinations with respect to academics and experience</li> <li>• Powers of the Registration Committee</li> <li>• Competency-based assessment of experience</li> <li>• The Provisional Licence</li> <li>• The Temporary Licence</li> <li>• Structured Internships</li> </ul>                                                                                                                                                                                                                                                           | <p>Policy documents issued for peer review</p> <p>Potential Act and Regulation changes for review by LEC</p> <p>Briefing Notes with resolutions for Council approval</p> | <p>In calendar 2017 - priority to be determined</p> |
| <b>Committee Members</b>                      | <p>George Comrie (Chair), Nov. 2014 - Dec. 2017 (LPTF)<br/>           Barna Szabados (Vice Chair), Nov. 2014 - Dec. 2017 (ARC)<br/>           Roydon Fraser, Nov. 2014 – Dec 2018 (ARC) (reappointed January 2017)<br/>           Santosh Gupta, Nov. 2014 - Dec. 2017 (ERC)<br/>           Ravi Gupta, Nov. 2014 – Dec 2018 (ERC) (reappointed January 2017)<br/>           Chee Lee, Nov. 2014 - Dec. 2017 (REC)<br/>           Bob Dony, Nov. 2014 - Apr. 2017 (LEC)<br/>           Christian Bellini, Nov. 2014 - Dec. 2018 (NFTF) (reappointed January 2017)<br/>           David Kiguel, Jan. 2017 – Dec 2018 (PEO member at large with extensive domain knowledge of licensure)</p>                            |                                                                                                                                                                          |                                                     |
| <b>Terms Limits [from Terms of Reference]</b> | <p>The objective for term lengths and limits on the Committee is to strike a balance between continuity of knowledge and experience, on the one hand, and proper succession and introduction of “new blood”, on the other hand.</p> <p>With the exception of the LEC appointee (an annual appointment, since LEC members are appointed annually by Council), a term on this Committee is either two (2) or three (3) years, with the variation in term length designed to stagger turnover and ensure continuity.</p> <p>Committee members may be reappointed, but under normal circumstances, should be expected to retire from the committee for at least two years after a contiguous term of seven (7) years.</p> |                                                                                                                                                                          |                                                     |
| <b>Succession Plan</b>                        | <p>Identify volunteers with background and interest in licensure to replace Committee members who:</p> <ul style="list-style-type: none"> <li>• move on to other Committee or Council responsibilities</li> <li>• reach the end of their contiguous term limit</li> <li>• are no longer willing or able to serve on the Committee</li> </ul> <p>well in advance of the above occurrences.</p> <p>Note that some members of this Committee are nominated by other PEO committees such as ARC, ERC, LIC, and REC.</p>                                                                                                                                                                                                   |                                                                                                                                                                          |                                                     |
| <b>Inter-Committee Collaboration</b>          | <p>Academic Requirements (ARC), Experience Requirements (ERC), Legislation (LEC), Registration (REC), National Framework Task Force (NFTF), Canadian Engineering Accreditation Board (CEAB), Canadian Engineering Qualifications Board (CEQB)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                          |                                                     |
| <b>Stakeholders</b>                           | <p>Engineers Canada and its other Constituent Associations<br/>           Ontario Association of Certified Engineering Technicians and Technologists (OACETT)<br/>           Council of Ontario Deans of Engineering (CODE)<br/>           Office of Ontario Fairness Commissioner</p>                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                          |                                                     |

## CHANGES TO THE 2017 PEO COMMITTEES AND TASK FORCES MEMBERSHIP ROSTER

**Purpose:** To approve changes to Sections 2 (Other Committees reporting to Council) of the *2017 PEO Committees and Task Forces Membership Roster*.

**Motion(s) to consider:** (requires a simple majority of votes cast to carry)

**That Council approve changes to the *2017 PEO Committees and Task Forces Membership Roster* as presented to the meeting at C-511-2.9, Appendix A.**

**Prepared by:** Fern Gonçalves, CHRP, Director People Development

**Moved by:** Councillor Bellini, P.Eng.

### 1. Need for PEO Action

It is the role of Council to approve annual rosters of committee members under the Committees and Task Forces Policy (Role of Council, Item 4) and authorize the membership of those volunteers who formally participate on its behalf through membership on committees and task forces. Furthermore, Council is asked to approve volunteer members of committees and task forces in accordance with PEO's insurance policy requirements.

Council approved the *2017 PEO Committees and Task Forces Membership Roster* at the November 18, 2016 meeting.

Appendix A sets out changes to the Sections 2 (Other Committees reporting to Council) of the approved Roster that require Council approval at this time.

### 2. Proposed Action / Recommendation

Approve the changes to Section 2 of the *2017 PEO Committees and Task Forces Membership Roster* as per the Committees and Task Forces Policy, Role of Council (Item 4).

### 3. Next Steps (if motion approved)

- a. The newly appointed and re-appointed members will be notified accordingly.
- b. Names of newly elected or re-elected Committee Chairs will be posted on the PEO's website.
- c. The updated *2017 PEO Committee and Task Force Membership Roster* will be posted on PEO's website.

### 4. Peer Review & Process Followed

|                         |                                                                                                                                                                                                                                              |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Process Followed</b> | Committees and Task Forces Policy – Role of Council<br>Item 4: Approve the annual roster of committee members.<br>The HRC reviewed the changes to the 2017 PEO Committees and Task Force Membership Roster at its meeting on March 23, 2017. |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 5. Appendices

- Appendix A – Changes to the *2017 PEO Committees and Task Forces Membership Roster*.

**Changes to the 2017 PEO Committees and  
Task Forces Membership Roster**

|                                        |
|----------------------------------------|
| <p><b>C-511-2.9<br/>Appendix A</b></p> |
|----------------------------------------|

**511<sup>th</sup> Council Meeting**

**New appointments:**

| <b>First/Last Name</b>  | <b>Service Dates</b>                     | <b>Committee / Task Force</b>                                                                                            |
|-------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Dan Gartenburg, P.Eng.  | February 13, 2017 –<br>December 31, 2017 | Professional Standards Committee (PSC) –<br>The Use of Professional Engineer Seal<br>Subcommittee                        |
| Peter Rusch, P.Eng.     | February 13, 2017 –<br>December 31, 2017 | Professional Standards Committee (PSC) –<br>The Use of Professional Engineer Seal<br>Subcommittee                        |
| Nasir Qureshi, P.Eng.   | February 13, 2017 –<br>December 31, 2017 | Professional Standards Committee (PSC) –<br>The Use of Professional Engineer Seal<br>Subcommittee                        |
| Gordon Debbert, P.Eng.  | March 2, 2017 –<br>December 31, 2017     | Consulting Engineer Designation Committee<br>(CEDC) – Western Subcommittee                                               |
| George Matsis, P.Eng.   | March 9, 2017 –<br>December 31, 2017     | Consulting Engineer Designation Committee<br>(CEDC) – Western Subcommittee                                               |
| Sadie Bachynski, P.Eng. | March 2, 2017 –<br>December 31, 2017     | Professional Standards Committee (PSC) –<br>ESDM Reports Subcommittee                                                    |
| Linda Drisdelle, P.Eng. | March 2, 2017 –<br>December 31, 2017     | Professional Standards Committee (PSC) –<br>ESDM Reports Subcommittee                                                    |
| Ravi Mahabir, P.Eng.    | March 2, 2017 –<br>December 31, 2017     | Professional Standards Committee (PSC) –<br>ESDM Reports Subcommittee                                                    |
| Tony Van Der Vooren     | March 24, 2017 –<br>December 31, 2017    | Professional Standards Committee (PSC) –<br>ESDM Reports Subcommittee                                                    |
| Tim Kirkby, P.Eng.      | March 24, 2017 –<br>December 31, 2017    | Government Liaison Committee (GLC) –<br>LGA Councillor                                                                   |
| Eric Czerniak, P.Eng.   | March 24, 2017 –<br>December 31, 2017    | Professional Standards Committee (PSC) –<br>Coordinating Licensed Professional Joint<br>Subcommittee                     |
| Majid Alikhani, P.Eng.  | March 24, 2017 –<br>December 31, 2017    | Professional Standards Committee (PSC) –<br>Coordinating Licensed Professional Joint<br>Subcommittee                     |
| Mike Hoffman, P.Eng.    | March 24, 2017 –<br>December 31, 2017    | Professional Standards Committee (PSC) –<br>Professional Engineers Providing Reports<br>on Mineral Projects Subcommittee |
| Eugene Puritch, P.Eng.  | March 24, 2017 –<br>December 31, 2017    | Professional Standards Committee (PSC) –<br>Professional Engineers Providing Reports<br>on Mineral Projects Subcommittee |

The above volunteers have completed a formal application process and, in consultation with the Committee Advisors, were evaluated by the Director, People Development and approved by the Registrar to serve on the respective subcommittees, in accordance with the *PEO Committee and Task Force Policy* (Section 7.4).

All volunteers have completed the *Equity and Diversity Awareness* and *PEO – Our Mandate* web-modules.



**Changes to the 2017 PEO Committees and  
Task Forces Membership Roster**

**511<sup>th</sup> Council Meeting**

**Changes to the Roster – election of Chairs/Vice Chairs and other:**

| <b>First/Last Name</b> | <b>Term<br/>[per Terms of Reference<br/>and C &amp; TF Policy]</b> | <b>Committee / Task Force</b>           |
|------------------------|--------------------------------------------------------------------|-----------------------------------------|
| Samer Inchasi, P.Eng.  | 1-year term                                                        | Education Committee (EDU) – Chair       |
| John Hazel, P.Eng.     | 1-year term                                                        | Education Committee (EDU) – Vice Chair  |
| Greg Allen, P.Eng.     | 1-year term                                                        | Equity and Diversity (EDC) – Vice Chair |

**Committee and Task Force Resignations/Retirements:**

| <b>First/Last Name</b>         | <b>Service Dates</b>             | <b>Committee / Task Force</b>                                                                                                              |
|--------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| John Bray, P.Eng.              | 2001 – February 1, 2017          | Complaints Committee (COC)                                                                                                                 |
| Robert Kivi, P.Eng.            | 2015 – January 24, 2017          | Consulting Engineer Designation Committee (CEDC) – CEO representative                                                                      |
| Len King, P.Eng.               | 2016 - November 9, 2016          | Council Term Limits (CTL) Task Force                                                                                                       |
| R.K. Jeff Jeffcoat, P.Eng.     | 2012 – January 15, 2017          | Professional Standards Committee (PSC) -<br>Guideline for Performance Audits and<br>Reserve Funds Studies for Condominiums<br>Subcommittee |
| Heather Swan, P.Eng.           | 2015 – February 3, 2017          | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee Chair                                         |
| Shovini Dasgupta,<br>P.Eng.    | 2015 – February 3, 2017          | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee                                               |
| Mohsin Keyvani, P.Eng.         | 2015 – February 3, 2017          | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee                                               |
| Dickson Odame-Osafo,<br>P.Eng. | 2015 – February 3, 2017          | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee                                               |
| Steven Rose, P.Eng.            | 2015 – February 3, 2017          | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee                                               |
| Donna Serrati, P.Eng.          | 2015 – February 3, 2017          | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee                                               |
| Betsy Varghese, P.Eng.         | 2015, 2017 – February 3,<br>2017 | Professional Standards Committee (PSC) -<br>Solid Waste Management Guideline<br>Subcommittee                                               |

## APPOINTMENT OF PEO DIRECTORS TO ENGINEERS CANADA BOARD

**Purpose:** To appoint two PEO representatives to serve on the Board of Directors of Engineers Canada in accordance with Council’s procedures.

**Motion(s) to approve: (requires a simple majority of votes cast to carry)**

That \_\_\_\_\_, P.Eng. and \_\_\_\_\_, P.Eng. be appointed as a PEO Director to the Engineers Canada Board of Directors, for a three-year term effective as of the 2017 Engineers Canada Annual General Meeting.

**Prepared by:** Fern Goncalves – Director, People Development

**Moved by:** Vice-President David Brown, P.Eng.

### 1. Need for PEO Action

The term of the following two PEO Directors appointed to the Engineers Canada Board of Directors expires at its 2017 Engineers Canada Annual General Meeting on May 27, 2017 when the new Board of Directors will be sworn in:

| Engineers Canada Director     | Term Start <sup>1</sup> | Term End |
|-------------------------------|-------------------------|----------|
| Annette Bergeron, P.Eng., FEC | May 2014                | May 2017 |
| George Comrie, P.Eng., FEC    | May 2014                | May 2017 |

<sup>1</sup> Engineers Canada appointments become effective at its Annual General Meeting, which is typically held in May each year

Therefore, Council is being asked to appoint two PEO representatives to the Board of Directors of Engineers Canada. The names of members who expressed their interest in serving as a PEO Engineers Canada Director are detailed in Appendix A.

### 2. Proposed Action / Recommendation

It is recommended that Council elect two PEO representatives to the Engineers Canada Board of Directors for a three-year term to replace those Directors whose terms are expiring.

### 3. Next Steps (if motion approved)

Engineers Canada would be advised of PEO’s approved appointees.

### 4. Peer Review & Process Followed

No peer review was required.

In accordance with the appointment process approved by PEO Council in November 2016, a memorandum was emailed to all eligible candidates, along with the terms of reference and expectations for directors, requesting members to submit their names by March 3, 2017.

### 5. Appendices

- Appendix A – Nominess for Appointment to Engineers Canada Board of Directors
- Appendix B – Terms of Reference, Expectations and Appointment Process for PEO Directors on Engineers Canada Board of Directors

## **Nominees for Appointment to Engineers Canada Board of Directors**

PEO's Process to Appoint an Engineers Canada Director, which was approved by Council on November 18, 2016, is detailed on pages 6 and 7 of Appendix B – *Terms of Reference, Expectations and Appointment Process for PEO Directors on Engineers Canada Board of Directors*.

The eligibility criteria requires that:

- A nominee must be a current Councillor, recent past Councillor (no more than 2 years since last on Council), or a current Engineers Canada Director; and
- Nominees must also be PEO and OSPE members.

The following is a list of nominees who have expressed interest in serving on the Engineers Canada Board as of March 3, 2017. All six nominees are confirmed as members of PEO and OPSE.

Annette Bergeron

Danny Chui

Nick Colucci

George Comrie

Tim Kirkby

Changiz Sadr



## Terms of Reference, Expectations and Appointment Process for PEO Directors on Engineers Canada Board of Directors<sup>1</sup>

### **Background:**

Engineers Canada is governed by a Board of Directors, consisting of one or more representatives from each Constituent Association. PEO appoints five representatives to this Board of Directors.

Engineers Canada is a federation of the provincial/territorial associations whose mandate is to coordinate the work of the Constituent Associations and to represent the profession nationally and internationally within the mandate provided by its Letters Patent and By-laws.

Specifically, section 6 of the Engineers Canada Articles of Continuance under the *Canada Not-for-profit Corporations Act* states:

#### 6. Statement of the purpose of the corporation

The purposes of the Corporation are to provide national support and national leadership to the engineering profession on behalf of its members, so as to promote and maintain the interests, honour and integrity of the engineering profession in Canada, and to do all such lawful things as are incidental to or conducive with the attainment of the foregoing purposes including, without limitation:

1) to establish and foster relationships with and among the provincial and territorial associations of professional engineers in Canada and to assist them in, among other things:

A. coordinating activities and policies, particularly in the areas of registration of engineers, mobility registered engineers and interprovincial practice;

B. promoting and maintaining high standards in the engineering profession;

C. supporting and encouraging high standards in engineering education;

D. developing effective human resources policies and promoting the professional, social and economic welfare of the members of the engineering profession;

E. promoting a knowledge and appreciation of engineering and of the engineering profession, and enhancing the relationship of the profession to the public; and

F. generally carrying out their various objectives and functions.

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<sup>1</sup> Approved by resolution at the November 2016 meeting of Council.



2) to act on behalf of and to promote the views of its members concerning the engineering profession in matters that are national or international in scope, including without limitation, international registration or certification. of engineers, and reciprocal practice;

3) to apply for or acquire and deal with or dispose of any trademark or copyright in any word(s), mark, design, slogan, or logo, or any literary, or other work, as the case may be, pertaining to the engineering profession or to its objects, and

4) to affiliate with, join or enter into arrangements or agreements to carry on any undertaking with or for the benefit the members of any society, association or other body having objectives similar or comparable to those of the Corporation.

### **Role of Engineers Canada Director:**

The role and responsibilities of the Engineers Canada Board and its Directors are outlined in the *Engineers Canada Board Policy Manual* under the *Global Governance Process (GP)* section.

GP – 3.1 *Director Terms of Reference* outlines the duties of an Engineers Canada Board of Director as follows:

The Board is comprised of Directors and Advisors collectively referred to as Board members. The terms of reference for Advisors are set out in GP-3.2.

#### **1. Purpose**

- 1.1 Provide a key linkage between the Board and the regulators.
- 1.2 Explore, debate, define and understand Engineers Canada's policies.
- 1.3 Ensure that the Board focuses on policy issues related to the engineering profession.
- 1.4 Set and monitor performance and expectations within the governance structure.

#### **2. In order to fulfill their purposes, Directors shall:**

- 2.1 Know the business of Engineers Canada.
- 2.2 Be informed of issues affecting, or likely to affect Engineers Canada and the regulators.
- 2.3 Contribute to the Board's decision-making process by: Discussing all matters freely and openly at Board meetings.
  - Working towards achieving a consensus which respects divergent points of view and is in the collective interest of Engineers Canada and the regulators.
  - Respecting the rights, responsibilities and decisions of the regulators.



2.4 Participate actively in the work of the Board including by serving on committees or task forces to achieve the Ends.

2.5 Directors shall review all monitoring reports and make suggestions to strengthen policy governance by considering the following questions:

- Is this policy necessary?
- Does this policy clearly reflect the Board's intent?
- Does this policy adequately set expectations for the CEO to enable me to monitor performance within the governance structure?
- Are the expectations set out in this policy reasonably achievable by the CEO?

2.6 When assigned the director shall,

- Complete form *Director Review of GP Policies*, a template for discussion of Governance Process policies,
- Act as the meeting monitor, to prepare the meeting evaluation report on the Board's governance process and complete form *Meeting Monitor*, or
- Act as the lead presenter of monitoring reports submitted by the CEO and complete form *Monitoring Report Assessment Tool*.

### 3. Ownership Linkage

Directors shall provide a linkage with the regulators by communicating the views of the regulators to the Board and communicating the Board's views to the regulators. In order to do so, Directors shall:

3.1 Be knowledgeable of the rules, regulations, policies and procedures governing the regulator that nominated/elected them.

3.2 Be informed and knowledgeable about issues at their regulator by reviewing their regulator's council/board briefing books and the minutes of all council/board meetings, and attending council/board meetings.

3.3 Advise their regulator of issues to be discussed by the Board and seek input so as to be able to communicate their regulator's position to the Board.

3.4 Present and explain the views and positions of their regulation to the Board on issues which impact on the activities of their regulator or the policies that guide the operation of their regulator.

3.5 When requested by their regulator, request that an agenda item be added and specific time be allocated at a regular meeting of the Board for the Director to present reports and, where required, present resolutions for action by the Board.

3.6 Inform their regulator of the activities, decisions and plans of Engineers Canada by requesting that an agenda item be added and a specific time be allocated at each regular meeting of the regulator's council/board for the Director to present reports or to receive guidance and direction.



3.7 Keep confidential all information in respect of which the Director is required to sign a confidentiality agreement.

#### 4. Additional Duties and Obligations

4.1 Directors shall comply with GP-3 Code of Conduct.

4.2 Directors shall comply with the duties and obligations of Directors as set out in Part 9 of the *Canada Not-for-profit Corporations Act*.

#### 5. Authority

5.1 As specifically set out in this policy or delegated by the Board.

The role and responsibilities of Engineers Canada Directors are further defined by the *Code of Conduct* outlined in GP-3 as follows:

The Board shall conduct itself in an ethical, professional and lawful manner. This includes proper use of authority and appropriate decorum. Board members shall treat one another and staff members with respect, co-operation and a willingness to deal openly on all matters.

1. Board members and members of Board committees must have loyalty to the entire ownership, unconflicted by loyalties to the chief executive officer, staff, other organizations or personal interests.
2. Directors shall discharge their duties honestly and in good faith and in accordance with s. 148 of the *Canada Not-for-profit Corporations Act*.
3. Directors have an ongoing obligation to disclose conflicts of interest in accordance with s. 141 of the *Canada Not-for-profit Corporations Act*.
  - 3.1. Board members and members of Board committees shall not use their Board position to obtain employment at Engineers Canada for themselves, family members, or close associates. Board members must resign from the Board before applying for employment with Engineers Canada.
4. Board members and members of Board committees shall maintain confidentiality with respect to all matters that come into their knowledge or possession in the course of performing their duties in accordance with GP-3.0.1 Confidentiality Policy.
5. Board members and members of Board committees shall not attempt to exercise individual authority over the chief executive officer or staff unless authorized by the Board.
6. Board members and members of Board committees shall not attempt to interact with the public, press or other entities or speak on behalf of the Board except to repeat explicitly stated Board decisions unless authorized by the Board.
7. Board members and members of Board committees, except the chief executive officer, will not express individual judgments of performance of the chief executive officer or staff other than during participation in Board deliberations.



8. Board members and members of Board committees shall be familiar with the incorporating documents, by-law, policies and legislation governing Engineers Canada as well as the rules of procedure and proper conduct meetings so that decisions of the Board may be made in an efficient, knowledgeable and expeditious fashion.
9. Board members and members of Board committees will support the legitimacy and authority of Board decisions regardless of their personal position on the issue.
10. Board members and members of Board committees shall participate in Board educational activities that will assist them in carrying out their responsibilities.
11. Board members shall attend meetings on a regular and punctual basis and be properly prepared to participate in Board deliberations.
12. Board members and members of Board committees shall ensure that unethical activities not covered or specifically prohibited by the foregoing or any other legislation are neither encouraged nor condoned and are reported.
13. A Board member or a member of a Board committee who is alleged to have violated this Code of Conduct shall be informed in writing and shall be allowed to present his or her views of such alleged breach at the next Board meeting. The complaining party must be identified. If the complaining party is a Board member, he or she and the respondent Board member shall recuse themselves from any vote upon resolution or censure or other action by the Board. Board members that are found to have violated the Code of Conduct may be subject to the following sanctions and/or discipline:
  - requirement to discontinue or modify his or her conduct giving rise to the complaint;
  - resign his or her position as a Board or committee member;
  - a report to the Board member's regulatory body;
  - termination of position on the Board or the committee with or without notice; or
  - such other reasonable and prudent sanction as appropriate in the circumstances.
14. Upon appointment, Board members and members of Board committees shall sign an acknowledgment of GP-3.0.1 Confidentiality Policy.
15. Upon appointment, Directors shall sign GP-3.1.1 Director Consent and Declaration.

#### **Expectations Regarding Principal Activities as They Relate to PEO:**

- Attend Engineers Canada meetings and report significant activities or decisions to PEO following each meeting, including a report on any special Engineers Canada projects.
- Attend PEO Council meetings. The Directors are expected to attend to the same standard to which a regular member of PEO Council is held.
- Provide a written report to Council through the Registrar in a timeframe acceptable so that it may be included in the Council meeting agenda package.





- Notify PEO's President and Registrar of any specific items for which he/she requires a decision of or guidance by, PEO Council, so that they may be included in the agenda for the next PEO Council meeting.

### **Eligibility:**

To be eligible, a nominee for the position of Engineers Canada Director must be a current Councillor, recent past Councillor (no more than 2 years since last on Council), or a current Engineers Canada Director. Nominees must also be PEO and OSPE members.

### **Term of Appointment for Directors:**

Appointment to the Engineers Canada Board is at the sole discretion of PEO Council. The term of appointment normally commences and ends at an annual meeting of Engineers Canada and shall normally be of three (3) years duration. However, PEO may determine a different term according to the circumstances of a particular appointment. Terms less than two years are discouraged as they may not allow for effective representation.

The maximum length of service as an Engineers Canada Director regardless of term length is 6 years which may be extended if the nominee secures the Engineers Canada presidency.

The Council of PEO may rescind the appointment of an Engineers Canada Director if it determines that the Director is not acting in accordance with these terms of reference.

Likewise, the Council, as it deems reasonable, may extend the term of appointment of any Director. Should a Director wish to extend his/her term, either to continue as a member of the Board of Directors or to serve on the Executive Committee, or seek the Office of President-Elect, a request shall be made at least three months prior to the expiration of the term, or in advance of such election, to the Council of PEO for such extension.

### **Performance Review:**

Council shall conduct an annual review of a Director's performance prior to the Annual General Meeting of Engineers Canada.

### **Process to Appoint an Engineers Canada Director**

The following process is to be used when making Engineers Canada Director appointments:

1. A call for nominations for appointment by PEO Council to the Engineers Canada Board of Directors will be sent to all eligible nominees.
2. The call for nominations will specify the closing date for nominations and require nominees to indicate his/her willingness to serve for up to a three-year term in accordance with the terms of reference, role and expectations of PEO's Directors on Engineers Canada Board of Directors as noted above.
3. A nomination does not require a seconder.



4. No nominations will be accepted after the deadline for submission of nominations or from the floor at the meeting at which such appointments are to be made.
5. At the meeting at which such appointments are to be made, the Chair shall read out the names of those members who have submitted nominations.
6. Each nominee will be afforded an opportunity to make a brief (2 minute) personal introduction should they so wish. Absent nominees may submit a written personal introduction. The Chair will read any comments received from absent nominees.
7. Councillors will vote for each available position separately and in succession until all positions have been filled. Voting will be by secret ballot in accordance with By-Law No. 1, s.25(4).
8. Prior to each round of voting, the Chair shall ask all nominees whether they wish to have their name stand for appointment.
9. Where there is only one nominee for a position, the Chair shall declare the nominee appointed to the Engineers Canada Board.
10. Where the number of nominees exceeds the number of positions available, the nominee receiving at least 50% plus 1 of the votes cast shall be declared appointed by the Chair.
11. Where no nominee receives at least 50% plus 1 of the votes cast in the first round of voting, the top four nominees receiving the most votes cast shall advance to a second round of voting. If there are only four nominees, the nominee receiving the lowest number of votes cast will be eliminated and not advance to the second round of voting.
12. In the event there is a tie in the last nominee position, the number of nominees advancing to the second round will be expanded to include those nominees that have tied for the last nominee position.
13. After each voting round following the first voting round, the nominee receiving the lowest number of votes cast will be eliminated and not advance to the next round of voting. Voting rounds will continue in accordance with steps 7 to 13 until one nominee receives at least 50% plus 1 of the votes cast.
14. In the event of a tie vote, the nomination as an Engineers Canada Director shall be decided by coin toss conducted by the Registrar.
15. Sitting members of Council who put their names forward to be considered for nomination to the Engineers Canada Board of Directors shall abstain from voting. However, should a Councillor's name be removed from the ballot, either through election or elimination, they may vote in any subsequent ballots.
16. If applicable, ballots cast will remain with the Secretariat until a motion to destroy the ballots has been passed by Council.

## CONSENT AGENDA

**Purpose:** To approve the items contained in the consent agenda

**Motion(s) to consider:** (requires a simple majority of votes cast to carry)

***That the consent agenda be approved.***

**Prepared by:** Dale Power, Secretariat Administrator

Routine agenda items that may be approved without debate are included in a consent agenda and may be moved in a single motion. However, the minutes of the meeting will reflect each item as if it was dealt with separately. Including routine items on a consent agenda expedites the meeting.

Items included on the consent agenda may be removed and dealt with separately if they contain issues or matters that require review.

Please review the minutes ahead of time for errors or omissions and advise Dale Power (416-224-1100, extension 1130 or [dpower@peo.on.ca](mailto:dpower@peo.on.ca)) if there are any required revisions prior to the meeting so that the minutes, when presented, may be considered within the consent agenda.

The following items are contained in the consent agenda:

- 3.1 Minutes – 510th Council meeting – February 3, 2017
- 3.2 Approval of CEDC Applications

## **OPEN SESSION MINUTES – 510<sup>th</sup> Council Meeting – February 3, 2017**

**Purpose:** To record that the minutes of the open session of the 510<sup>th</sup> meeting of Council accurately reflect the business transacted at that meeting.

**Motion to consider: (requires a simple majority of votes cast to carry)**

***That the minutes of the 510<sup>th</sup> meeting of Council, held February 3, 2017, as presented to the meeting at C-511-3.1, Appendix A, accurately reflect the business transacted at that meeting.***

Prepared by: Dale Power, Secretariat Administrator

### **1. Need for PEO Action**

In accordance with best business practices, Council should record that minutes of an open session of a meeting of Council accurately reflect the business transacted at a meeting.

### **2. Current Policy**

Section 25(1) of By-Law No. 1 states that meetings of PEO are to be governed by *Wainberg's Society Meetings*. Rule 27.5 of *Wainberg's* states that "There is no legal requirement to have minutes verified, but it is considered good practice. The motion does not by itself ratify or adopt the business transacted; it merely verifies the minutes as being correct [a correct record of the discussions held and decisions made at the meeting]."

### **3. Appendices**

- Appendix A - Minutes – 510<sup>th</sup> Council open session meeting – February 3, 2017



# Minutes

The 510<sup>th</sup> MEETING of the COUNCIL of PROFESSIONAL ENGINEERS ONTARIO (PEO) was held at PEO Offices, 40 Sheppard Avenue West, Toronto, Ontario on Friday, February 3, 2017 at 9:00 a.m.

- Present:
- G. Comrie, P.Eng., President and Chair
  - T. Chong, P.Eng., Past President
  - B. Dony, P.Eng., President-elect
  - D. Brown, P.Eng., Vice President (Appointed)
  - P. J. Quinn, P.Eng., Vice President (Elected) [via teleconference]
  - C. Bellini, P.Eng.
  - G. Boone, P.Eng.
  - M. Chan, P.Eng.
  - D. Chui, P.Eng.
  - G. Houghton, P.Eng. [via teleconference]
  - Q. C. Jackson Kouakou [via teleconference part of the meeting]
  - R. Jones, P.Eng.
  - T. Kirkby, P.Eng.
  - E. Kuczera, P.Eng.
  - L. Lederman, Q.C.
  - D. Preley, P.Eng.
  - N. Rush, C.E.T.
  - C. Sadr, P.Eng.
  - R.K. Shreewastav, P.Eng. [via teleconference]
  - M. Spink, P.Eng.
  - N. Takessian, P.Eng.
  - W. Turnbull, P.Eng.
  - M. Wesa, P.Eng.
- Regrets:
- R. A. Fraser, P.Eng.
  - R. Hilton, P.Eng.
  - M. Long-Irwin
- Staff:
- G. McDonald, P.Eng., Registrar
  - S.W. Clark, LL.B.
  - L. Latham, P.Eng.
  - C. Mehta
  - M. Price, P.Eng.
  - D. Smith
  - M. Wehrle
  - R. Martin
  - D. Power

Guests: A. Bergeron, PEO Director, Engineers Canada [minutes 11746 - 11762]  
H. Brown, Brown & Cohen [minutes 11746 - 11762]  
D. Campbell, Chair, Government Liaison Committee [minute 11763 d] only]

On Thursday evening, Council held a plenary session to discuss the Council Term Limits Task Force Report.

Council convened at 9:00 a.m. Friday, February 3, 2017.

#### **CALL TO ORDER**

Notice having been given and a quorum being present, the Chair called the meeting to order.

#### **11746 APPROVAL OF AGENDA**

Moved by Councillor Takessian, seconded by Councillor Jones:

**That:**

- a. the agenda, as presented to the meeting at C-510-1.1, Appendix A be approved as amended, and**
- b. the Chair be authorized to suspend the regular order of business.**

**CARRIED**

#### **11747 PRESIDENT/REGISTRAR'S REPORT**

President Comrie provided highlights of his recent activities as follows:

- Attended a gala hosted by the Women's Executive Network on November 24, 2016 to honour former PEO President Catherine Karakatsanis who was inducted into the WXT Hall of Fame. Other attendees included Registrar McDonald and Past Presidents Bergeron and Freeman.
- Attended a symposium on Smart Infrastructure on November 25, 2016 hosted by the Oakville Chapter and the Oakville Chamber of Commerce. This symposium was also attended by Ministry Kevin Flynn (MOL) which provided an opportunity for President Comrie, Past President Chong and J. Chau to discuss the Industrial Exception.
- President Comrie had the opportunity to speak to a number of caucus members at a fund raiser hosted by Toby Barrett on November 26, 2016.
- Attended a Volunteer Appreciation dinner and Licensing Ceremony, along with President-elect Dony and Councillor Sadr, in Port Elgin organized by the Georgian Bay Chapter on December 9, 2016.
- Discussed National Engineering month. President Comrie is a member of the National Engineering Month Ontario Steering Committee which is a joint committee of PEO, OACETT, OSPE and Engineers without Borders who are the organizers for National Engineering Month in Ontario.
- PEO's semi-annual staff luncheon and awards was held at Graydon Hall Manor on December 16, 2016
- Upcoming events that President Comrie will be attending include Engineers New Brunswick AGM scheduled February 9

and 10, 2017 and Engineers Canada meetings February 26 – March 1, 2017.

Registrar McDonald advised that his most recent Registrar's Update had been sent to Council and that he had nothing additional to add.

**11748**  
**TERMS OF REFERENCE – PUBLIC**  
**INFORMATION CAMPAIGN TASK FORCE**

A motion was passed at the September 23, 2016 Council meeting that Council direct the Registrar to develop terms of reference and propose members for a task force to examine a potential public information campaign based on a value proposition of professional engineering that promotes public awareness of the role of the PEO.

If approved the Public Information Campaign Task Force will develop a request for proposal to engage a vendor to assist with message development and compile a list of the most relevant communications vehicles and their associated costs. The task force will provide a report to Council no later than at its April 2018 meeting with campaign concepts and options.

Moved by Vice-President Brown, seconded by President-elect Dony:

**That Council approve the Terms of Reference and proposed nominees for the Public Information Campaign Task Force as presented at C-510-2.1, Appendix A.**

**CARRIED**

Registrar McDonald advised that \$100,000 was allocated in the 2017 budget approved by Council for the task force to work with a vendor to assist with message development regarding a potential public information campaign.

**11749**  
**SOLID WASTE MANAGEMENT GUIDELINE**  
**– FINAL APPROVAL**

The Professional Standards Committee (PSC) was instructed by Council at its March 21–22, 2013 meeting to proceed with revising the current guideline Solid Waste Management which was not revised since 1993.

Councillor Kuczera suggested that in future, Municipal Engineers Association (MEA) be invited to participate in future consultations of this nature.

In response to a question regarding legal risks on guidelines J. Vera advised that an information Briefing Note regarding the legal opinion on this would be provided to Council at a future meeting.

Moved by Councillor Jones, seconded by Councillor Sadr:

**That Council:**

- 1. Approve the practice guideline for Solid Waste Management that is presented in Appendix A;**

2. **Direct the Registrar to publish the guideline and notify members and the public of its publication through usual PEO communications; and**
3. **Stand down the PSC subcommittee which prepared the guideline for Solid Waste Management with thanks.**

**CARRIED**

**11750  
FUNDS ALLOCATION FOR PEAK ETHICS  
MODULE**

On November 18, 2016 Council passed the following motion:

That Council direct the Registrar to implement the communications plan and continue development of the program elements and operational activities required to roll-out on March 31, 2017 the PEAK program described in the Report.

**CARRIED**

One of the PEAK program elements is an on-line multimedia ethics module. As reported in the report from the CP2 Task Force, this course is necessary in order to ensure that all licence holders, including those who are not practising, are aware of their ethical obligations and how they must govern themselves in compliance with the Professional Engineers Act and its regulations.

Staff are developing the content of the ethics module. An external vendor will provide the implementation platform, server hosting and user support. Staff recommended the lowest cost user support package.

Staff did not send out an RFP for this project since time is of the essence. Instead, PEO will lever the existing relationship with PEO's current online educational service provider. This will reduce development time and effort since both parties are already familiar with the other's requirements. However, during the development of the CP<sup>2</sup> Task Force's proposal staff did make preliminary inquiries of other online educational service providers and were given cost estimates consistent with those provided by ScholarLabs.

Council will be provided with an update on the content of the module.

Moved by Councillor Turnbull, seconded by Councillor Takessian:

**That Council approve the allocation of up to \$300,000 from the reserve fund for the 2017 cost of development, hosting and user support of the PEAK Ethics Module by ScholarLabs.**

Moved by Vice-President Quinn, seconded by Councillor Chan:

That the main motion be amended to read:

**That Council approve the allocation of up to \$300,000 from the reserve**



fund for the 2017 cost of development, hosting and user support of the PEAK Ethics Module by ScholarLabs and that this be used for a ten percent sampling of members.

AMENDMENT DEFEATED

That Council approve the allocation of up to \$300,000 from the reserve fund for the 2017 cost of development, hosting and user support of the PEAK Ethics Module by ScholarLabs.

CARRIED  
Recorded Vote

For

Against

C. Bellini  
G. Boone  
D. Brown  
D. Chui  
B. Dony  
G. Houghton  
Q. Jackson  
T. Kirkby  
L. Lederman  
D. Preley  
N. Rush  
C. Sadr  
R. Shreewastav  
M. Spink  
N. Takessian  
W. Turnbull  
M. Wesa

M. Chan  
T. Chong  
R. Jones  
E. Kuczera  
P. Quinn

Council recessed for break.

Upon reconvening, President Comrie presented Councillor Boone with a ten-year service pin and Fellows of Engineers Canada Award (FEC) in appreciation of his volunteer service to the engineering profession.

President-elect Dony presented President Comrie with a 25 year plus service pin and certificate in appreciation of his volunteer service to the engineering profession.

**11751  
ENGINEERING DIMENSIONS  
DISTRIBUTION – PRESENTATION ON ONE  
YEAR UPDATE ON PRINT EDITION AS THE  
DEFAULT**

At its 503rd meeting, Council approved conducting a one-year review of its decision taken at the 502<sup>nd</sup> meeting to resume sending the print edition of *Engineering Dimensions* to all licence holders and engineering interns, unless the digital edition is requested. As part of the review, Council requested updated statistics to help determine whether the return to print had achieved the intended result.

Results from *Engineering Dimensions'* 2016 Mini Reader Survey were provided to Council in the agenda package. Additional information included a compilation of relevant findings from reader surveys in 2013, 2015 and 2016 as well as the log of the open rate and average time spent with each digital edition in 2015 and 2016. An overview of the subscription statistics and associated costs and revenues for *Engineering Dimensions* was also provided.

D. Smith presented the results of the 2016 reader survey which was conducted in November/December in which 11,500 participated which is a 16 percent response rate. It was noted that sending the print edition of *Engineering Dimensions* to all license holders and engineering interns as the default option may become revenue neutral with increased marketing revenue.

Moved by Councillor Bellini, seconded by Councillor Kirkby:

1. That Council approve the Advisory Committee on Volunteers (ACV), Awards Committee (AWC) and Central Election and Search Committee (CESC) Terms of Reference as presented at C-510-2.5, Appendices A to C.
2. That Council approve the Advisory Committee on Volunteers (ACV) and Complaints Committee (COC) 2017 Human Resources Plans as presented at C-510-2.5, Appendices D and E.

Moved by Vice-President Brown, seconded by Councillor Sadr:

**That the terms of reference for the Awards Committee (AWC) and the Advisory Committee on Volunteers (ACV) as presented at C-510-2.5, Appendix A and B, and human resources plan for the Advisory Committee on Volunteers (ACV) as presented at C-510-2.5, Appendix D, be referred back to their respective committees for reconsideration regarding term limits and that the main motion be amended accordingly.**

**CARRIED**

Council then voted on the main motion as amended.

**That Council approve Central Election and Search Committee (CESC) Terms of Reference as presented at C-510-2.5, Appendix C and the Complaints Committee (COC) 2017 Human Resources Plan as presented at C-510-2.5, Appendix E.**

**MAIN MOTION AS AMENDED CARRIED**

The Act as referenced in the Awards Committee Terms of Reference is misquoted. This will be taken back to the committee for rewording.

Moved by Councillor Kuczera, seconded by Past President Chong:

**11752  
COMMITTEES/TASK FORCES TERMS OF  
REFERENCE, HR AND WORK PLANS**

**11753**

## CONSENT AGENDA

Included on the consent agenda:

- 3.1 Minutes – 246<sup>th</sup> EXE Committee meeting – October 18, 2016
- 3.2 Minutes – 509<sup>th</sup> Council meeting – November 18, 2016
- 3.3 Changes to the 2017 Committees and Task Forces Annual Membership Roster

[Note: minutes 11754 to 11756 reflect the motions provided in the briefing notes presented to the meeting.]

### **11754 MINUTES – 246<sup>th</sup> EXECUTIVE COMMITTEE MEETING – OCTOBER 18, 2016**

**That the minutes of the open session of the 246<sup>th</sup> meeting of the Executive Committee, held on October 18, 2016 as presented to the meeting at C-510-3.1, Appendix A be ratified.**

**CARRIED**

### **11755 MINUTES – 509<sup>th</sup> COUNCIL MEETING – NOVEMBER 18, 2016**

**That the minutes of the open session of the 509<sup>th</sup> meeting of Council, held on November 18, 2016 as presented to the meeting at C-510-3.2, Appendix A, accurately reflect the business transacted at that meeting.**

**CARRIED**

### **11756 CHANGES TO THE 2017 COMMITTEES/ TASK FORCES ANNUAL MEMBERSHIP ROSTER**

**That Council approve changes to the 2017 PEO Committees and Task Forces Membership Roster as presented at C-510-3.3, Appendix A.**

**CARRIED**

### **11757 LEGISLATION COMMITTEE UPDATE**

Councillor Kuczera provided an update. He advised that the Legislation Committee has met twice since the last Council meeting. The committee spent considerable time at both meetings reviewing a long list of references to engineers and engineering and to the various pieces of legislation outside of the Professional Engineers Act (PEA).

At the December 2<sup>nd</sup> meeting staff was asked to draft a Regulatory Conflict Protocol that was considered at the January 6<sup>th</sup> meeting and will be brought before Council on March 24<sup>th</sup>. The January 6<sup>th</sup> meeting also included a review of prioritization criteria for proceeding with potential changes to various pieces of legislation. The transfer of fees from the regulation to the bylaw which is being proposed as an amendment to Bylaw 1 was reviewed. Legal Counsel has been instructed to draft using the existing provisions in the regulations. This will be presented to Council for passage, however, it will not take effect until the province repeals the relevant sections in the regulation. Staff have pointed out some inconsistencies within the PEA as it relates to terms that are used for licensed professionals, for example, the limited and temporary license holders need to be included so an umbrella definition is being considered by the committee.

The committee received a presentation from the Chair of the Council Term Limits Task Force (CTLTF) Rob Willson and provided advice on how

legislative changes could proceed with the changes that are contemplated in the CTLTF draft report.

**11758  
REGIONAL COUNCILLORS COMMITTEE  
UPDATE**

Councillor Sadr advised that the RCC has not met since the November Council meeting. The next RCC meeting is scheduled on April 1, 2017 in Kingston.

The RCC will work with the Legislation Committee regarding amendments to the Chapter Bylaws

**11759  
ENGINEERS CANADA UPDATE**

A. Bergeron reported that the Engineers Canada Board has not met since September 2016. The next meeting is February 27 to March 1, 2017 in Ottawa.

Chris Roney is Acting CEO following the departure of Engineers Canada's CEO on January 30, 2017.

A. Bergeron discussed accreditation. She advised that a meeting of the National Council of Deans of Engineering and Applied Scientists (NCDAS) was held in late November. The Executive Committee of Engineers Canada met prior to that to discuss that meeting since accreditation is front and centre for the Engineers Canada Board. It was decided that in order to be proactive, a full day meeting would be scheduled with the Executive Committee and the Accreditation Board Policies and Procedures Committee. This meeting was held on January 9, 2017 and was attended by Vice-President Brown who was representing the Accreditation Board Policies and Procedures Committee and A. Bergeron who is a member of the Engineers Canada Executive Committee. She advised that it was a very productive meeting. She referenced the January 12, 2017 letter from Chris Zinck, President of Engineers Nova Scotia expressing concern with the Engineers Canada accreditation process and Chris Roney's response dated January 17, 2017, both of which were included in the agenda package. A special Engineers Canada Board workshop to be held specifically to deal with accreditation has been scheduled for Monday, February 27 2017.

A Memorandum of Understanding was struck recently with the State Board of Nevada which permits a Canadian engineer to practice in Nevada without having to write an exam to be certified. In response to a query, A. Bergeron advised that she is not aware of any reciprocal agreement.

A. Bergeron will be making a PEAK presentation at the February Engineers Canada Board open forum session.

In response to a query regarding Engineers Canada involvement with other countries A. Bergeron advised that Engineers Canada is a member of the World Federation of Engineering Organizations and that she would provide a report on Engineers Canada's participation in

international activities.

President-elect Dony noted that Ontario graduates approximately half of the engineering graduates in the country with seventeen accredited institutions. There is opportunity for regional discussion on how to move forward with accreditation. He proposed a one-day workshop for the deans and PEO representatives in order to clear up some of the misconceptions. This workshop would be hosted at McMaster University. There was general consensus by Council that this would be a worthwhile venture.

**11760  
CP<sup>2</sup> REPORT**

At the November 2016 meeting of Council, the Continuing Professional Competence Program Task Force (CP<sup>2</sup>TF) was directed to bring its recommended constraints and guiding principles to the February Council meeting. Councillor Turnbull reviewed the Final Report of the Continuing Professional Competence Program Implementation Task Force which was distributed at the meeting. This handout included Engineering Professional Principles submitted by Councillor Lederman and feedback on PEO's CPD Principles and Need to Add Constraints submitted by Councillor Fraser.

Councillor Turnbull then discussed the Communications Program. PEO's Communications team is aggressively promoting the PEAK Program on all of PEO's social media channels. In addition, the January/February edition of Engineering Dimensions includes a news item on the program as well as a full page and half page ad promoting the March 31, 2017 implementation date. The PEAK Program will be the theme of the March/April edition of Engineering Dimensions and will include two related features, one of which will outline the difference between practicing and non-practicing engineers. Communications has also prepared a ready to be published 300 word article on the PEAK Program which has been pitched to various trade magazines. To date eleven of the publications have confirmed their intent to publish the piece with four already having done so. News of the program is being shared on social media by the engineering alumni groups from McMaster and Queen's Universities. A one-page synopsis of the program is being prepared as well as a six-fold brochure to be made available at PEAK Presentations and PEO events as well as being available on the website. Hosting a live chat on Twitter is being investigated to help reach out directly to PEO's licence holders.

**11761  
STATISTICS – COMPLAINTS, DISCIPLINE,  
LICENSING AND REGISTRATION UPDATE**

There were no questions or comments.

**11762  
COUNCILLOR ITEMS**

**MOE Regulation Consultation**

Councillor Boone sought direction on how to organize PEO events and work with established Chapter Budgets. President Comrie advised that Councillors must work in conjunction with their Chapter Executive to

ensure that any spending falls under the Chapter's approved budget.

**Celebrating Canada's 150<sup>th</sup> Birthday**

In response to a query regarding plans to celebrate with OSPE, Registrar McDonald advised that discussions have taken place with the Joint Relations Committee (JRC). OSPE has not yet come forward with a formal request.

Moved by Councillor Kirkby, seconded by Councillor Turnbull:

**That Council move in-camera.**

**CARRIED**

**11763  
IN-CAMERA SESSION**

While in-camera, Council:

- a) ratified the in-camera minutes from the 246<sup>th</sup> Executive Committee meeting – October 18, 2016;
- b) verified the in-camera minutes from the 509<sup>TH</sup> meeting of Council held November 18, 2016 as presented;
- c) approved recipient of the V.G. Smith Award;
- d) received an update on the Industrial Exception Strategy;
- e) received an HRC Update
- f) received decisions and reasons of the Discipline Committee;
- g) received a legal update on legal actions in which PEO is involved;
- h) noted there were no issues reported regarding PEO's Anti-Workplace Violence and Harassment Policy.

There being no further business, the meeting concluded.

These minutes consist of ten pages and minutes 11746 to 11763 inclusive.

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G. Comrie, P.Eng., CMC, Chair

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G. McDonald, P.Eng., Registrar

# Briefing Note – Decision

## CONSULTING ENGINEER DESIGNATION APPLICATIONS

**Purpose:** Under Section 61(2) of Regulation 941 under the *Professional Engineers Act*, the Consulting Engineer Designation Committee (CEDC) may make recommendations to Council in respect of all matters relating to application for designation as a consulting engineer. The CEDC is recommending that Council approve the following motions.

**Motion(s) for Council to consider: (requires a simple majority of votes cast to carry)**

1. That Council approve the exemption from examinations and the applications for designation as Consulting Engineer as presented to the meeting at C-511-3.2, Appendix A, Section 1.
2. That Council approve the applications for re-designation as Consulting Engineer as presented to the meeting at C-511-3.2, Appendix A, Section 2.
3. That Council grant permission to use the title “Consulting Engineers” (or variations thereof) to the firms as presented to the meeting at C-511-3.2, Appendix A, Section 3.

**Prepared by:** Faris Georgis, P.Eng, Manager, Registration

**Moved by:** Councillor Christian Bellini, P.Eng.

### 1. Need for PEO Action

Council needs to accept the recommendations of the Consulting Engineer Designation Committee (CEDC) with respect to the applications submitted for its consideration before the applicants are informed of the PEO’s decision with respect to their application.

### 2. Proposed Action / Recommendation

That Council approve/deny the applications for designation and redesignation.

### 3. Next Steps (if motion approved)

The applicants will be advised of Council’s decision with respect to their applications.

### 4. Peer Review & Process Followed

|                                  |                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Process Followed</b>          | All applications were reviewed by PEO staff, the Regional Subcommittees of CEDC and later approved by CEDC on February 2, 2017. |
| <b>Council Identified Review</b> | Not applicable. Required by Regulation.                                                                                         |
| <b>Actual Motion Review</b>      | As stated under above process.                                                                                                  |

### 5. Appendices

- Appendix A – Report of the Consulting Engineer Designation Committee
- Appendix B – Legal Implications

To the 511<sup>th</sup> Meeting of the Council of  
Professional Engineers Ontario

**REPORT OF THE CONSULTING ENGINEER DESIGNATION COMMITTEE**

**Chair: Eric Nejat, P.Eng.**

- 1. The Committee has reviewed the following applications for DESIGNATION and recommends to Council that these 10 applicants be exempted from examinations pursuant to Section 56(2) of O.Reg.941 and that they be considered for DESIGNATION AS CONSULTING ENGINEER, having met the requirements pursuant to Section 56(1) of O.Reg.941:**

| #    | P.Eng.              | Company Name                                    | Address                                      | Licence # |
|------|---------------------|-------------------------------------------------|----------------------------------------------|-----------|
| 1.1  | Behkish, Jafar      | SNC-Lavalin Inc.                                | 195 The West Mall, Toronto ON, M9C 5K1       | 100073599 |
| 1.2  | Bolhous, Aaron      | Gryphon International Engineering Services Inc. | 404-80 King St, St Catharines ON, L2R 7G1    | 100055524 |
| 1.3  | Chase, Evan         | Vanderwesten Rutherford Mantecon Inc.           | 7242 Colonel Talbot Rd, London ON, N6L 1H8   | 90339540  |
| 1.4  | Fernandez, Isabelle | Vanderwesten Rutherford Mantecon                | 260-1130 Morrison Dr, Ottawa ON, K2H 9N6     | 100153936 |
| 1.5  | Johnson, Jason      | Dillon Consulting Limited                       | 1400-130 Dufferin Ave, London ON, N6A 5R2    | 100106598 |
| 1.6  | Kapusniak, Kenneth  | HGS Limited                                     | 100-3100 Temple Dr, Windsor ON, N8W 5J6      | 90476318  |
| 1.7  | Korany, Yasser      | Origin and Cause Inc.                           | 120 Watline Ave, Mississauga ON, L4Z 2C1     | 100037649 |
| 1.8  | Lazarek, Marcin     | Pario Engineering and Environmental Sciences    | 553 Basaltic Rd, Unit B, Concord ON, L4K 4W8 | 90451758  |
| 1.9  | Mitches, Julie      | Peter T. Mitches & Associates Limited           | 350 Ridout St S, London ON, N6C 3Z5          | 100085848 |
| 1.10 | Steadman, Michael   | Gryphon International Engineering Services Inc. | 404-80 King St, St Catharines ON, L2R 7G1    | 90475898  |



**2. The Committee has reviewed the following applications for REDESIGNATION** and recommends to Council that these **33** applicants be granted **REDESIGNATION AS CONSULTING ENGINEER**, having met the requirements pursuant to Section 57(2) of O.Reg.941:

| #    | P.Eng.               | Company Name                                   | Address                                            | Licence # |
|------|----------------------|------------------------------------------------|----------------------------------------------------|-----------|
| 2.1  | Blaney, Stephen      | CCI Group Inc.                                 | 200-7900 Keele St, Concord ON, L4K 2A3             | 4149019   |
| 2.2  | Bowick, John         | Blackwell Structural Engineers                 | 405-19 Duncan St, Toronto ON, M5H 3H1              | 90360991  |
| 2.3  | Brisson, Andre       | Jade Plus Inc.                                 | 19 Baldwin St, Tillsonburg ON, N4G 2K3             | 100024703 |
| 2.4  | Chipps, Steven       | AMEC Foster Wheeler                            | 3215 North Service Rd, Burlington ON, L7N 3G2      | 90556481  |
| 2.5  | Corbett, Ivan        | Geoterre Limited                               | 215 Advance Blvd, Unit 5 & 6, Brampton ON, L6T 4V9 | 90228842  |
| 2.6  | Dedhar, Saleem       | S2S Environmental Inc.                         | 260-1099 Kingston Rd, Pickering ON, L1V 1B5        | 11057502  |
| 2.7  | Dietrich, John       | Peto MacCallum Ltd.                            | 16 Franklin St S, Kitchener ON, N2C 1R4            | 11588019  |
| 2.8  | Ee, Derek            | Van Ee Engineering                             | 63 Coe Dr, Ajax ON, L1T 3J1                        | 100011000 |
| 2.9  | Gerrits, Francis     | Gerrits Engineering Ltd.                       | 303-231 Bayview Dr, Barrie ON, L4N 4Y5             | 90372004  |
| 2.10 | Ghobrial, Medhat     | HGS Limited                                    | 100-3100 Temple Dr, Windsor ON, N8W 5J6            | 15927015  |
| 2.11 | Graham, Levi         | R. Dobbin Engineering Inc.                     | 4218 Oil Heritage Rd, Petrolia ON, N0N 1R0         | 100009184 |
| 2.12 | Hamann, Stephen      | Hamann Engineering Structural Consultants Ltd. | 10-181 Bentley St, Markham ON, L3R 3X9             | 18023010  |
| 2.13 | Kennedy, Mark        | MIG Engineering (2011) Ltd.                    | 453 Christina St N, Sarnia ON, N7T 5W3             | 90227257  |
| 2.14 | Kwan, John           | K.O. & Partners Ltd.                           | 15-333 Denison St, Markham ON, L3R 2Z4             | 90247354  |
| 2.15 | Lorenzen, James      | Lorenzen Engineering Corp.                     | 363-509 Commissioners Rd W, London ON, N6J 1Y5     | 11504174  |
| 2.16 | Marcu, Mihail        | Marcu, Mihail Ion                              | 845 Mewburn Rd, Ancaster ON, L96 3E4               | 29038403  |
| 2.17 | Matutinovic, Milenko | Mat 4 Site Engineers Ltd.                      | 620-620 Wilson Ave, Toronto ON, M3K 1Z3            | 90389065  |
| 2.18 | McCluskey, George    | Dillon Consulting Limited                      | 1400-130 Dufferin Ave, London ON, N6A 5R2          | 30034508  |
| 2.19 | McLeod, Ian          | WSP                                            | 1345 Rosemount Ave, Cornwall ON, K6J 3E5           | 30878011  |

|      |                   |                                         |                                                   |           |
|------|-------------------|-----------------------------------------|---------------------------------------------------|-----------|
| 2.20 | Mitchell, Bruce   | NextEng Consulting Group Inc.           | 203-15260 Yonge St, Aurora ON, L4G 1N4            | 90227315  |
| 2.21 | Monkman, John     | Bendigo Consulting Inc.                 | 96 David Dr, Ottawa ON, K2G 2N5                   | 32345514  |
| 2.22 | Robertson, Ian    | Meritech Engineering                    | 202-1315 Bishop St N, Cambridge ON, N1R 6Z2       | 90330937  |
| 2.23 | Rottmann, Andrew  | Rottmann Associates Ltd.                | 101 Northdale Rd, North York ON, M2L 2L9          | 39841010  |
| 2.24 | Schuknecht, Brent | Johnson Sustronk Weinstein & Associates | 10-20 Mural St, Richmond Hill ON, L4B 1K3         | 90295445  |
| 2.25 | Silver, Michael   | M.J. International and Associates, Inc. | 349 Bowes Rd, Units 13 & 14, Concord ON, L4K 1J3  | 42381111  |
| 2.26 | Sorensen, Peter   | EMS-Tech Inc.                           | 699 Dundas St W, RR2, Belleville ON, K8N 4Z2      | 43678010  |
| 2.27 | Sutton, Peter     | Terrapex Environmental Ltd.             | 90 Scarsdale Rd, Toronto ON, M3B 2R7              | 90444639  |
| 2.28 | Tape, William     | Haddad Morgan & Associates              | 24 Shepherd St E, Windsor ON, N8X 2J8             | 100026210 |
| 2.29 | Tassone, Nicola   | Building Sciences Inc.                  | 1-221 Rayette Rd, Concord ON, L4L 2G1             | 90262601  |
| 2.30 | Thompson, James   | Thompson, James Arthur                  | 686 Peterborough Ave, Bridgenorth ON, K0L 1H0     | 46190500  |
| 2.31 | Trudell, Marc     | Englobe Corp.                           | 417 Exeter Rd, London ON, N6E 2Z3                 | 47048509  |
| 2.32 | Udall, Jeffrey    | Caskanett Udall Consulting Engineers    | 248-675 Queen St S, Kitchener ON, N2M 1A1         | 90522376  |
| 2.33 | Wiebe, John       | Cyril J. Demeyere Limited               | 261 Broadway, PO Box 460, Tillsonburg ON, N4G 4H8 | 4991011   |

3. The Committee recommends to Council that the following **12 FIRMS** be granted **PERMISSION TO USE THE TITLE “CONSULTING ENGINEERS”**, having met the requirements pursuant to Section 68 of O.Reg.941:

| #   | Company Name                                    | Address                                   | Designated Consulting Engineer (s)                                                     |
|-----|-------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------|
| 3.1 | B. M. Ross and Associates Limited               | 62 North St, Goderich ON, N7A 2T4         | Bruce Potter P.Eng., Andrew Ross P.Eng., Stephen Burns P.Eng., and William Munn P.Eng. |
| 3.2 | Cunliffe & Associates Inc.                      | 102-1737 Woodward Dr, Ottawa ON, K2C 0P9  | Richard Cunliffe, P.Eng.                                                               |
| 3.3 | Gryphon International Engineering Services Inc. | 404-80 King St, St Catharines ON, L2R 7G1 | Paul Durkin, P.Eng.                                                                    |
| 3.4 | McIntosh Perry Consulting Engineers Ltd.        | 115 Walgreen Road, RR3, Carp ON, K0A 1L0  | Philip Whelan, P.Eng.                                                                  |

|      |                                                                    |                                                       |                            |
|------|--------------------------------------------------------------------|-------------------------------------------------------|----------------------------|
| 3.5  | McIntyre Engineering Consultants Ltd.                              | 912 Roshan Dr, Kingston ON, K7P 0B1                   | Mary-Jean McIntyre, P.Eng. |
| 3.6  | Meritus Consulting Corp.                                           | 4917 Cordova Bay Rd, Victoria BC, v8y 2k1             | William Merritt, P.Eng.    |
| 3.7  | NextEng Consulting Group Inc. (o/a) Nexttrans Consulting Engineers | 204-15260 Yonge St, Aurora ON, L4G 1N4                | Bruce Mitchell, P.Eng.     |
| 3.8  | NORR Limited                                                       | 175 Bloor St E, North Tower, 15F, Toronto ON, M4W 3R8 | Balazs Farkas, P.Eng.      |
| 3.9  | Pichler, Bruce Joseph (o/a) Pichler Engineering                    | 150 North Shore Rd, Grafton ON, K0K 2G0               | Bruce Pichler, P.Eng.      |
| 3.10 | SOLA Engineering Inc.                                              | 25-390 Edgeley Blvd, Vaughan ON, L4K 3Z6              | Hui (Bill) Feng, P.Eng.    |
| 3.11 | Stephenson Eng. Control Canada Ltd.                                | 602- 2550 Victoria Park Ave, North York ON, M2J 5A9   | Zoran Tanasijevic, P.Eng.  |
| 3.12 | Trace Consulting Group Ltd.                                        | 904-505 Consumers Rd, North York ON, M2J 4V8          | Harley Yamson, P.Eng.      |

## CONSULTING ENGINEER DESIGNATION APPLICATIONS

### Legal Implications/Authority

1. Pursuant to Section 56(2), Council has the authority to exempt an applicant from any of the examinations required by section 56(1) to be taken by an applicant for a Consulting Engineer Designation if Council is satisfied that the applicant has appropriate qualifications.

Pursuant to Section 56(1) Council **shall** designate as a Consulting Engineer every applicant for the Designation who meets the requirements set out in Section 56(1)(a-d). As a result there does not appear to be any discretion for Council to refuse applicants who meet the requirements.

2. Pursuant to Section 57(2) Council **shall** redesignate as a consulting engineer every applicant who meets the requirements of section 57(2) (a-c). As a result there does not appear to be any discretion for Council to refuse applicants who meet the requirements.

## In Camera Session

In-camera sessions are closed to the public

## PEO Strategic Plan 2015-2017 - Update

**Purpose:** To inform Council of progress in implementing the Strategic Plan and its associated Strategies.

**No motion required**

**Prepared by:** Gerard McDonald, P.Eng. , Registrar

### 1. Status Update

A Strategic Plan is a fundamental tool and resource used to orient and align the work of an entity. It also provides senior management an essential means of leading and managing the organization.

At its meeting of November 21, 2014 Council approved a three-year Strategic Plan for PEO along with associated Strategies. Council further instructed the Registrar to provide updates on the progress of realizing the approved Strategies at the March, June and September Council meetings for the duration of the Plan period.

As part of the annual priority setting exercise fifteen additional strategies have been identified for inclusion in the plan as follows:

- Strategy 1.7 - Develop Practice Guideline *Assuming Responsibility and Supervising Engineering Services*
- Strategy 4,10 - PEAK Program Implementation
- Strategy 4.11 - Develop *Coordinating Licensed Professional Guideline*
- Strategy 5.8 - Revise *Environmental Site Assessment, Remediation and Management Guideline*
- Strategy 5.9 - Revise *Guideline for Professional Engineers Providing Reports on Mineral Properties.*
- Strategy 5.10 - Revise *Use of Professional Engineers Seal Guideline*
- Strategy 8.11 - Conclude information sharing arrangement with Ministry of Labour
- Strategy 10.3 - Develop Practice Guideline and Performance Standard to Prepare Emission Summary and Dispersion Model Reports
- Strategy 13.2 - Public Information Campaign
- Strategy 18.12 - Implementation of the threat risk assessment report recommendations
- Strategy 19.12 - Implement new leadership development and on-boarding modules
- Strategy 19.13 - Respond to GLP Review Recommendations
- Strategy 20.8 - Council Composition Task Force
- Strategy 20.9 - Prepare 2018-2020 Strategic Plan
- Strategy 24.3 - Implement Employer of Choice Strategy

The eighth update on Plan progress is found at Appendix A – Strategic Plan Update 8.

### Appendices

- ◆ Appendix A - Strategic Plan Update 8



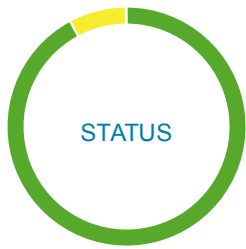
Professional Engineers Ontario

## **Executive Report**

**Strategic Plan Progress as at Mar 08, 2017**

Created on: Mar 08, 2017

# Strategic Plan Progress from Dec 31, 2016 to Mar 08, 2017



■ On Track 92.2%  
■ Some Disruption 7.7%  
■ No Update 0.1%



■ In Progress 7.3%  
■ Upcoming 2.8%  
■ Completed 85.6%  
■ Discontinued 4.3%

**Total Assignment: 55**



**Total Activity: 583**



Strategic Objective: 24

Strategy: 117

Activity: 583

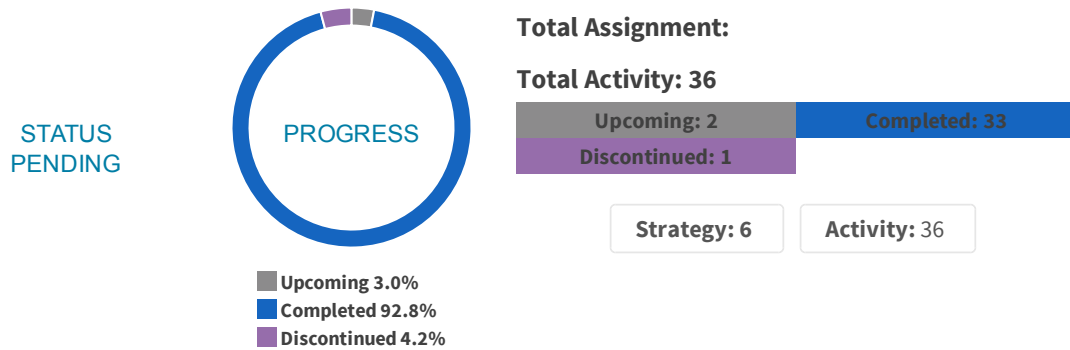
## Summary

This auto generated report provides the latest information for the current reporting period



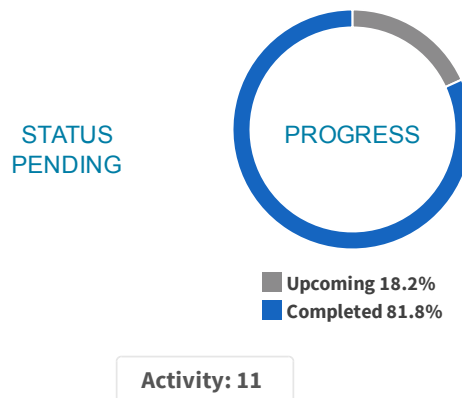
## Strategic Objective 1 ★★★★☆☆

**PRACTITIONERS** - Public interest is enhanced through ensuring qualified applicants are licensed to practise professional engineering and that practitioners are competent and ethical



### Strategy 1.2 ★★★★☆☆

Engage an assessment expert to review the ERC interview process for applicants that have been referred by the ARC



**Last update by Michael Price (Deputy Registrar, Licensing and Finance): Dec 22, 2016**

***ERC to determine process for improvement: (100% Completed)***

ERC subcommittee tasked with completing the implementation plan. Subcommittee members and ERC volunteers met on October 25, 2016 to develop indicators for the competencies.

***ERC subcommittee implementation of action plan: (100% Completed)***

ERC subcommittee to lead the implementation of the consultant's recommendations.  
 ERC to develop list of indicators for the 5 competencies. October 25, 2016

***ERC member training: (100% Completed)***

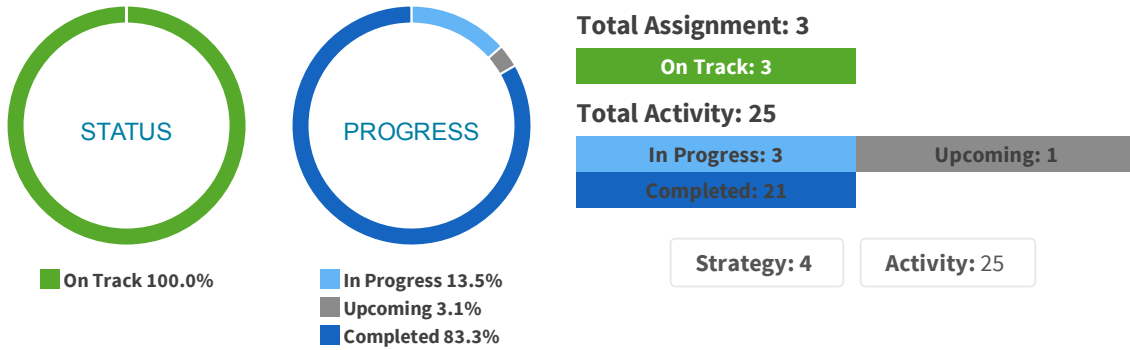
Preliminary training as per recommendation #1 of consultant's report. Training delivered December 9, 2016.

Project to be completed in Q3 2017 with new process training for ERC

## Strategic Objective 2



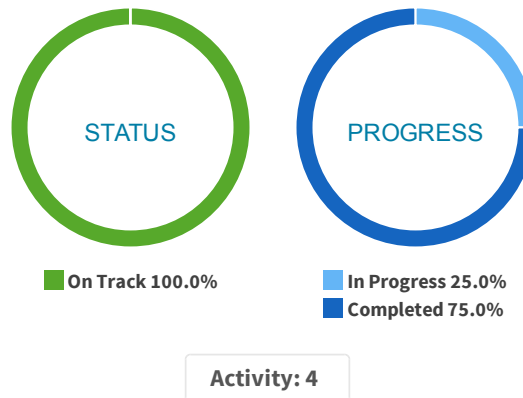
**PRACTITIONERS** - Public recognition is increased through ensuring that titles, designations, certificates and marks are issued to qualified applicants and entities



### Strategy 2.2



Develop and implement communications plan around the LET/LL and C of A regulation changes to independent practice



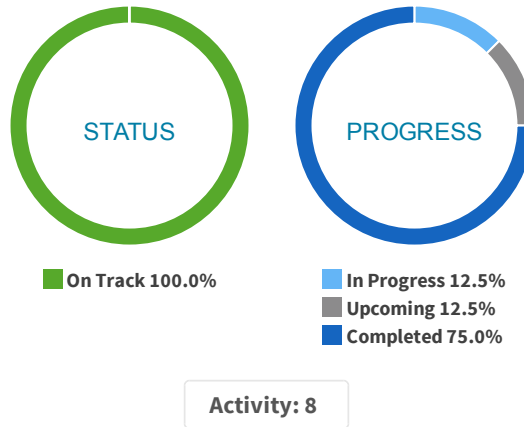
**Last update by David Smith (Director, Communications): Mar 01, 2017**

Published article in Jan/Feb issue of Engineering Dimensions on use of engineering terms, including, LET, LEL and C of A.

### Strategy 2.3



Develop and implement a targeted communications plan to encourage internationally trained engineers to become licensed



**Last update by David Smith (Director, Communications): Mar 01, 2017**

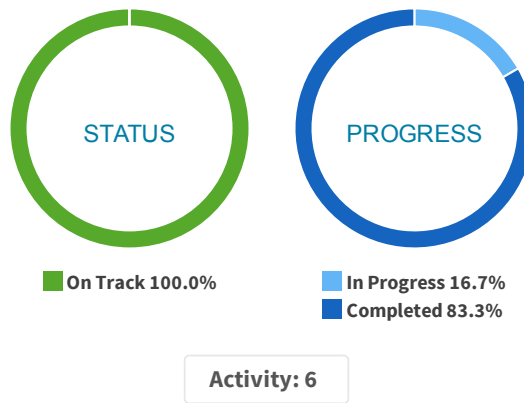
Participated in tradeshow for newcomers in October. Promoted and updated distributed updated brochure to assist newcomers interested in seeking licensure. The January/February issue of Dimensions is newcomers and diversity.

Updated content of newcomer brochure, which includes reference to a new PEO email address for questions from IEGs on the licensing processes. This email address is being promoted through PEO's social media account and inquiries are being monitored by PEO licensing staff.

**Strategy 2.4**



Communications Infrastructure Engineering outreach and licensure.



**Last update by Michael Price (Deputy Registrar, Licensing and Finance): Feb 16, 2017**

***Evaluate and Licence CIE Applicants: (67% Completed)***

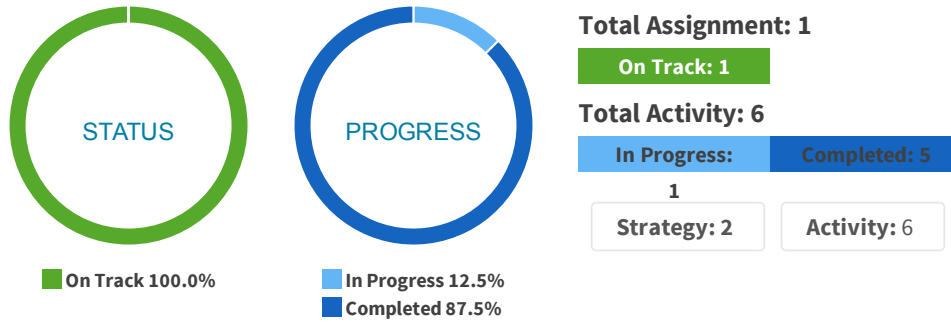
26 Applications have been received for Limited Licence and P. Eng Licence. A meeting of the Working group was held On January 30,2017 to discuss thre progress of the applications.

Project expected to be Completed Q2 2017 with Licensing of CIE applicants as P.Engs and LELs

## Strategic Objective 3



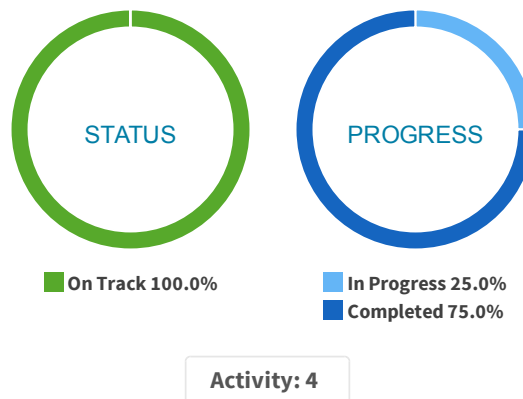
**PRACTITIONERS** - Members regard PEO as their trusted advisor and advocate in matters of professional practice



### Strategy 3.1



Produce an educational program to inform members about the role of the PSC and the services that Practice Advisory can offer to practitioners, and promote their use



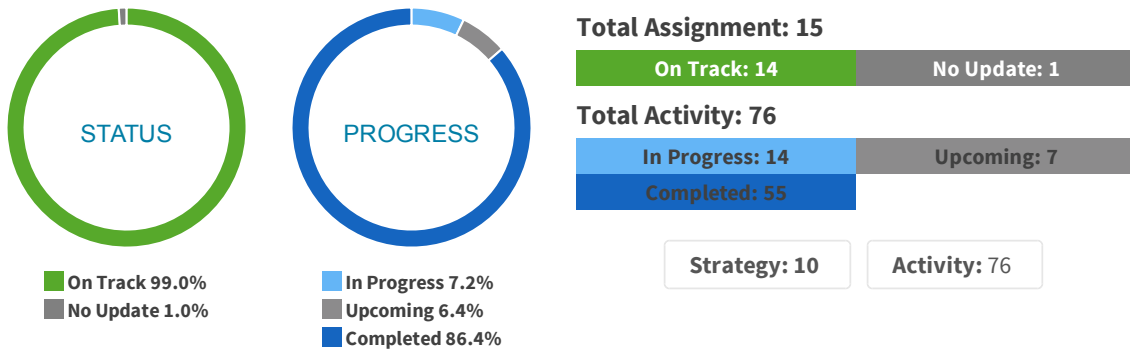
**Last update by Johnny Zuccon (Deputy Registrar, Tribunals and Regulatory Affairs): Dec 15, 2016**

Webinars will be scheduled for early 2017.

## Strategic Objective 4



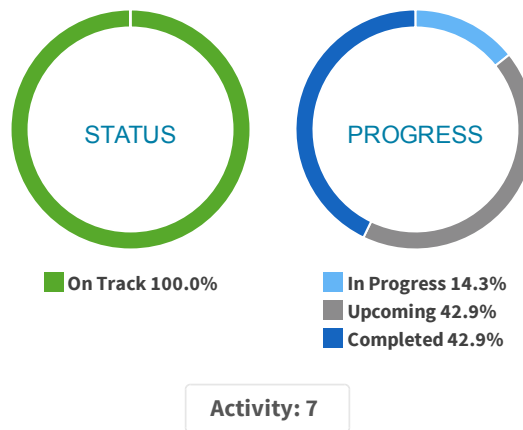
**REGULATORY FRAMEWORK** - Elliot Lake Commission of Inquiry recommendations are earnestly implemented



### Strategy 4.1



Develop a Performance Standard for structural inspections of existing buildings which will require the production of a Structural Adequacy Report. (Recommendations 1.4 and 1.6)



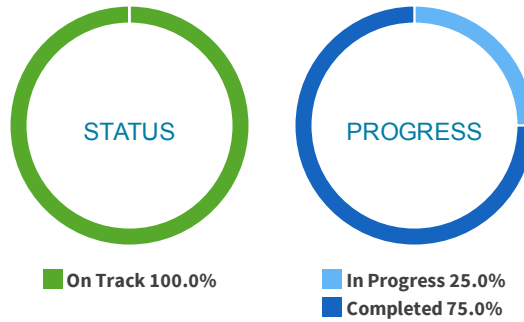
**Last update by Johnny Zuccon (Deputy Registrar, Tribunals and Regulatory Affairs): Dec 15, 2016**

At the November meeting Council approved the guideline Structural Condition Assessments of Existing Buildings and Designated Structures. The sub-committee is aiming to complete the practice standard that supports this by mid-2017.

### Strategy 4.7



Make available specific disciplinary information on the PEO website in a format readily and easily searchable by the name of a practitioner. (Recommendation 1.26)



Activity: 4

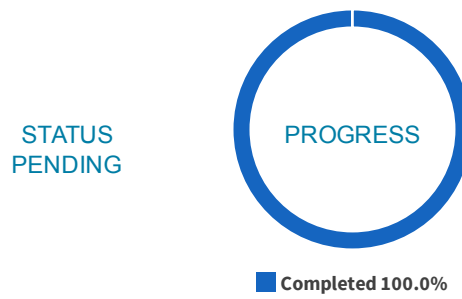
**Last update by Michelle Wehrle (Director, Information Technology): Mar 02, 2017**

**Searchable Discipline Information on Website: (50% Completed)** Project is proceeding with fine tuning of requirements. First draft of the hearings record has been reviewed. It has been determined that input from other departments will be required.

**Strategy 4.8**



Define, in regulation or legislation, as may be required, the roles and responsibilities of a “Prime Consultant”. (Recommendation 1.27)



Activity: 4

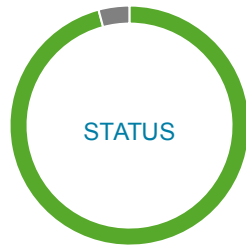
**Last update by Johnny Zuccon (Deputy Registrar, Tribunals and Regulatory Affairs): Dec 15, 2016**

At its November 2016 meeting Council approved the formation of a Coordinating Licensed Professional Joint Sub-committee to develop a guideline to implement the Elliot Lake Recommendation 1.27.

**Strategy 4.10**



Peak Program Implementation



■ On Track 95.8%  
■ No Update 4.2%



■ In Progress 36.4%  
■ Upcoming 12.1%  
■ Completed 51.5%

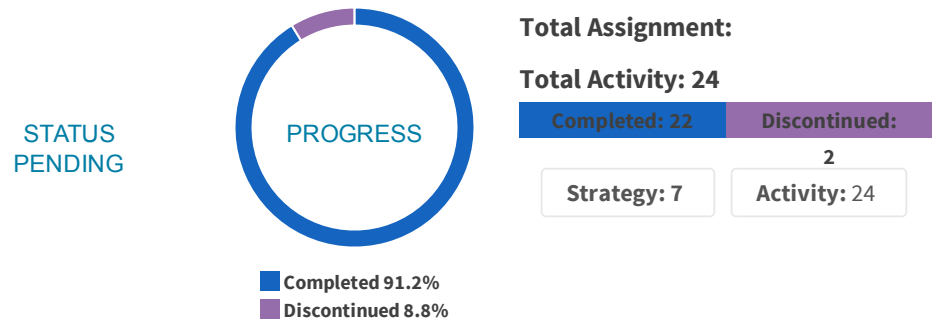
Activity: 33

⊘ No update for Strategy 4.10 has been submitted.

## Strategic Objective 5



**REGULATORY FRAMEWORK** - Regulations, standards and guidelines are produced through an evidence-based, integrated and streamlined policy-making process

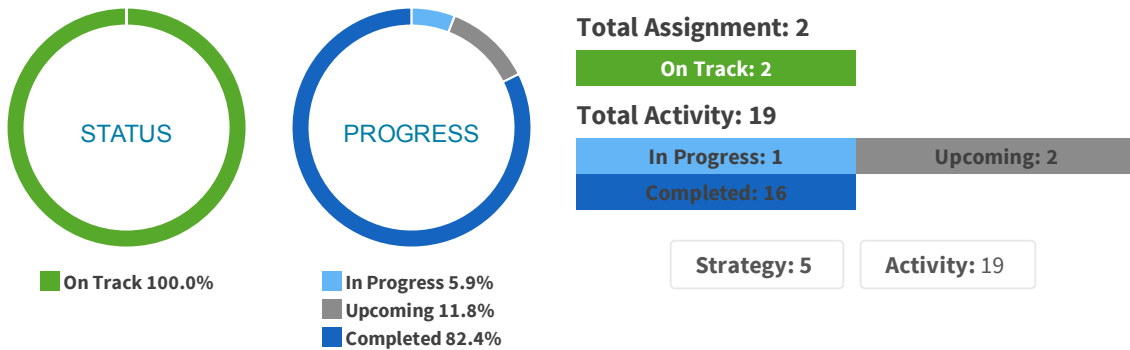




## Strategic Objective 6



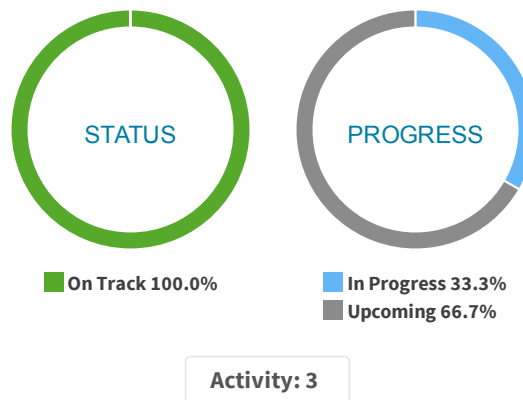
**REGULATORY FRAMEWORK** - Licensing is based on levels of competence



### Strategy 6.2



Contribute to APEGBC Canadian Environment Experience Requirement Project Steering Committee and assess recommendations for potential implementation



**Last update by Michael Price (Deputy Registrar, Licensing and Finance): Feb 16, 2017**

***Continue to participate in APEGBC Canadian Environment Experience Steering Committee: (80% Completed)***

Licensing and Registration Staff will attend March 31 meeting of the Steering Committee.

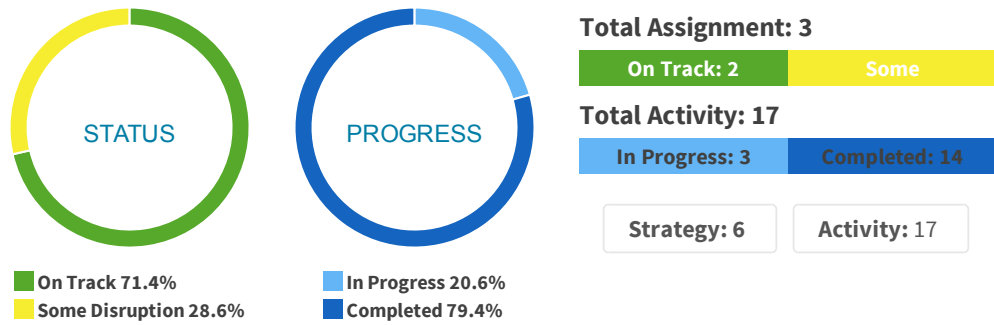
***Continue to participate in APEGBC Canadian Environment Experience Steering Committee: (60% Completed)***

APEGBC released its Working in Canada learning portal for review.

Review pilot results from other provinces and determine appropriate recommendations for Council's consideration by Q4 2017.

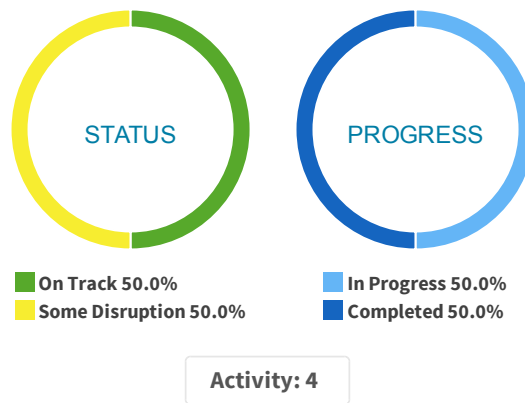
## Strategic Objective 7 ★★★★☆

**REGULATORY FRAMEWORK** - The complaints process is optimized, balancing transparency, fairness and timeliness



### Strategy 7.1 ★★★★☆

Develop system to monitor and report on discrete complaint investigation steps against their established targets.

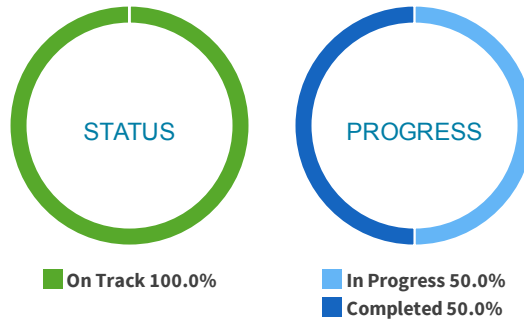


**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

Discrete complaint investigation step targets have been established. Further work on this strategy is superseded by the expanded Register project, which resulted after Council's approval of Act changes which expand the information required to be included in the on-line Register. The on-line register project has identified that an Aptify data quality effort is required.

### Strategy 7.6 ★★★★☆

Review and refine voluntary undertakings process employed by Complaints Committee within complaints process.



Activity: 2

**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

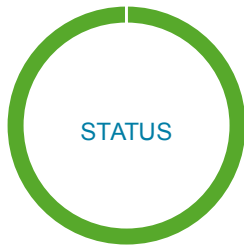
***Develop Guide for Voluntary Undertakings for use by Complaints Committee.: (30% Completed)***

Legal opinion was reviewed and adopted by COC at its July 2016 AGM. Staff now in process of developing resource guide for use by committee. COC Workplan was adjusted by COC, based on 2016 priorities, pushing the end date for this activity to mid 2017.

## Strategic Objective 8



**REGULATORY FRAMEWORK** - The practice and title-provisions of the Professional Engineers Act are judiciously enforced and continuously improved



On Track 100.0%



In Progress 14.8%  
Upcoming 7.4%  
Completed 62.4%  
Discontinued 15.3%

**Total Assignment: 12**

**On Track: 12**

**Total Activity: 59**

**In Progress: 12**

**Upcoming: 5**

**Completed: 29**

**Discontinued: 13**

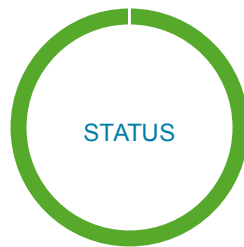
**Strategy: 10**

**Activity: 59**

### Strategy 8.2



Develop key performance indicators (KPIs) of enforcement activity.



On Track 100.0%



In Progress 11.1%  
Completed 66.7%  
Discontinued 22.2%

**Activity: 7**

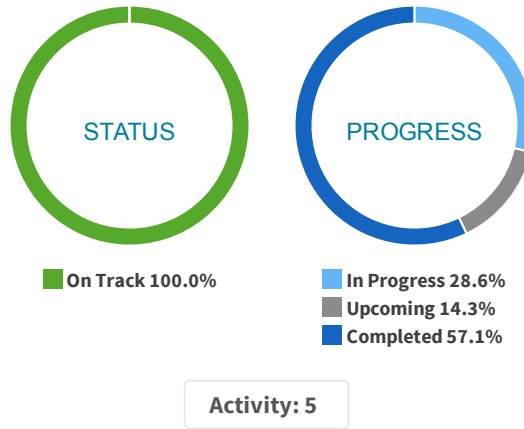
**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

Tracking of internal operational indicators is now on-going. Current strategy focus is on developing measurement tools for KPIs.

### Strategy 8.4



Revise enforcement policy and procedures manual



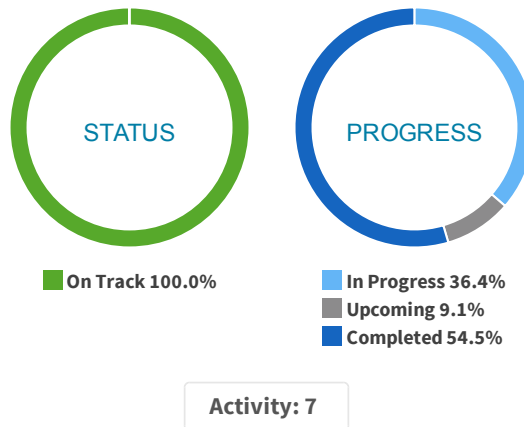
**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

Activity completion extended to review working draft and add in Aptify processes. Activity to be expedited for first quarter of 2017

**Strategy 8.5**



Develop criteria to assess and prioritize enforcement violations and link them to associated degrees of prosecutorial action



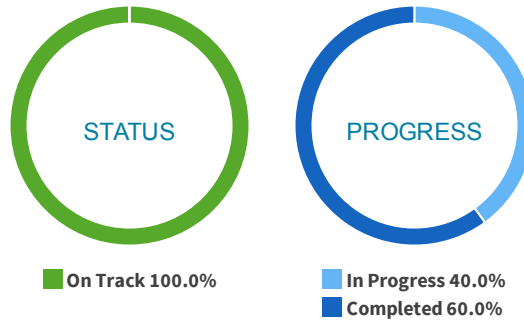
**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

Structure of decision aid is mapped out. Activity completion extended to end of Q1 2017 due to work on high priority projects.

**Strategy 8.8**



Develop Enforcement Reporting Guide for use by general public and members



Activity: 5

**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

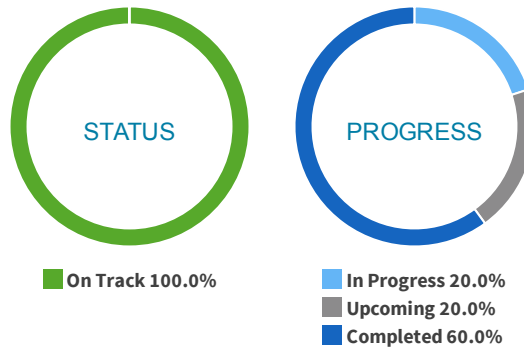
Enforcement Committee feedback has been incorporated; final revision to include feedback from Enforcement and Outreach Officer and Enforcement Manager.

Final staff revision to be expedited in Q1 2017, for review by Communications.

**Strategy 8.9**



Develop plan for enhanced enforcement in manufacturing sector.



Activity: 5

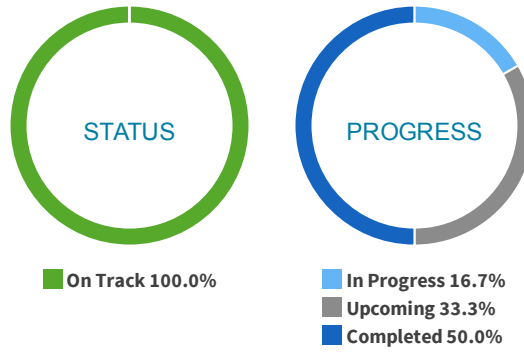
**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

Activity completion extended pending outcome of challenge to Burden Reduction Act, and request to proclaim Repeal of Industrial Exception. There is also a pending task for Enforcement Committee to advise on potential activities as a 2017 Work Plan assignment.

**Strategy 8.10**



Develop plan for enforcement outreach to key stakeholders.



Activity: 6

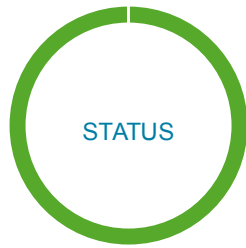
**Last update by Linda Latham (Deputy Registrar, Regulatory Compliance): Mar 02, 2017**

Activity completion extended to allow for input from Enforcement Committee as outreach direction was identified to be part of committee's 2017 Work Plan.

## Strategic Objective 9



**REGULATORY FRAMEWORK** - Tribunals employ accepted smart practices in all operations and are seen to be independent and fair



■ On Track 100.0%



■ In Progress 23.1%  
■ Completed 76.9%

**Total Assignment: 1**

■ On Track: 1

**Total Activity: 9**

■ In Progress: 1

■ Completed: 8

Strategy: 4

Activity: 9

### Strategy 9.1



Establish and implement enhanced practices for all PEO Tribunals

STATUS  
PENDING



■ Completed 100.0%

Activity: 4

**Last update by Johnny Zuccon (Deputy Registrar, Tribunals and Regulatory Affairs): Dec 15, 2016**

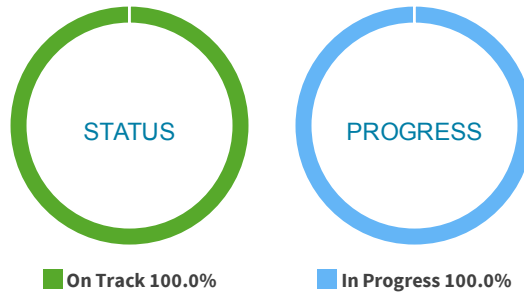
Looking to add a link on the tribunal webpage to receive input and feedback directly. This strategy will be completed by early 2017.

### Strategy 9.2



Tribunal Panel Composition and Size





Activity: 1

**Last update by Jordan Max (Manager, Policy): Mar 02, 2017**

At its June 2016 meeting Council approved the policy intent for an act amendment removing the need to have an elected councillor on every panel. Subject to completing the policy analysis for any further changes, this strategy will be completed by mid-2017.

# Strategic Objective 10



**STAKEHOLDERS** - Engage key regulatory ministries and industry in engineering public policy development

STATUS  
PENDING



Completed 42.9%  
Discontinued 57.1%

**Total Assignment:**

**Total Activity: 4**



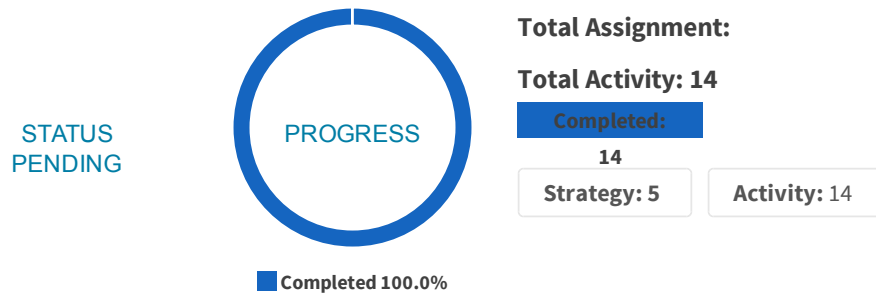
Strategy: 2

Activity: 4

## Strategic Objective 11



**STAKEHOLDERS** - Other engineering bodies (eg. OSPE, OACETT, CEO, and Ontario universities, among others), are supported within the limits of their respective mandates



## Strategic Objective 12



**STAKEHOLDERS** - Productive partnerships are developed with Engineers Canada and other constituent associations

STATUS  
PENDING



■ Completed 100.0%

**Total Assignment:**

**Total Activity: 3**

Completed:

3

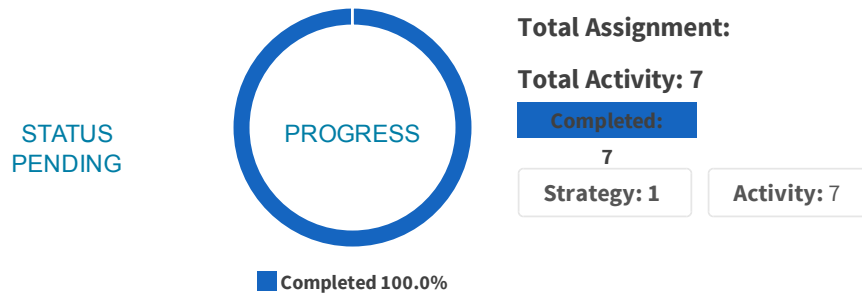
Strategy: 1

Activity: 3

## Strategic Objective 13



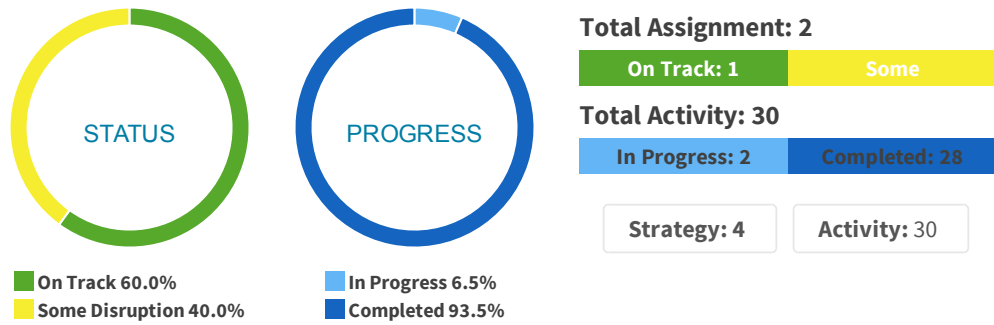
**STAKEHOLDERS** - Public respect for the role of PEO is increased in accordance with the objects of the Professional Engineers Act



## Strategic Objective 14



**OPERATIONS** - Electronic communications are engaging, interactive, dynamic and appropriately targeted and integrated



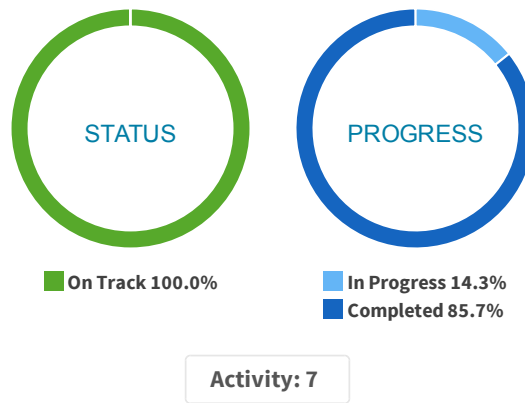
### Summary

Based on IT demands, development of RFP for new website is scheduled for early 2017 with the new website expected to be launched by year's end.

### Strategy 14.1



Review website analytics and end-user functionality to determine next iteration of PEO web presence



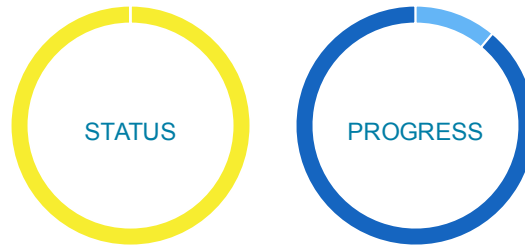
**Last update by David Smith (Director, Communications): Mar 01, 2017**

Website redesign scheduled for 2017, beginning with requirements gathering process. Continue to make improvements to current website as need and as platform allows.

### Strategy 14.2



Develop web-based version of Engineering Dimensions to enhance accessibility of information for members



Some Disruption 100.0%

In Progress 11.1%

Completed 88.9%

Activity: 9

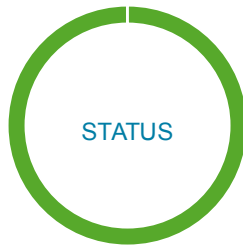
**Last update by David Smith (Director, Communications): Mar 01, 2017**

New web-based version of the magazine launched in May 2016 in conjunction with the May/June issue.

## Strategic Objective 15



**OPERATIONS** - Service delivery is improved by clarifying staff and volunteer responsibilities and managing performance



On Track 100.0%



In Progress 1.4%  
Completed 98.6%

Total Assignment: 1

On Track: 1

Total Activity: 39

In Progress: 1

Completed:

38

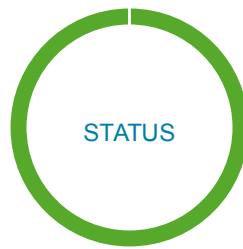
Strategy: 7

Activity: 39

## Strategy 15.7



Implementation of online expense project



On Track 100.0%



In Progress 10.0%  
Completed 90.0%

Activity: 10

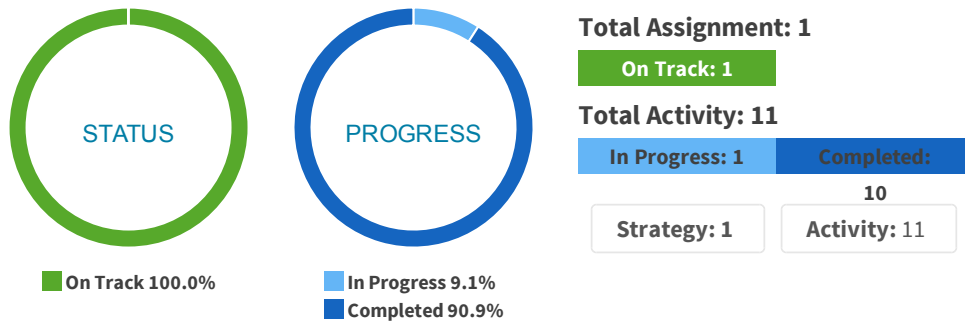
⊘ No update for Strategy 15.7 has been submitted.



## Strategic Objective 16



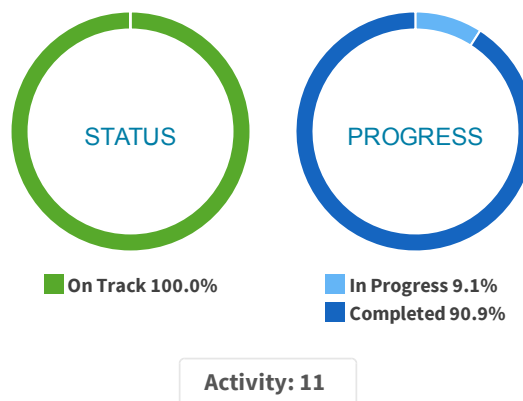
**OPERATIONS** - Cost management and service delivery are improved by actively managing service provider performance



### Strategy 16.1



Manage vendor performance, reduce or consolidate vendors where possible and consider going to RFP / RFQ if appropriate to maximize the value provided by PEO's 3rd party suppliers



**Last update by Scott Clark (Chief Administrative Officer): Mar 01, 2017**

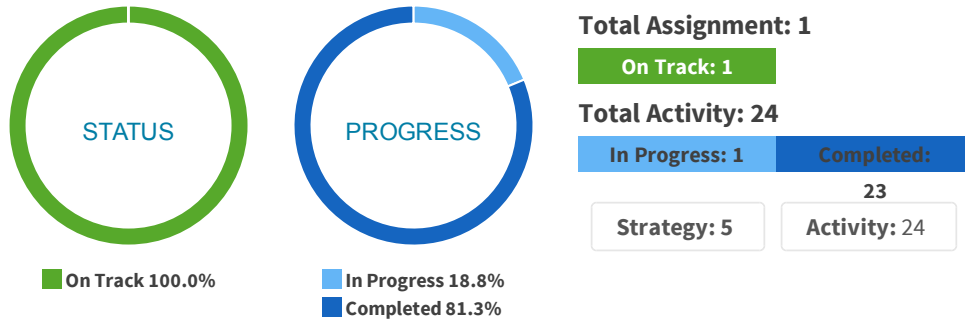
Strategy Update: 10 of 11 activities in this strategy are completed. One activity (Audit IT compliance against established governance practices) is outstanding. The Director IT is waiting for a new IT Manager to come on board to review Implemented Change Management, Problem Management, Incident Management, Demand Management, Software development Life Cycle.

Next steps: A new IT Manager will be hired and the audit undertaken.

## Strategic Objective 17



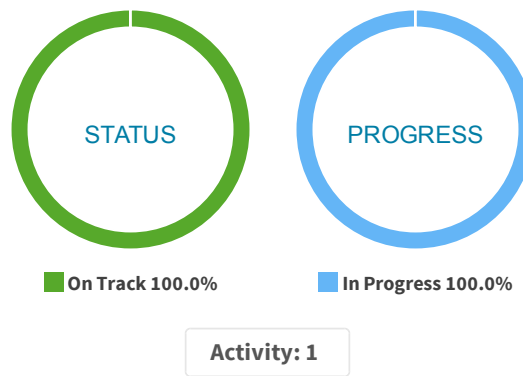
**OPERATIONS** - PEO Headquarters occupancy rates and building efficiency are optimized



### Strategy 17.3



Create a 40 Sheppard capital projects document archive to improve research and analysis capabilities and enhance decision-making



**Last update by Scott Clark (Chief Administrative Officer): Feb 27, 2017**

Strategy Update: Archiving of building documents ongoing.

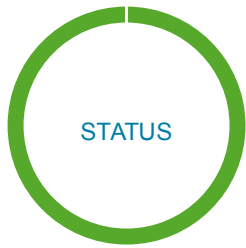
Next steps: documents will be archived and tagged to be searchable

Project is expected to be completed by April 2017

## Strategic Objective 18



**OPERATIONS** - Risk is mitigated by assessing vulnerabilities and addressing service gaps



On Track 100.0%



In Progress 14.1%  
Upcoming 24.5%  
Completed 61.4%

Total Assignment: 6

On Track: 6

Total Activity: 55

In Progress: 5

Upcoming: 11

Completed: 39

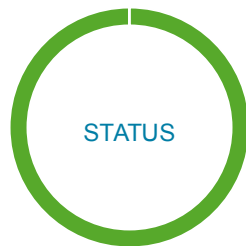
Strategy: 11

Activity: 55

### Strategy 18.2



Re-launch Sharepoint based upon accepted smart practices



On Track 100.0%



In Progress 20.0%  
Upcoming 80.0%

Activity: 5

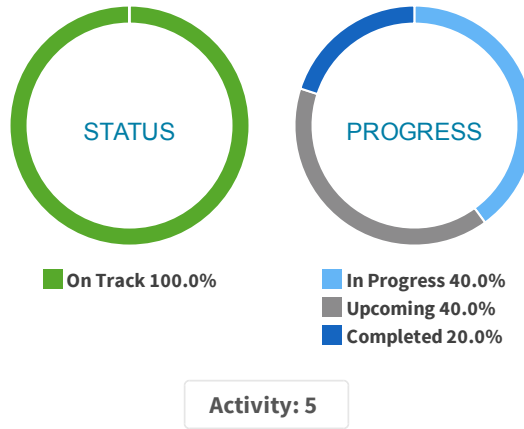
**Last update by Scott Clark (Chief Administrative Officer): Mar 01, 2017**

Strategy Update: Director IT waiting for new Manager of IT to start.

### Strategy 18.5



Implement new Online Licensing system



**Last update by Michael Price (Deputy Registrar, Licensing and Finance): Mar 08, 2017**

**Define requirements: (30% Completed)**

Reviewed Version 5 of the Business Requirements Specification document

**Define requirements: (30% Completed)**

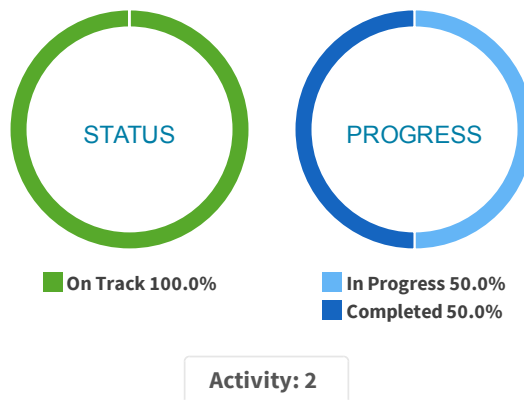
Meetings held with Consultant to define requirements of online licensing system and IT Development of Licensing Process Flow Documents ongoing

RFP to be issued in 2017 with implementation scheduled based on budgeting requirements.

**Strategy 18.6**



Implement an IT dashboard to focus efforts on improving service availability, service performance, and client satisfaction



**Last update by Michelle Wehrle (Director, Information Technology): Feb 17, 2017**

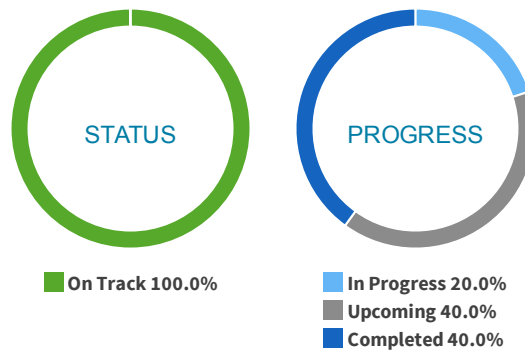
**Refine IT dashboard: (60% Completed)**

Updated standard reporting to include more relevant management information

### Strategy 18.7



Develop a disaster recovery / business continuity plan to mitigate risk of disruption to ongoing PEO operations



Activity: 5

#### Last update by Scott Clark (Chief Administrative Officer): Feb 27, 2017

Status Update: IT disaster recovery achieved as a result of switching to the new hosting provider. Development of enterprise wide disaster recovery / business continuity plan initiated.

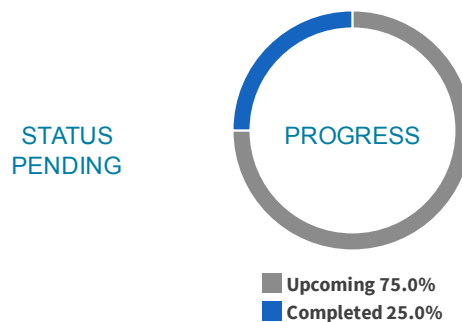
Next Steps: an enterprise wide disaster recovery / business continuity plan will be developed

Project is expected to be completed by December 2017.

### Strategy 18.11



Develop CASL Compliance Tracking



Activity: 4

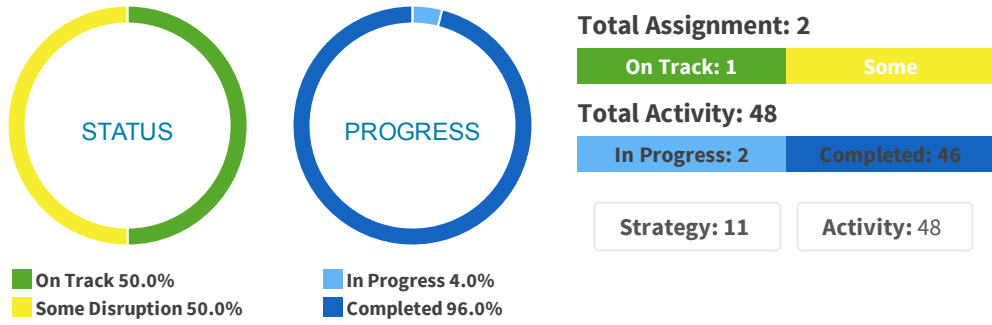
#### Last update by Michelle Wehrle (Director, Information Technology): Feb 27, 2017

Committee needs to book meeting with Gerard to review findings from other regulators and address the challenges that Chapters present.

## Strategic Objective 19



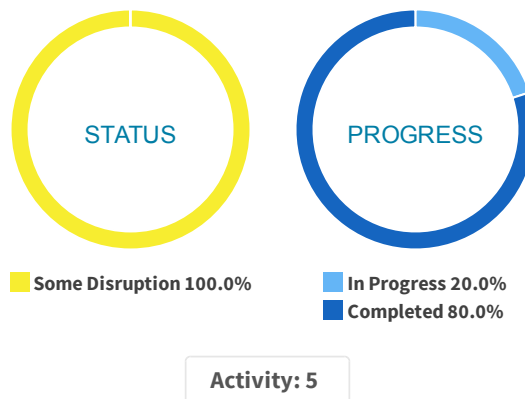
**STAFF, VOLUNTEERS & COUNCIL** - PEO has a sustainable organization-wide continuous-improvement culture



### Strategy 19.1



Establish IT Service Management controls and IT Project Management controls to increase predictability create efficiency and meet stakeholder needs



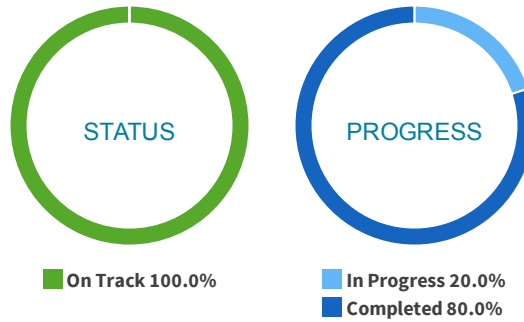
**Last update by Michelle Wehrle (Director, Information Technology): Feb 17, 2017**

IT Project Management controls and service management controls have been implemented. Waiting for new IT Manager to be hired to move forward on IT policy management.

### Strategy 19.2



Develop GLP training modules to enhance the skills of the GLP members and effectiveness of the GLP



Activity: 5

**Last update by Scott Clark (Chief Administrative Officer): Mar 01, 2017**

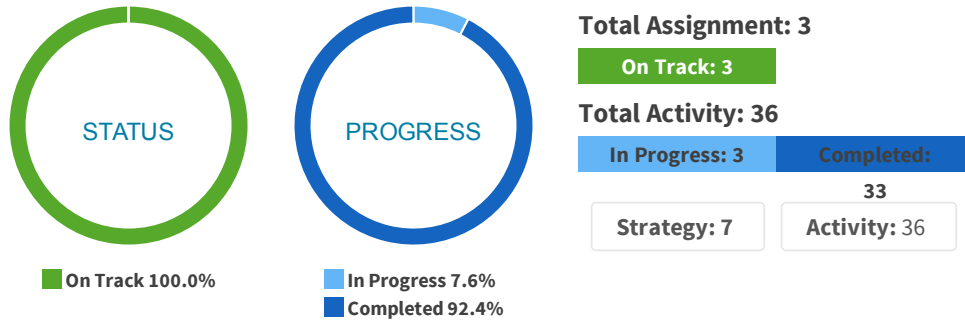
Strategy Update: Changes to the material in the training module must be updated due to recent changes to fundraising rules and Audit recommendations

Next step: New GLC training oversight sub-committee to meet and review the GLP training module. Sub-committee to meet by end of Q1.

## Strategic Objective 20



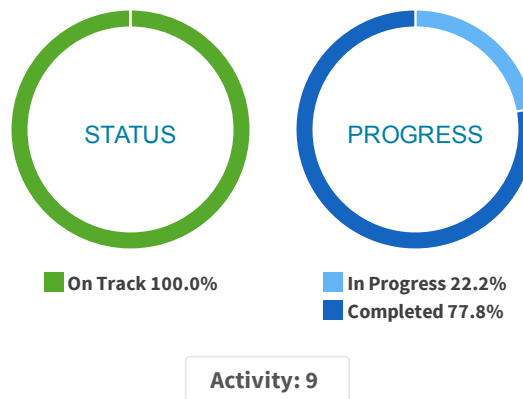
**STAFF, VOLUNTEERS & COUNCIL** - PEO's governance approach is robust, transparent and trusted



### Strategy 20.1



Develop and publish series of articles on aspects of PEO governance and accepted smart practices for governance of regulatory bodies



**Last update by David Smith (Director, Communications): Mar 01, 2017**

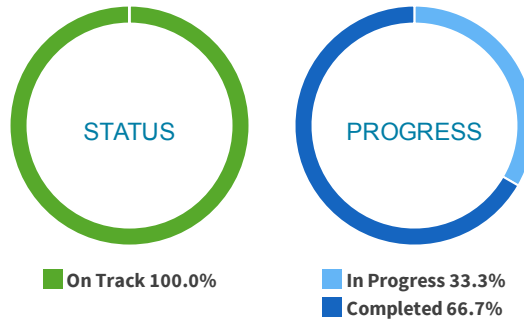
Regular articles on governance issues have been incorporated into the 2017 Engineering Dimensions editorial calendar.

### Strategy 20.7



Support Council Term Limits Task Force





Activity: 3

**Last update by Scott Clark (Chief Administrative Officer): Mar 01, 2017**

***Council Term Limits Task Force: (80% Completed)***

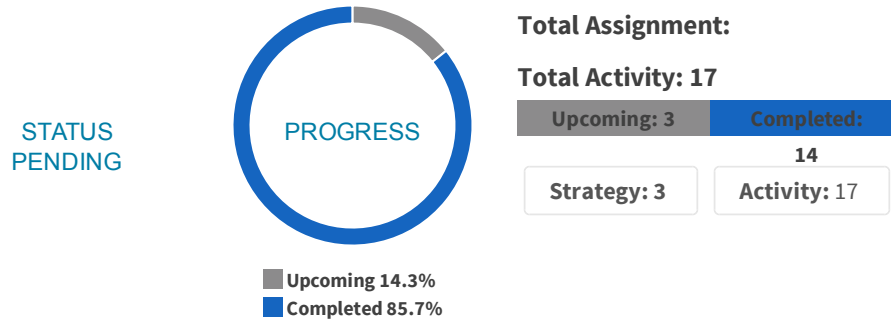
Strategy Update: CTL TF report being finalized. BN drafted for review by Task Force.

Next steps: Report will be presented to Council at its March 2017 meeting.

## Strategic Objective 21



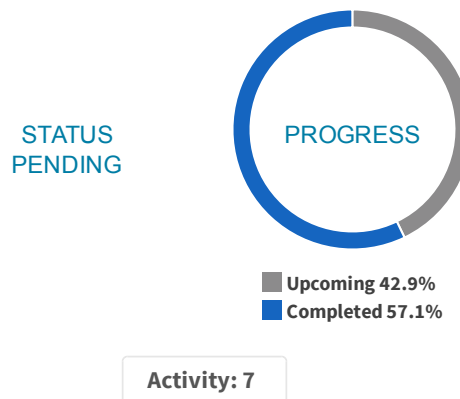
**STAFF, VOLUNTEERS & COUNCIL** - Chapters are engaged in the regulatory mandate of PEO



### Strategy 21.1



Develop a Licensure Assistance Program (LAP) orientation training module to improve access and enhance the learning opportunity for Interns and Guides



**Last update by Tracey Caruana (EIT Coordinator): Feb 24, 2017**

Strategy update: Training tools have been identified from the Guide and Intern handbooks. The online PowerPoint presentation and script have been prepared. The module has been reviewed by Communications and Corporate Services. It will be sent to Scholarlab.

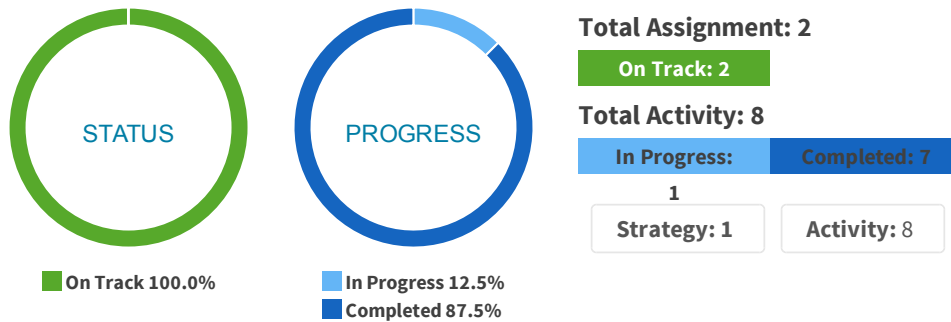
Next steps: Presenter/voice to be selected and video shoot date to be determined with Scholarlab.

Project is expected to be completed by July 2017.

## Strategic Objective 22



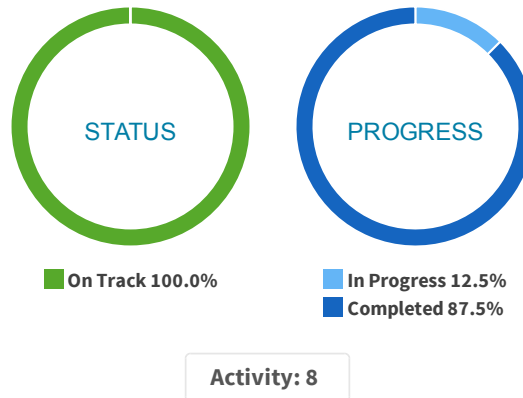
**STAFF, VOLUNTEERS & COUNCIL** - Equity and diversity values and principles are integrated into the general policy and business operations



### Strategy 22.1



Online equity and diversity training module is available to all ARC and ERC members. Introduce mandatory equity and diversity and AODA training for all ARC and ERC members



**Last update by Michael Price (Deputy Registrar, Licensing and Finance): Feb 27, 2017**

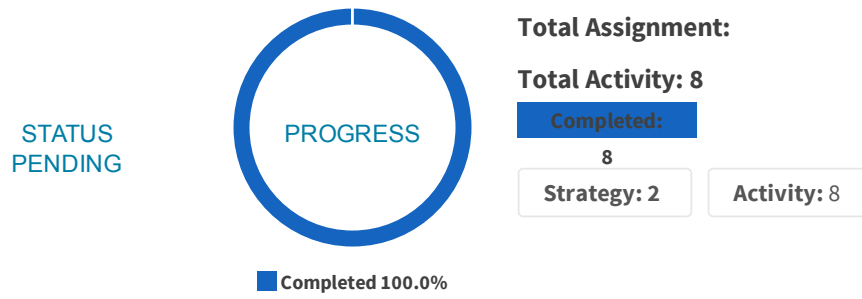
***Council to decide consequences for non compliance: (20% Completed)***

Issues related to non compliance will be incorporated into Office of the Fairness Commission 2017 Assessment

## Strategic Objective 23



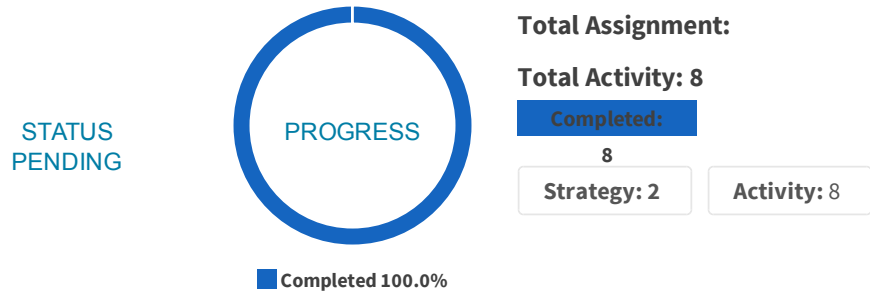
**STAFF, VOLUNTEERS & COUNCIL** - Organizational renewal is ensured through succession plans and talent management strategies



 **Strategic Objective 24**



**STAFF, VOLUNTEERS & COUNCIL** - PEO is recognized as an employer of choice



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## LEGISLATION COMMITTEE UPDATE

**Purpose:** To inform Council of the recent activities of the Legislation Committee.

**Motion(s) to consider:**

none required

Councillor Kuczera, Chair of the Legislation Committee, will provide a report on activities of the Legislation Committee.

**Regional Councillors Committee (RCC) Update**

**Purpose:** To update Council on RCC activities

**No motion required**

**Prepared by:** Matt Ng., P.Eng., Manager, Chapters

Councillor Sadr, Chair of the Regional Councillors Committee (RCC), will provide a report on activities of the RCC.

**Appendices**

At its August 2010 meeting, the Executive Committee, by consensus, agreed that a Regional Councillors Report, setting out chapter issues that were approved at each Regional Congress to go forward to Regional Councillors Committee, be included as an information item on future Council agendas.

- Appendix A – Regional Congress Open Issues Report.



# Regional Congress Open Issues

C-511-5.3  
Appendix A

| <i>Issue</i> | <i>Date Opened</i> | <i>Motion Text</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <i>Mover<br/>Second</i> | <i>Update<br/>Description</i>                                                                                                   | <i>Meeting</i>   | <i>Revision<br/>Date</i> | <i>Recommendation</i> | <i>Closed</i>            | <i>Action By</i> |
|--------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|-----------------------|--------------------------|------------------|
| 55           | Sep/2014           | WRC requests RCC to establish a task force to consider recommended changes and potential implementation of the proposed structured EIT program as presented in the PENTA Forum 2014, so to address Western Open Issue 49 by 2015 PEO AGM.                                                                                                                                                                                                                                        | W Kershaw, D Al-Jailawi | A. Scott, W. Kershaw and J. Samson have not met with the Licensing Committee to date. No updates to report.                     | Western Congress | 09-Feb-17                | Remain Open           | <input type="checkbox"/> |                  |
| 56           | Sep/2015           | WRC requests RCC to request the PEO Licensing Committee to clarify the background associated with 30 hour supervised EIT experience per month requirement; to provide information on what is an acceptable way for how an EIT can get someone to vouch for his/her experience in the absence of a P.Eng. direct supervisor. The region further asks the committee to provide an explanation on why this is changed, and with the intent to change it back to what it was before. | M Irvine, N Birch       | M. Price has been requested to provide a timeline showing when the experience requirement will be reverted to what it had been. | Western Congress | 09-Feb-17                | Remain Open           | <input type="checkbox"/> |                  |

| <i>Issue</i> | <i>Date Opened</i> | <i>Motion Text</i> | <i>Mover<br/>Second</i> | <i>Update<br/>Description</i> | <i>Meeting</i> | <i>Revision<br/>Date</i> | <i>Recommendation</i> | <i>Closed</i> | <i>Action By</i> |
|--------------|--------------------|--------------------|-------------------------|-------------------------------|----------------|--------------------------|-----------------------|---------------|------------------|
|--------------|--------------------|--------------------|-------------------------|-------------------------------|----------------|--------------------------|-----------------------|---------------|------------------|

**West Central**

|    |          |                                                                                                                                                                                                           |                       |                                                                                                                                                                                                                                                                                                                                              |      |           |             |                          |                                                                                                                                                                         |
|----|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|-------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 32 | Jun/2014 | WCRC wants RCC to implement means of improving the knowledge new licensee have with regard to the role and mandate of PEO in society, its chapter system and volunteerism in general for the Association. | S Favell, J Chisholm  | RCC revised "Welcome Package" has been submitted to the Licensing Committee. There has been no word from the Committee to date. Congress Delegates actioned Chapter Office to solicit the update from the Licensing Committee with regards to the "Welcome Package" acceptance status, and if accepted, proposed timeline for implementation | WCRC | 15-Feb-17 | Remain Open | <input type="checkbox"/> | Chapter Office to solicit the update from PEO Licensing with regards to the "Welcome Package" acceptance status, and if accepted, proposed timeline for implementation. |
| 38 | Feb/2017 | To develop a centralized procedure for Chapters to elect Chapter Board members.                                                                                                                           | R Panesar, P Mahidian | Chapter Office to research other Associations' election models and present the findings during the June 2017 West Central Regional Congress.                                                                                                                                                                                                 | WCRC | 15-Feb-17 | New         | <input type="checkbox"/> |                                                                                                                                                                         |

| <i>Issue</i> | <i>Date Opened</i> | <i>Motion Text</i> | <i>Mover Seconder</i> | <i>Update Description</i> | <i>Meeting</i> | <i>Revision Date</i> | <i>Recommendation</i> | <i>Closed</i> | <i>Action By</i> |
|--------------|--------------------|--------------------|-----------------------|---------------------------|----------------|----------------------|-----------------------|---------------|------------------|
|--------------|--------------------|--------------------|-----------------------|---------------------------|----------------|----------------------|-----------------------|---------------|------------------|

**Northern**

|    |          |                                                                                                                                                                                                             |                  |                                                                                                                                                                                                  |                   |           |             |                          |  |
|----|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|-------------|--------------------------|--|
| 38 | Sep/2015 | NRC requests RCC to recommend to Council to establish a task force to look at the size of the council make-up with reference to the James Dunsmuir's article in Engineering Dimensions May/June 2015 issue. | Z White, D Ch'ng | Region requested to leave this open issue active until task force has finished its work and reported to the PEO Council. Task force is actively working on its objectives. No discussion ensued. | Northern Congress | 08-Feb-17 | Remain Open | <input type="checkbox"/> |  |
|----|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|-------------|--------------------------|--|

|    |          |                                                                                                                                                                                                                         |                        |                                                                                                                                                                                      |                   |           |             |                          |  |
|----|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|-------------|--------------------------|--|
| 41 | Sep/2016 | The Northern Regional Congress (NRC) requests that the RCC approach the Experience Requirement Committee for a revamp of the communication process and establish a service standard for responses to applicants to PEO. | L. Keats, D. Jackowski | RCC has requested additional information from the Experience Requirement Committee and staff regarding this open issue. No information has been provided from the committee to date. | Northern Congress | 08-Feb-17 | Remain Open | <input type="checkbox"/> |  |
|----|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|-------------|--------------------------|--|

## **ENGINEERS CANADA UPDATE**

**Purpose:** To inform Council of the recent activities of Engineers Canada

**Motion(s) to consider:**

none required

Chris Roney, President of Engineers Canada and one of PEO's Directors on the Engineers Canada board, will provide a verbal report. The report will include a discussion of the draft Engineers Canada Strategic Plan. Councillors will be asked to prioritize the themes and sub-themes of the plan and provide any comments they might have thereon through Survey Monkey.

### **Appendix A – Developing Engineers Canada Strategic Plan**

# Developing Engineers Canada Strategic Plan

# Strategic Plan



**Bylaw requires a board recommendation (s. 5.8)**

- The Board must create and recommend a Strategic Plan to the Members.

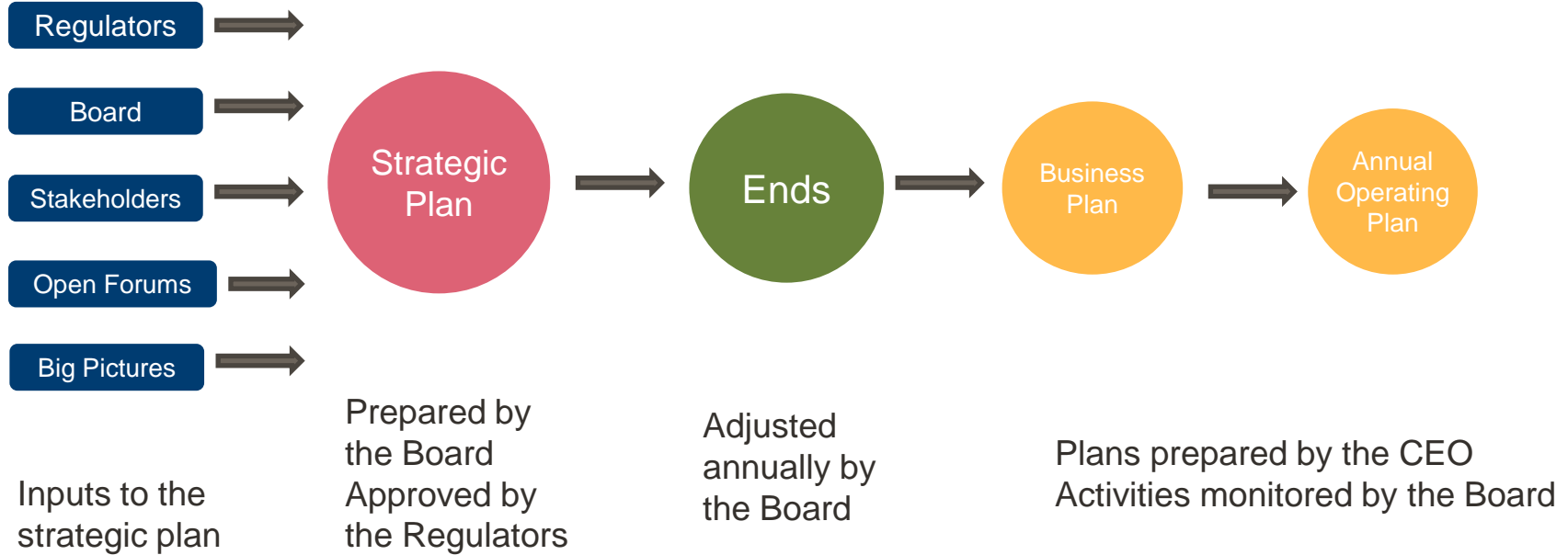
**What will success look like?**

- The Board creates the Plan, as a summary of all input gathered
- The member regulators confirm and support the Plan
- Engineers Canada implements the Plan
- The profession is inspired to achieve the Plan

# The Annual Process

- *Big Picture Thinking* and *Open Forum* discussions are used to explore strategic concepts
- The strategic plan is **updated** by the Board and improved through consultation with the Regulators and other stakeholders
- The updated strategic plan is **recommended** by the Board at the May meeting
- The strategic plan is considered, adjusted and **approved** at the May *Annual Meeting of Members*
- The Board reviews the Ends at the June workshop, to ensure alignment with the approved strategic plan
- Engineers Canada develops and monitors a multi-year Business Plan and an Annual Operating Plan to achieve the Ends

# The Annual Process





# Responsibilities

## The Regulators

- Set out the purposes of Engineers Canada in the articles of incorporation
- **Annually** approve/reconfirm the strategic plan

## The Board

- Linkage with the Regulators and other stakeholders
- Create a shared future vision for the profession
- Develops a strategic plan summarizing all inputs and consultations
- Develop the Ends
- Direct the CEO via the Ends and Executive Limitations
- Hold the CEO accountable via the monitoring reports

# Strategic Plan Timetable 2016/2017

---

|                |                                                                                  |
|----------------|----------------------------------------------------------------------------------|
| June 2016      | 1 <sup>st</sup> draft - Board considered over 700 inputs                         |
| August 2016    | 2 <sup>nd</sup> draft - Board reviewed 1 <sup>st</sup> draft & provided feedback |
| Sept. 27, 2016 | Open Forum discussion on the planning process                                    |
| Dec. 19, 2016  | Comments from Board member consultations on 2 <sup>nd</sup> draft are received   |
| Feb. 28, 2017  | 3 <sup>rd</sup> draft, with measurements, is presented at the Open Forum         |
| April 15, 2017 | Comments from the Regulators on 3 <sup>rd</sup> draft are received               |
| May 25, 2017   | Final draft is presented at the Open Forum                                       |
| May 26, 2017   | Board recommends Plan for approval by Members                                    |
| May 27, 2017   | Members approve Strategic Plan                                                   |



# The Strategic Plan

Draft 3

# Updates and Feedback Received



- Potential **indicators** have been added to each sub-theme
  - These includes changes, trends and measured, not specific targets
- A **preamble** has been added to clarify that the role of Engineers Canada is to support the regulators
- Regarding sub-theme **3.3 Quality Assurance**, this has been further clarified with a note that Engineers Canada supports the regulators' work in this area

# Plan Structure

- **Preamble** explains the purpose and role of Engineers Canada – **NEW!**
- Six **Strategic Directions** with sub-themes
- **Desired Outcome** – *What do we want the future to look like?*
- **Indicators** – *How will we track progress?* – **NEW!**
- **Key Considerations / current activities** – *What actions must be undertaken or are already underway?*

## Preamble - *NEW*

Engineers Canada's purpose is to provide national support and national leadership to the engineering profession on behalf of its members, so as to promote and maintain the interests, honour, and integrity of the engineering profession in Canada. This strategic plan lists the strategic direction and desired outcomes that Engineers Canada seeks to achieve, working with and for its owners, the engineering regulators.

# 1. National Voice

| <b>Sub-theme</b>            | <b>Desired outcomes</b>                                                                                                                                                                                                                                                            | <b>Indicators</b>                                                                                    |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1.1<br>Government relations | <ul style="list-style-type: none"><li>• Well-established relationships with parliamentarians and public servants</li><li>• Parliamentarians and public servants see Engineers Canada and the engineering profession as a societal leader</li></ul>                                 | <ul style="list-style-type: none"><li>• Trends of parliamentarians and key public servants</li></ul> |
| 1.2 Public awareness        | <ul style="list-style-type: none"><li>• Engineers and the engineering profession's profile with the public are enhanced</li><li>• Public is aware of engineers and how they serve the public</li><li>• Engagement and education of the public interest role of engineers</li></ul> | <ul style="list-style-type: none"><li>• Trends of public perceptions</li></ul>                       |

# 1. National Voice

| <b>Sub-theme</b>      | <b>Desired outcomes</b>                                                                                                                                                                                                                                                                                        | <b>Indicators</b>                                                                                                                                                                                         |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.3 Public confidence | <ul style="list-style-type: none"><li>• The public values engineers as societal leaders</li></ul>                                                                                                                                                                                                              | <ul style="list-style-type: none"><li>• Trends of public perceptions</li></ul>                                                                                                                            |
| 1.4 Public policy     | <ul style="list-style-type: none"><li>• Positions statements on significant issues relevant to the profession are used in policy-making</li><li>• Government is aware of Engineers Canada's positions statements</li><li>• Government seeks input from Engineers Canada in the policy-making process</li></ul> | <ul style="list-style-type: none"><li>• Trends of issues and position statements developed</li><li>• Trends of requests for input, responses to consultations, policies using engineering input</li></ul> |



## 2. Public protection

| Sub-theme                         | Desired outcomes                                                                                                                                                                                                                                                                                                                       | Indicators                                                                                                                                                                                                               |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1<br>Demand-side<br>Legislation | <ul style="list-style-type: none"><li>• Increased scopes of practice where a licence is mandated</li><li>• Replacement of the QP (qualified person) regime with licensed professional</li><li>• Enforcement where QP falls within the definition of engineering</li><li>• Adoption of the national definition of engineering</li></ul> | <ul style="list-style-type: none"><li>• National demand-side legislation increasingly reflects the expertise of engineers</li><li>• XX regulators adopt the national definition of the practice of engineering</li></ul> |
| 2.2 Self-regulation               | <ul style="list-style-type: none"><li>• Self-regulation of engineering is viewed by governments as the most effective way to protect and serve the public interest</li></ul>                                                                                                                                                           | <ul style="list-style-type: none"><li>• Trends of parliamentarians and senior public servants</li><li>• Trends of licence holders</li></ul>                                                                              |

### 3. Proactive regulation and integrity

| Sub-theme  | Desired outcomes                                                                                                                                                                                                                                                                                                                                                                                                                            | Indicators                                                                                                                                                                                                                                                                  |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 Ethics | <ul style="list-style-type: none"><li>• Engineers and permit holders are accountable for their ethical conduct</li><li>• Engineers and permit holders have a consistent understanding of ethics</li><li>• Engineers are perceived by the public as ethical</li><li>• Legislation provides stronger protection for whistleblowers</li><li>• All engineers are protected by the national whistleblower protection program/insurance</li></ul> | <ul style="list-style-type: none"><li>• Trends of final year students</li><li>• Trends of licence holders</li><li>• XX regulators have adopted the national code of ethics</li><li>• XX regulators have included ethical training in their mandatory CPD programs</li></ul> |

### 3. Proactive regulation and integrity

| <b>Sub-theme</b>        | <b>Desired outcomes</b>                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Indicators</b>                                                                                                                                                                                                                                                                      |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.2 Promising practices | <ul style="list-style-type: none"><li>• Promising practices developed by regulators are captured and shared by Engineers Canada</li><li>• Regulators are assisted in the adoption of promising practices by Engineers Canada</li><li>• Regulators are aware of relevant promising practices of international engineering bodies</li><li>• Regulators feel Engineers Canada is supporting them in their role as regulators</li></ul> | <ul style="list-style-type: none"><li>• Participation/usage rates for identified “promising practices”:</li><li>• OQM</li><li>• Competency-based assessment</li><li>• Framework elements</li><li>• QB documents</li><li>• Other practices identified by EC or the regulators</li></ul> |

### 3. Proactive regulation and integrity

| Sub-theme             | Desired outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Indicators                                                                                                                                                                                                   |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.3 Quality assurance | <p data-bbox="338 267 1072 376"><b>Engineers Canada supports the regulators to ensure that:</b></p> <ul data-bbox="338 382 1091 1010" style="list-style-type: none"><li data-bbox="338 382 1091 606">• Engineers offer services, advise on or undertake engineering assignments only in areas of their competence</li><li data-bbox="338 611 1091 726">• Engineers practise in a careful and diligent manner</li><li data-bbox="338 731 1091 900">• Engineer view their continuing professional development (CPD) as being meaningful</li><li data-bbox="338 906 1091 1010">• Public is confident that engineers sustain their competency</li></ul> | <ul data-bbox="1130 267 1787 376" style="list-style-type: none"><li data-bbox="1130 267 1787 322">• Trends of public perceptions</li><li data-bbox="1130 327 1787 376">• Trends of licence holders</li></ul> |

## 4. Valued profession

| Sub-theme                                | Desired outcomes                                                                                                                                                                                                                                                                       | Indicators                                                                                                                                                                  |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.1 Licensed engineers valued by society | <ul style="list-style-type: none"><li>• Clients perceive hiring an engineer as an investment rather than a cost</li><li>• Canadians know that a licence is required to practice engineering</li><li>• Children and youth understand what engineering is</li></ul>                      | <ul style="list-style-type: none"><li>• Participation rates for Future City, and other elementary school outreach programs</li><li>• Trends of public perceptions</li></ul> |
| 4.2 Pride in the profession              | <ul style="list-style-type: none"><li>• Engineers promote the value of the profession to society</li><li>• Strategies to achieve job satisfaction to retain engineers in professional practice</li><li>• Transparency to the public regarding the expertise of each engineer</li></ul> | <ul style="list-style-type: none"><li>• Trends of licence holders</li><li>• Online registers with practice details</li></ul>                                                |

## 5. Societal leadership

*(no sub-themes)*

### Desired outcomes

- Engineers understand the need to lead, innovate and drive
- Engineers are actively engaged in solving society's problems
- Engineers consider social and environmental impacts
- Engineers improve the quality of life through the work they do
- Engineers inspire children and youth
- Engineers drive economic growth

### Indicators

- Trends of licence holders

## 6. Diversity and inclusion

| Sub-theme         | Desired outcomes                                                                                                                                                                                                                                                                                         | Indicators                                                                                                                                                                            |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1<br>Attraction | <ul style="list-style-type: none"><li>• 30 percent of newly licensed engineers are women by 2030</li><li>• The number of engineering graduate who are Indigenous Peoples doubled by 2030</li></ul>                                                                                                       | <ul style="list-style-type: none"><li>• Membership survey results</li><li>• Enrolment and degrees granted report</li><li>• Some measurement tools may need to be developed.</li></ul> |
| 6.2<br>Retention  | <ul style="list-style-type: none"><li>• Women and Indigenous Peoples who are EITs become licensed at a rate that exceeds the average of the profession</li><li>• Women and Indigenous Peoples remain in practice 10 years after licensure at a rate that exceeds the average of the profession</li></ul> | <ul style="list-style-type: none"><li>• No measurement tools currently exist. To be further investigated.</li></ul>                                                                   |

# Next Steps

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|                |                                                                                  |
|----------------|----------------------------------------------------------------------------------|
| June 2016      | 1 <sup>st</sup> draft - Board considered over 700 inputs                         |
| August 2016    | 2 <sup>nd</sup> draft - Board reviewed 1 <sup>st</sup> draft & provided feedback |
| Sept. 27, 2016 | Open Forum discussion on the planning process                                    |
| Dec. 19, 2016  | Comments from Board member consultations on 2 <sup>nd</sup> draft are received   |
| Feb. 28, 2017  | 3 <sup>rd</sup> draft, with measurements, is presented at the Open Forum         |
| April 15, 2017 | Comments from the Regulators on 3 <sup>rd</sup> draft are received               |
| May 25, 2017   | Final draft is presented at the Open Forum                                       |
| May 26, 2017   | Board recommends Plan for approval by Members                                    |
| May 27, 2017   | Members approve Strategic Plan                                                   |





**Thank You**

## **Impact of \$20 fee reduction on PEO Finances**

**Purpose:** To provide Council with a report on the implications of a \$20 reduction to the annual membership fee on PEO finances.

**No motion required**

**Prepared by:** Chetan Mehta, Director - Finance

**Presented by:** Roger Jones, P.Eng., FEC, Chair of Finance Committee

### **1. Status Update**

On Nov 18, 2016 Council requested the Chair of the FIC to report on the impact of a \$20 fee reduction on PEO finances. This report presents the impact of such a reduction on PEO's finances.

### **2. Background**

Since 2007 PEO had been seeking a new office building for its growing accommodation needs as its prior location at 25 Sheppard Ave west was proving to be inadequate. Furthermore, its lease at 25 Sheppard was ending on Dec 31, 2009. Also, building ownership was considered to have some advantages.

To provide funds for the purchase of a building, at its 444<sup>th</sup> meeting on Dec 14, 2007, Council passed the following motions:

That:

- a) By-Law 1 be amended to prescribe an annual membership fee of \$220 in support of a new building for PEO;
- b) Such by-law amendment be included with the 2008 election ballots; and
- c) The CEO/Registrar be directed to draft a by-law amendment that is consistent with the intention of this motion

Per the motion above, the ballot to confirm the amendment to section 39(2) for an increase in the membership fee by \$20 to \$220 was included in the 2008 Council election package and mailed to members in January 2008. Members voted in favour of the fee increase.

Since the vote was close, a recount of the ballots was requested during the 447<sup>th</sup> Council meeting on March 28, 2008. The recount confirmed the initial outcome wherein the members had approved the fee increase. As a result, the new annual membership fee for \$220 became effective May 1, 2008. After the increase in 2008, there have been no further increases to P.Eng membership fee till date.

At its 449<sup>th</sup> meeting on June 27, 2008 Council passed the following motions:

That:

- a) the 2009 Budget Assumptions, as presented at agenda Appendix C-441-18(b) and which were approved by the Finance Committee, be approved by Council; and

b) of the \$220 P.Eng. fees prescribed in Section 39(2) of By-Law No.1, \$200 is to be allocated for general operations and the remaining \$20 is to be reserved for the Building Fund.

On March 11, 2009 PEO purchased the building at 40 Sheppard for a price of \$22.575m. An amount of \$14.1m of the cost of the building was financed with a closed mortgage from the Bank of Montreal at an interest rate of 4.95% for a term of 10 years. The interest rate on the loan is due for review in 2019 when the principal outstanding will be \$5.6m.

### **3. Impact of a fee reduction**

The impact of reducing membership fees to \$200 as of Jan 1, 2017 on PEO finances is summarized below:

#### **Financial impact (See Appendix A)**

- 1) This would lead to an average reduction of \$1.5m per annum in revenues
- 2) The average revenue loss would translate to a net loss of \$775k per annum
- 3) The operating reserve will fall from an average \$11m to \$7m
- 4) Net assets will fall from an average of \$16.5m to \$12m

If a fee reduction is deemed necessary then alternatives to make up for the lost revenue need to be found, or an approximate 6% budget cut implemented, failing which there is a high likelihood of an overall degradation in PEO's finances over a period of time. This could lead to:

- 1) Difficulty in sustaining regular day to day operations.
- 2) Diminished ability to spend on capital expenditures deemed necessary for sustaining or improving operational efficiencies.
- 3) Diminished ability to spend on strategic plan initiatives, potentially adversely affecting PEO's ability to discharge its regulatory obligations.
- 4) PEO would be unable to pay-off the outstanding mortgage in 2019 (subject to Council approval) as this would result in the operating reserve falling below \$1.5m - well below the minimum required level of \$4.5m.

In light of the above, it would be prudent to maintain *status quo* and revisit the membership fees in 2019 when the mortgage term will end and the outstanding loan can either be refinanced or be paid off in full.

In 2019, the outstanding mortgage will mature and the principal owed will be \$5.6m. Depending on the circumstances in 2019, PEO could either choose to fully pay off the outstanding amount while still maintaining an operating reserve of \$5.9m – well above the minimum required threshold of \$4.5m.

Alternatively, PEO could consider refinancing the outstanding amount of \$5.6m if the PEO investment portfolio is earning good returns (the revised policy became effective Jan 1, 2017) and is higher than the refinancing rate, also if the capital was needed for other, approved projects.

**Some additional points to consider:**

1) Unlike several other sister associations in Canada, PEO has not increased its membership fees since 2008. Indeed, by prudent financial management, real membership fees have been reduced by the amount of inflation over this period.

2) Even after the fee increase in 2008, PEO continues to have the lowest P.Eng membership fees in Canada. Also, after factoring in inflation, PEO has implicitly given a fee reduction of approx. 1.7% per annum since 2008.

3) There was no wording in the referendum held in 2008 for the fee increase to suggest that that the fee increase was temporary or time bound.

4) If PEO were to increase the \$200 membership fees each year from 2008 onwards by inflation then the fee in 2016 would have been \$229 and the fee in 2019 would be approx. \$244.

**Appendices - Appendix A**

## Impact of reversing the 2008 fee increase

### Objective:

Effective May 1, 2008 PEO increased its annual licence fee by \$20 to \$220 for the purpose of raising funds to enable PEO to purchase a new office building. This report estimates the impact of eliminating this building fee increase on PEO's finances.

### Assumptions and methodology:

- 1) The fee reduction is effective Jan 1, 2017
- 2) The fee reduction in the amount of \$20 for regular P.Eng members and \$5 for retired or remission members
- 3) The fee reduction has been factored into the financial projections used for presenting the 2017 budget
- 4) All other revenues and costs are assumed to remain unchanged

### Findings:

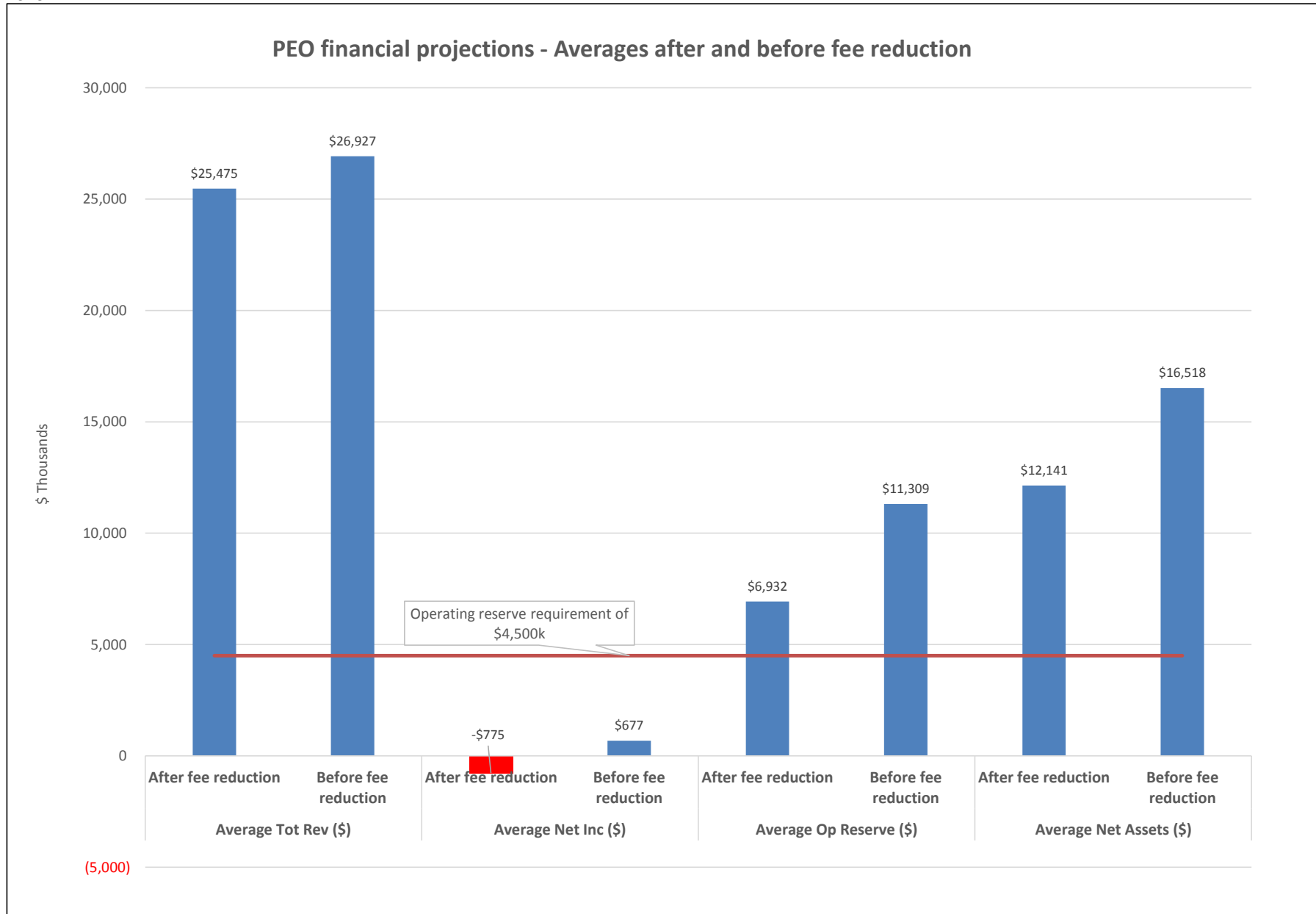
Some of key financial consequences of the fee reduction have been highlighted below:

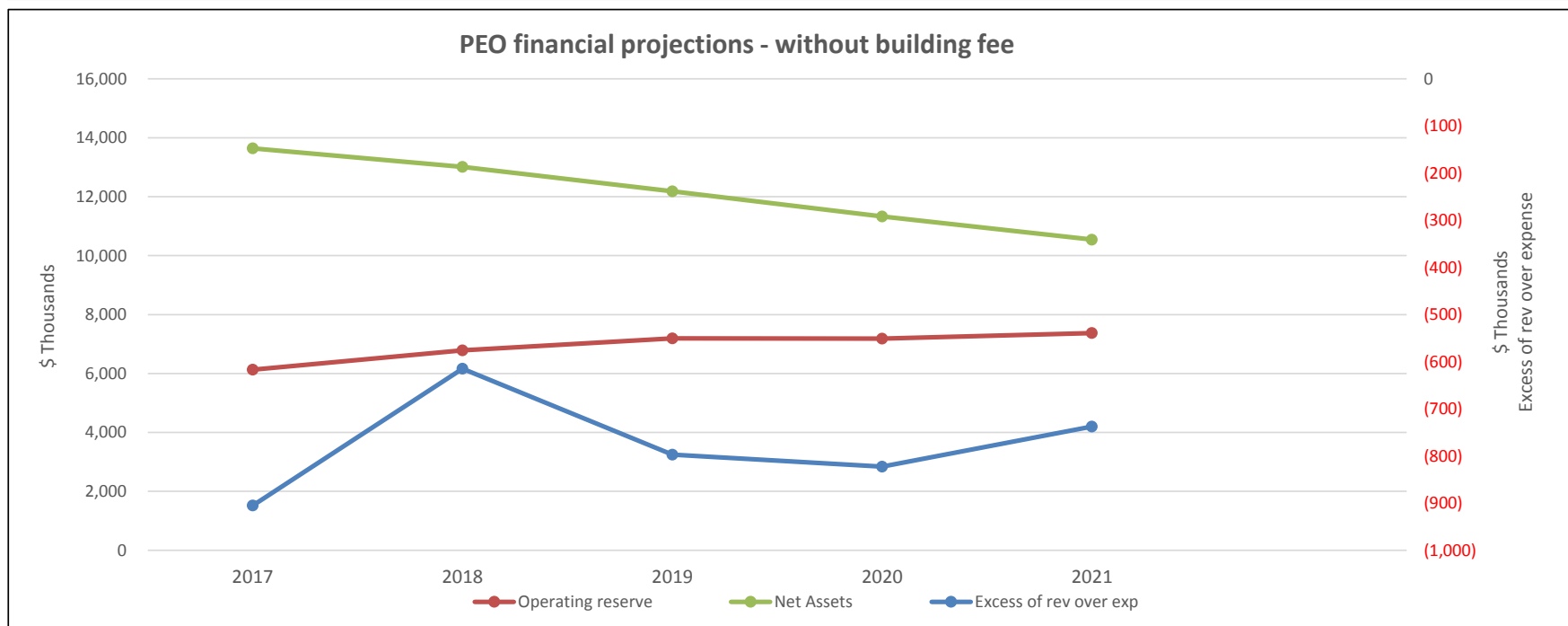
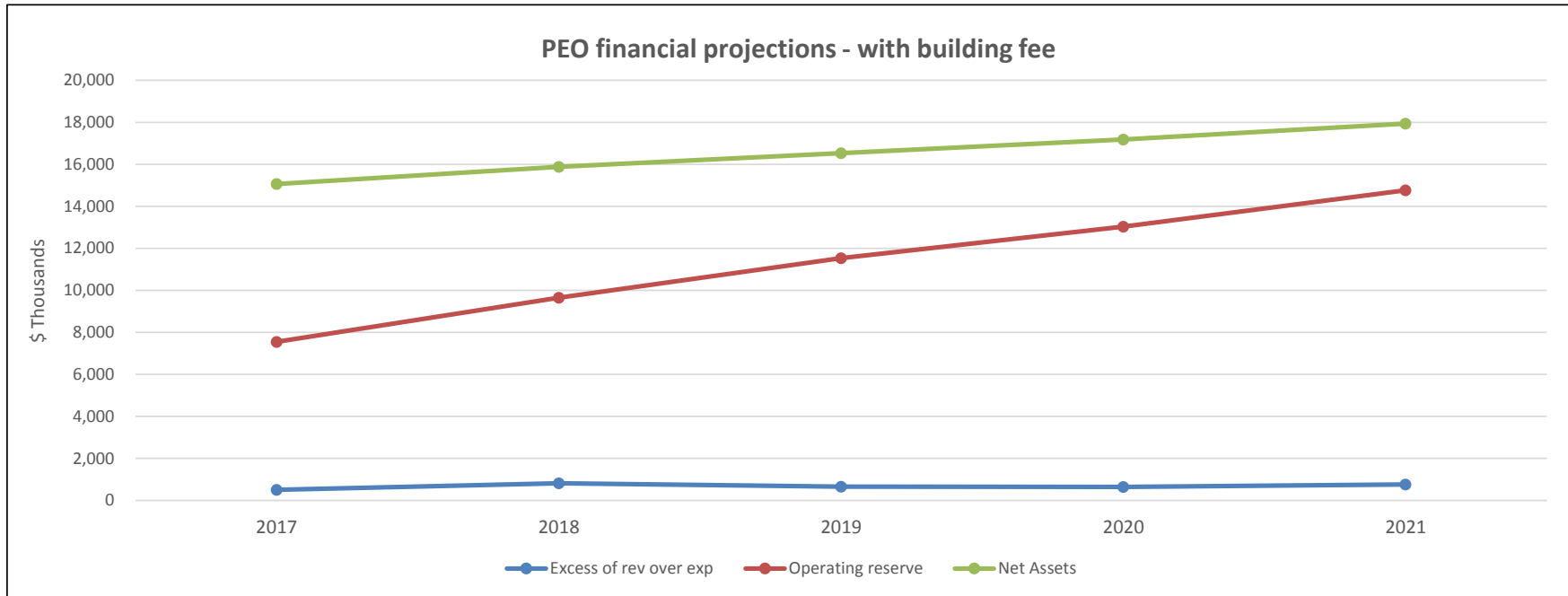
- 1) An average reduction of \$1.5m per annum in revenues - see graph on page 2
- 2) This revenue loss would translate to an average net loss of \$775k per annum - see graph on page 2
- 3) The operating reserve will fall from an average \$11m to \$7m - see graph on page 2
- 4) Net assets will fall from an average of \$16.5m to \$12m - see graph on page 2
- 5) Unlike several other sister associations in Canada, PEO has not increased its membership fees since 2008
- 6) Even after the fee increase in 2008, PEO continues to have the lowest P.Eng membership fees in Canada and after factoring in inflation, it can be argued that PEO has implicitly given a fee reduction of 2.5% per annum since 2014
- 7) There was no wording in the referendum held in 2008 for the fee increase to suggest that that the fee increase was temporary or time bound.

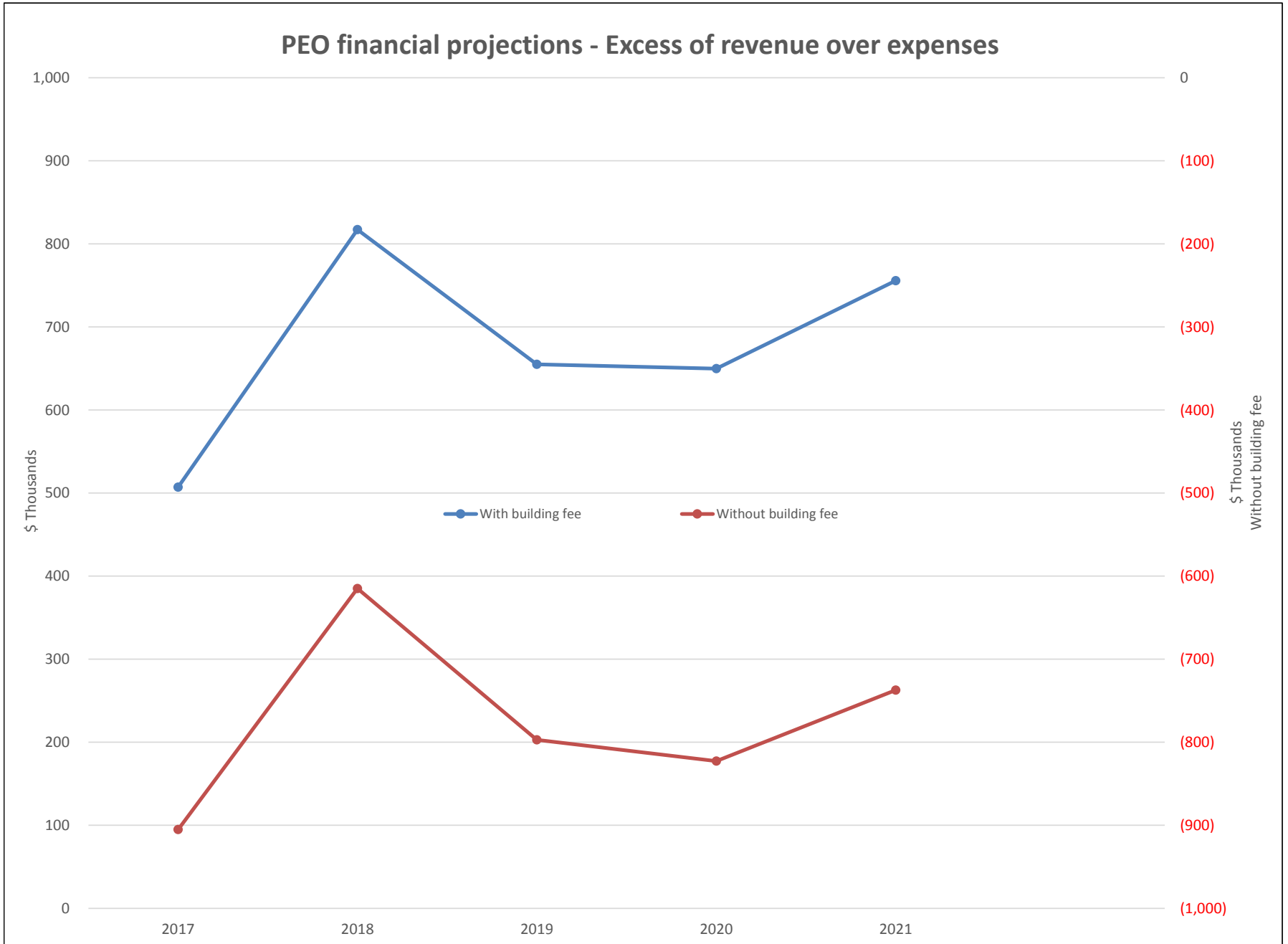
### Recommendations and conclusions:

If a fee reduction is deemed necessary then alternatives to make up for the lost revenue need to be found, failing which there is a high likelihood of an overall degradation in PEO's finances over a period of time. This could lead to:

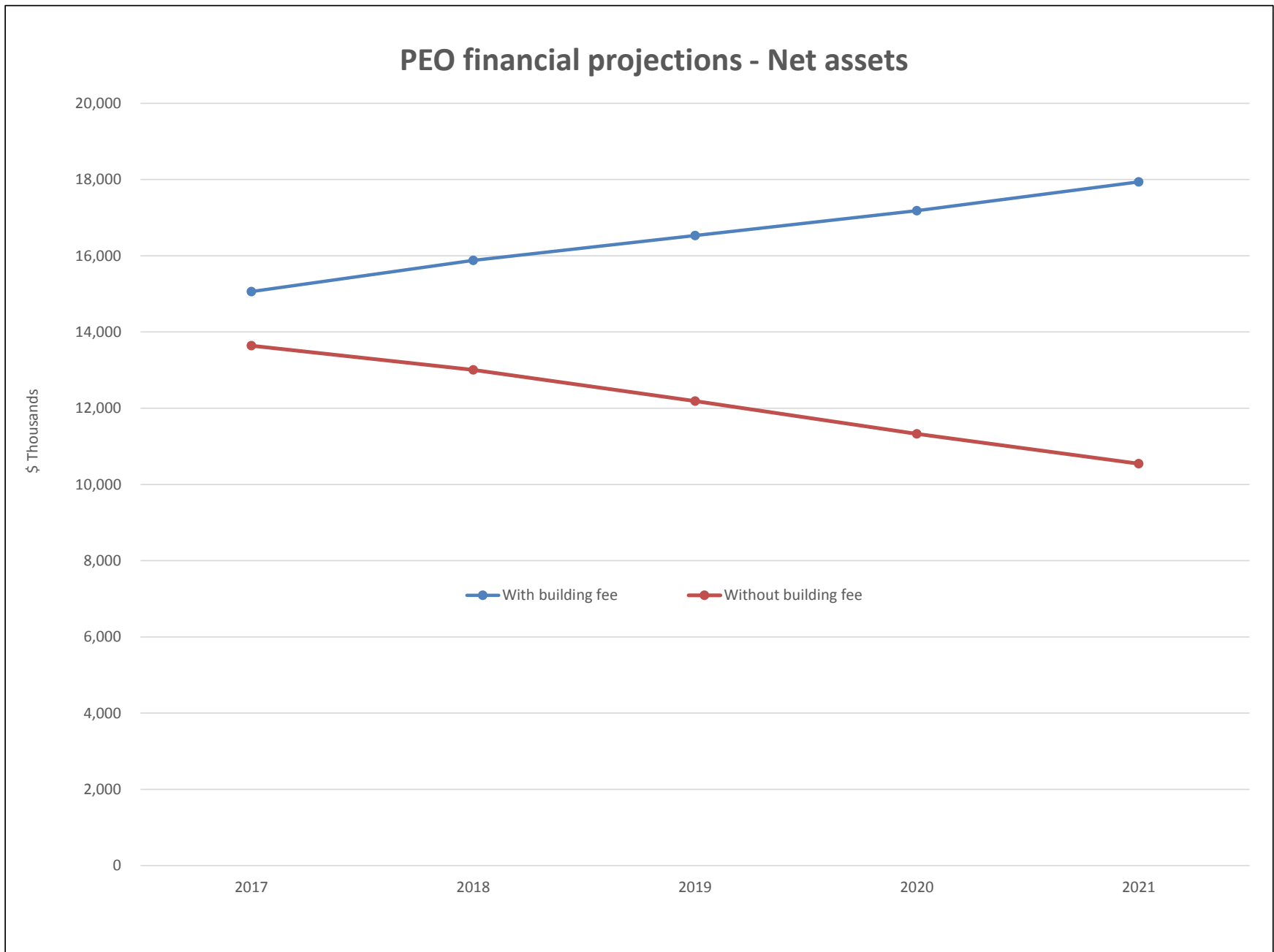
- 1) Difficulty in sustaining regular day to day operations
- 2) Diminished ability to spend on critical capital expenditures necessary for sustaining or improving operational efficiencies
- 3) Diminished ability to spend on strategic plan initiatives thereby negatively impacting PEO's ability to discharge its regulatory obligations
- 4) PEO will be unable to payoff the outstanding mortgage in 2019 (subject to Council approval) as this would result in the operating reserve falling below \$1.5m - well below the minimum required level of \$4.5m

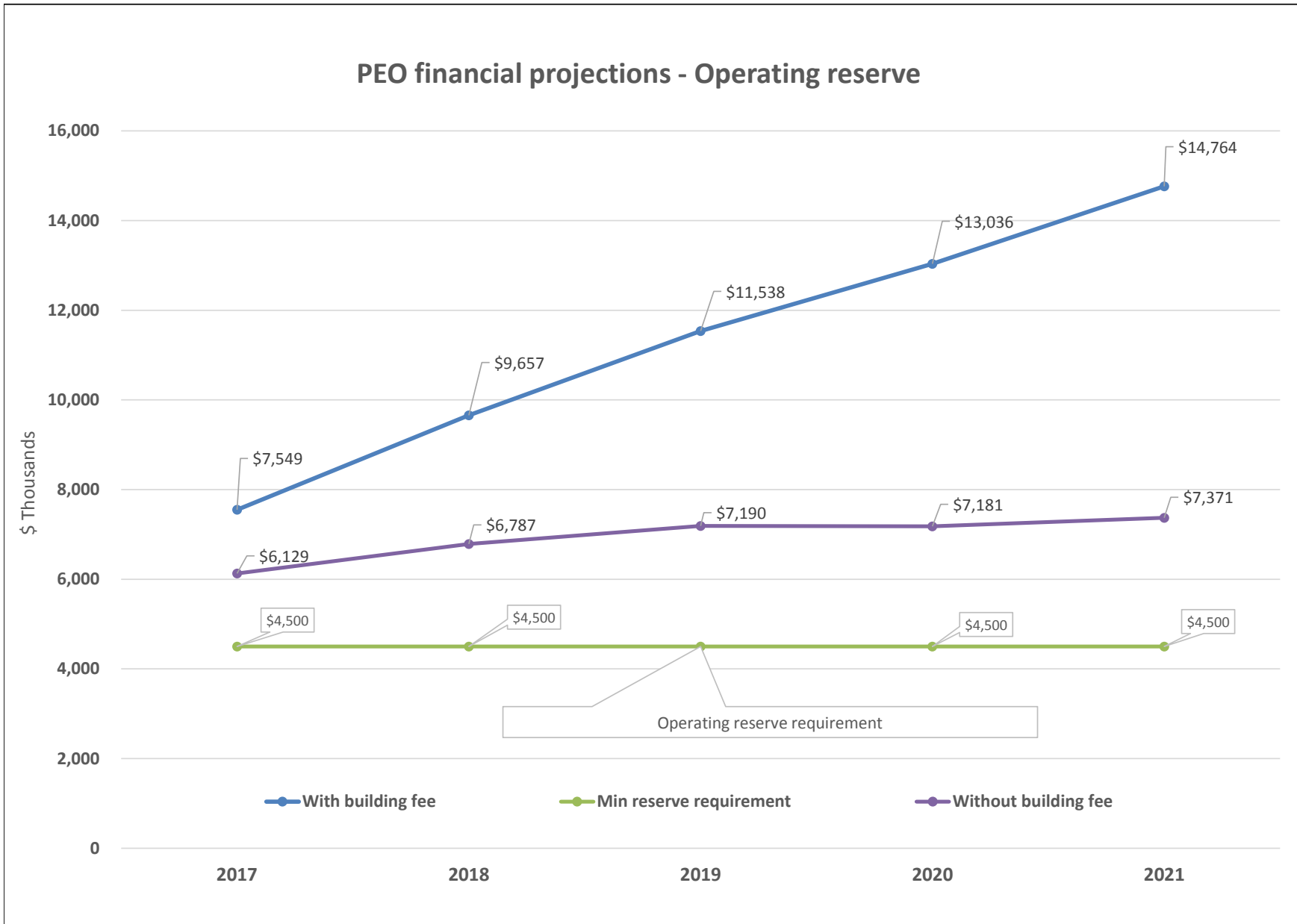












**PEO financial projections**

**Table 1 - With Building Fee (\$)**

|                        | 2017       | 2018       | 2019       | 2020       | 2021       |
|------------------------|------------|------------|------------|------------|------------|
| Excess of rev over exp | 507,096    | 817,156    | 654,936    | 649,697    | 755,686    |
| Operating reserve      | 7,549,480  | 9,656,595  | 11,537,741 | 13,036,209 | 14,763,768 |
| Net Assets             | 15,060,615 | 15,877,771 | 16,532,707 | 17,182,404 | 17,938,090 |

**Table 2 - Without Building Fee (\$)**

|                        | 2017       | 2018       | 2019       | 2020       | 2021       |
|------------------------|------------|------------|------------|------------|------------|
| Excess of rev over exp | (905,158)  | (614,869)  | (797,137)  | (822,706)  | (737,330)  |
| Operating reserve      | 6,128,870  | 6,786,963  | 7,190,106  | 7,181,010  | 7,370,856  |
| Net Assets             | 13,640,005 | 13,008,139 | 12,185,072 | 11,327,206 | 10,545,177 |

**Table 3 - Excess of revenue over expenses (\$)**

|                      | 2017      | 2018      | 2019      | 2020      | 2021      |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| With building fee    | 507,096   | 817,156   | 654,936   | 649,697   | 755,686   |
| Without building fee | (905,158) | (614,869) | (797,137) | (822,706) | (737,330) |

**Table 4 - Cash reserve (\$)**

|                         | 2017      | 2018      | 2019       | 2020       | 2021       |
|-------------------------|-----------|-----------|------------|------------|------------|
| With building fee       | 7,549,480 | 9,656,595 | 11,537,741 | 13,036,209 | 14,763,768 |
| Min reserve requirement | 4,500,000 | 4,500,000 | 4,500,000  | 4,500,000  | 4,500,000  |
| Without building fee    | 6,128,870 | 6,786,963 | 7,190,106  | 7,181,010  | 7,370,856  |

**Table 5 - Net assets (\$)**

|                      | 2017       | 2018       | 2019       | 2020       | 2021       |
|----------------------|------------|------------|------------|------------|------------|
| With building fee    | 15,060,615 | 15,877,771 | 16,532,707 | 17,182,404 | 17,938,090 |
| Without building fee | 13,640,005 | 13,008,139 | 12,185,072 | 11,327,206 | 10,545,177 |

**Table 6 - Averages**

|                 | Average Tot Rev (\$) |                      | Average Net Inc (\$) |                      | Average Op Reserve (\$) |                      | Average Net Assets (\$) |                      |
|-----------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|
|                 | After fee reduction  | Before fee reduction | After fee reduction  | Before fee reduction | After fee reduction     | Before fee reduction | After fee reduction     | Before fee reduction |
|                 | 25,475,130           | 26,927,485           | (775,440)            | 676,914              | 6,931,561               | 11,308,759           | 12,141,120              | 16,518,318           |
| min reserve req | 4,500,000            | 4,500,000            | 4,500,000            | 4,500,000            | 4,500,000               | 4,500,000            | 4,500,000               | 4,500,000            |

Mar 7, 2017 - DRAFT  
Rev 3

**CPI data**

**Table 1 - Consumer Price Index and % change**

|                           | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CPI - Ontario             | 113.3       | 113.7       | 116.5       | 120.1       | 121.8       | 123         | 125.9       | 127.4       | 129.7       |
| % change in CPI - Ontario | -           | 0.4%        | 2.5%        | 3.1%        | 1.4%        | 1.0%        | 2.4%        | 1.2%        | 1.8%        |

**Table 2 - Growth of \$200 P.Eng fee by annual inflation (\$)**

|                             | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| P.Eng annual membership fee | \$200       | \$201       | \$206       | \$212       | \$215       | \$217       | \$223       | \$225       | \$229       |

Source for CPI data: Stats Canada, Table 326-0021

# Briefing Note – Information

C-511-5.6

## **OSPE-PEO JOINT RELATIONS COMMITTEE (JRC) UPDATE**

**Purpose:** To inform Council of the recent activities of the Joint Relations Committee.

**Motion(s) to consider:**

none required

President Comrie will provide an update on behalf of the OSPE-PEO Joint Relations Committee.

# Briefing Note – Information

C-511-5.7

## **OSPE BYLAW CHANGES**

**Purpose:** To elicit feedback from Council on proposed OSPE By-Law changes.

**Motion(s) to consider:**

none required

Michael Monette, President and Chair, OSPE, will present proposed OSPE by-law changes.

OSPE will distribute materials at the meeting.

## Status Update for the Structural Condition Assessment Performance Standard

**Purpose:** To inform Council of the current status of the above performance standard.

**No motion required**

**Prepared by:** José Vera, P. Eng. – *Manager Standards and Practice* on behalf of  
Nick Pfeiffer, P. Eng. – *Chair of the Professional Standards Committee (PSC)*

### 1. Status Update

The release of the performance standard will be held in abeyance until the Ministry of Municipal Affairs announces an implementation plan for the mandatory periodic assessments.

### 2. Background

Refer to the following material:

- Appendix A – *Memo Recommendation on the Structural Condition Assessment Performance Standard*



# Memorandum

C-511-5.8  
Appendix A

**To:** Nick Pfeiffer, P. Eng., Ph. D., Chair – Professional Standards Committee

**From:** Brian Ross, P. Eng., Chair – Structural Assessments Subcommittee

**Date:** February 3, 2017

**Subject:** Recommendation on the Structural Condition Assessment Performance Standard

At its January 25, 2017 meeting, the Structural Assessment subcommittee discussed the Structural Condition Assessment Standard, as proposed in recommendation 1.4 of the Report of Elliot Lake Inquiry.

As you may know, this recommendation is contingent on recommendation 1.3 which can be summarized as a requirement for owners to retain engineers to conduct periodic mandatory structural assessments. Recommendation 1.3 would have to be implemented by the Ministry of Municipal Affairs. To date, the Ministry of Municipal Affairs has not pronounced on its intentions on enacting requirements for building assessments and the types of buildings that will be covered by these assessments if legislated.

Consequently, the subcommittee is recommending that the proposed draft performance standard not be finalized until the Ministry of Municipal Affairs mandates building assessments and the particular structures or buildings covered, since this requirement will affect the standard's final content and scope. For instance, if the mandatory assessments will only apply to parking structures, the proposed performance standard will be very much different than if mandatory assessments are to cover a broader range of buildings.

In sum, the subcommittee recommends that the PSC update Council through an information Briefing Note that the release of the performance standard will be held in abeyance until the Ministry of Municipal Affairs announces an implementation plan for the mandatory periodic assessments.



# Briefing Note – Information

C-511-5.9

## **(CP)<sup>2</sup> TASK FORCE UPDATE**

**Purpose:** To inform Council of the recent activities of the (CP)<sup>2</sup> Task Force.

**Motion(s) to consider:**

none required

Councillor Turnbull will provide an update on behalf of the (CP)<sup>2</sup> Task Force.

## CONTINUING PROFESSIONAL COMPETENCE PROGRAM TASK FORCE FINAL REPORT AND RECOMMENDATIONS

**Purpose:** For Council to stand down the Continuing Professional Competence Program Task Force .

**Motions to consider: (requires a simple majority of votes cast to carry)**

1. That Council stand down the Continuing Professional Competence Program Task Force with thanks.

**Motion Sponsor:** Dave Brown, P.Eng.

### 1. Need for PEO Action

- The Continuing Professional Competence Program Implementation Task Force ((CP)2 TF) was created in order “to establish criteria and details for elements needed to operationalize the program proposed by the Continuing Professional Development, Competency, and Quality Assurance Task Force.” Council received the final report of the Task Force at its November 2016 meeting. The Task Force has completed all work that has been assigned to it and the PEAK program is on track to being fully implemented by March 31, 2017

### 2. Proposed Action / Recommendation

- Council is being asked to stand down the Continuing Professional Competence Program Implementation Task Force with thanks.

### 3. Next Steps (if motion approved)

- None.

### 4. Peer Review & Process Followed

|                                  |                                                                                                                        |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Process Followed</b>          | <ul style="list-style-type: none"><li>• N/A</li></ul>                                                                  |
| <b>Council Identified Review</b> | <ul style="list-style-type: none"><li>• N/A</li></ul>                                                                  |
| <b>Actual Motion Review</b>      | <ul style="list-style-type: none"><li>• The motion was prepared in consultation with the Task Force members.</li></ul> |

## GLP ACTIVITIES UNDER THE NEW POLITICAL FUNDRAISING RULES

**Purpose:** To inform Council regarding the changes to political fundraising rules and the impact on the PEO Government Liaison Program (GLP) activities

**Motion(s) to consider:**

None

Reference: Elections Finances Law Amendment Act 2016

**Prepared by:** Jeannette Chau, P.Eng., Manager Government Liaison Programs

**Motion Sponsor:** Michael Chan, P.Eng., PEO Councillor

### 1. Summary

On January 1, 2017 new rules regarding political fundraisers came into effect under the Elections Finances Law Amendment Act 2016.

The Act creates new rules about 1) who can make contributions 2) how much can be contributed and 3) places restrictions on attendance at fundraisers for politicians and their staff.

The key changes include:

- Banning MPPs, candidates, party leaders, nomination contestants, leadership contestants and many political staff from attending political fundraising events.
- Banning corporations, unions and other groups not affiliated with political parties from making political donations,
- Reducing the total amount individuals can donate by almost 90 per cent -- from \$33,250 to a maximum of \$3,600 in an election year.

What does this mean for PEO and the activities that PEO's Government Liaison Program members can engage in? The following table has been prepared in a Q & A format to be sent as a guideline to the chapter GLP chairs:

| Question                                                                                        | Answer                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Can PEO pay for representatives to attend political fundraisers like we have in previous years? | No. PEO can no longer pay for chapter members to attend political fundraisers. Members may attend on a personal basis and pay for it themselves, but not as representatives of PEO, and PEO cannot reimburse or pay for it. This is the same restriction as on the federal level |
| Can PEO make a political donation to an MPP or political party?                                 | No. This is no longer allowed. PEO has not engaged in making straight political donations in the past anyways                                                                                                                                                                    |

|                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>What kind of political activities can PEO participate in now to get exposure to MPPs?</p>                                                | <p>MPPs often attend or hold public events. PEO members may attend these public events (e.g. townhalls, MPP community picnics, public consultations) where there is no money being given to political parties. This includes ticketed events.<br/>PEO members may still meet at Queen's Park. The well attended annual PEO Queen's Park MPP reception is an acceptable activity.</p>                                                                                                                                                                                                               |
| <p>Can you provide me with some examples of ticketed events where a politician is involved but there is no political donation involved?</p> | <p>Examples of a ticketed event with no political donation component would be one that is held by an independent organization, for example when a local Chamber of Commerce has an MPP as the speaker at a luncheon. There might be a cost to purchase a ticket for the luncheon, however the money does not go to the MPP or a political party.<br/>Other examples would be a Rotary Club event, a community dinner, a service club, Canadian Club, or Economic Club speaker or any other paid event where the politician does not receive any funds from PEO.</p>                                |
| <p>Are PEO's Take Your MPP to Work Days still ok to hold?</p>                                                                               | <p>Yes, definitely! Take Your MPP to Work Days are now the best way for PEO to engage with MPPs and are highly recommended for the PEO chapters to engage in. It allows more direct time with an MPP and allows them to gain a better understanding and appreciation of the work that professional engineers do.</p>                                                                                                                                                                                                                                                                               |
| <p>What are other activities that GLP chairs can engage in to connect with and develop relationships with MPPs?</p>                         | <p>GLP chairs can invite MPPs to their chapter events such as PEO licence presentation ceremonies, AGMs, townhalls, etc.<br/>GLP chairs can meet with their local MPPs in their constituency offices.</p>                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>Are meetings with local MPPs in their constituency office affected by this change?</p>                                                   | <p>No. These changes do not affect meetings since there is no money involved. Please let the Manager Government Liaison Programs know if a local meeting with an MPP is being planned so that an OSPE PAN rep may be invited as well. It is important to hold joint PEO/OSPE meetings so that politicians understand the difference between the two organizations and that we do not impact negatively upon their time by having too many different meeting requests from 'engineers'. OSPE also informs us when they are holding a meeting and the local GLP chair is invited to attend them.</p> |
| <p>What about the GLP funding that is allocated to chapters now that we can no longer use it to attend political fundraisers?</p>           | <p>The current GLP budget allocation for each chapter will remain the same as last year while we assess the impact of the new political fundraising rules. GLP chairs may use their budget allocation towards ticketed events with MPPs as per above, or for other related</p>                                                                                                                                                                                                                                                                                                                     |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>activities that have a cost component. For example, if there are costs involved with hosting the MPP at a Take Your MPP to Work day, or renting facilities for a Townhall. Please advise the Manager Government Liaison Programs of planned expenditures to ensure that they meet guidelines, and so that PEO is aware of the activities that are taking place.</p> <p>As in the past the chapter GLP budget allocation is held at PEO headquarters and the chapter is reimbursed as expense claims are made. This amount is \$234 per riding.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**2. Next Steps**

Guideline to be sent to chapter chairs and GLP chairs and posted on the Government Liaison Program website.

**3. Appendices**

None

## **COMPLAINTS, DISCIPLINE, LICENSING AND REGISTRATION STATISTICS**

**Purpose:** To provide a statistical report to Council regarding Complaints, Discipline, Licensing and Registration.

**No motion required**

**Prepared by:** Dale Power, Secretariat Administrator

### **1. Need for PEO Action**

- Standing report was requested at the September 2009 meeting of Council.

### **2. Appendices**

- Appendix A – Complaints Statistics
- Appendix B – Discipline Statistics
- Appendix C – Licensing Statistics
- Appendix D – Registration Statistics

**COMPLAINTS & INVESTIGATION STATISTICS**  
**(No update since the February 2017 meeting)**

|                                                                                                                                                                           | <b>2014</b> | <b>2015</b> | <b>2016</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
| <b>COC's Caseload</b>                                                                                                                                                     |             |             |             |
| Filed Complaints <sup>1</sup> not disposed of by COC at previous year-end                                                                                                 | 127         | 105         | 86          |
| Complaints Filed ( <i>PEAct s. 24. 1(a)</i> ) during the Year                                                                                                             | 69          | 62          | 64          |
| Total Caseload in the Year                                                                                                                                                | 196         | 167         | 150         |
| Total Filed Complaints Disposed of by COC in the Year<br>(for details see <i>COC's Disposition of Complaints</i> below)                                                   | 91          | 81          | 75          |
| <b>Total Filed Complaints Pending for COC Disposition</b><br>(for details see <i>Status of Active Filed Complaints</i> below)                                             | <b>105</b>  | <b>86</b>   | <b>75</b>   |
| <b>COC's Disposition of Complaints</b>                                                                                                                                    |             |             |             |
| Direct that the matter be referred, in whole or in part, to the Discipline Committee. ( <i>PEAct s. 24. 2(a)</i> )                                                        | 6           | 7           | 6           |
| Direct that the matter not be referred. ( <i>PEAct s. 24. 2(b)</i> )                                                                                                      | 62          | 56          | 48          |
| Take such action as COC considers appropriate in the circumstances and that is not inconsistent with this Act or the regulations or by-laws. ( <i>PEAct s. 24. 2(c)</i> ) | 23          | 18          | 21          |
| <b>COC's Timeliness Regarding the Disposition of the Complaint<sup>2</sup></b>                                                                                            |             |             |             |
| Complaint disposed of within 90 days of filing                                                                                                                            | 0           | 0           | 0           |
| Complaint disposed of between 91-180 days of filing                                                                                                                       | 17          | 6           | 3           |
| Complaint disposed of after more than 180 days of filing                                                                                                                  | 74          | 75          | 72          |
| <b>COC Processing Time – Days from Complaint Filed to COC Disposition (12 mo rolling avg.)</b>                                                                            |             |             |             |
| Average # Days                                                                                                                                                            | 655         | 571         | 456         |
| Minimum # Days                                                                                                                                                            | 136         | 91          | 120         |
| Median # Days                                                                                                                                                             | 444         | 308         | 285         |
| Maximum # Days                                                                                                                                                            | 1601        | 1686        | 1901        |

<sup>1</sup> Signed Complaint Form filed with the Registrar.

<sup>2</sup> Days from Complaint Filed to date COC Decision is signed by COC Chair.

## Status of Active Filed Complaints

|                                                        |           |           |
|--------------------------------------------------------|-----------|-----------|
| <b>Active Filed Complaints - Total</b>                 |           | <b>75</b> |
| <b><i>Complaints filed more than 180 days ago</i></b>  | <b>53</b> | <b>53</b> |
| Waiting for Approval and Reason regarding COC Decision | 19        |           |
| Complaints under active consideration by COC           | 15        |           |
| Completed Investigation ready for COC consideration    | 0         |           |
| Regulatory Compliance Investigation                    | 19        |           |
| <b><i>Complaints filed between 91-180 days ago</i></b> | <b>6</b>  | <b>6</b>  |
| Waiting for Approval and Reason regarding COC Decision | 2         |           |
| Complaints under active consideration by COC           | 0         |           |
| Completed Investigation ready for COC consideration    | 0         |           |
| Regulatory Compliance Investigation                    | 4         |           |
| <b><i>Complaints filed within the past 90 days</i></b> | <b>16</b> | <b>16</b> |
| Waiting for Approval and Reason regarding COC Decision | 0         |           |
| Complaints under active consideration by COC           | 0         |           |
| Completed Investigation ready for COC consideration    | 0         |           |
| Regulatory Compliance Investigation                    | 16        |           |

Note:

### **Review by Complaints Review Councillor (PEAct s. 26. (s))**

Where a complaint respecting a member of the Association or a holder of a certificate of authorization, a temporary licence, a provisional licence or a limited licence has not been disposed of by the Complaints Committee **within ninety days** after the complaint is filed with the Registrar, upon application by the complainant or on his or her own initiative the Complaints Review Councillor may review the treatment of the complaint by the Complaints Committee.

### **Glossary of Terms:**

Complaint Filed – Signed Complaint Form filed with the Registrar.

Investigation Complete – Investigation Summary document prepared and complaint file ready for COC consideration



## DISCIPLINE STATISTICS – March 2017 Council Meeting Report

### Discipline Phase

**2014                  2015                  2016                  2017**

(as of Mar. 7, 2017)

|                                              |      |    |    |    |
|----------------------------------------------|------|----|----|----|
| Matters Referred to Discipline               | 7    | 8  | 6  | 2  |
| Matters Pending (Caseload)                   | 12** | 17 | 17 | 17 |
| Written Final Decisions Issued               | 6    | 5* | 8  | 1  |
|                                              |      |    |    |    |
| <b><i>DIC Activity</i></b>                   |      |    |    |    |
| Pre-Hearing Conferences Held                 | 4    | 6  | 5  | 1  |
| Hearings Phase commenced (but not completed) | 1    | 2  | 2  | 1  |
| Hearings Phase completed                     | 3    | 5  | 6  | 2  |

\*One matter was stayed in 2012, and a motion regarding costs was heard in January 2013.

Note: this matter was still counted into the number of “Matters Pending (Caseload)” in 2012, but no longer counted in 2013. Decision on motion (hearing in January 2013) was issued by Panel on May 15, 2015.

\*\*By a decision of the Divisional Court one matter was sent back for re-hearing by a differently constituted panel.

Table “A” – Timeline summary for matters in which written Decisions and Reasons were issued in 2017

| <b>File Number</b> | <b>Hearing date(s)</b> | <b>Date of written Decision</b> | <b>Approx. length of time from the last Hearing date to date of written Decision</b> |
|--------------------|------------------------|---------------------------------|--------------------------------------------------------------------------------------|
| L05 14-23          | January 25 & 26, 2016  | January 23, 2017                | 1 year                                                                               |







PROFESSIONAL ENGINEERS ONTARIO  
CERTIFICATE OF AUTHORIZATION - STATISTICS  
2016

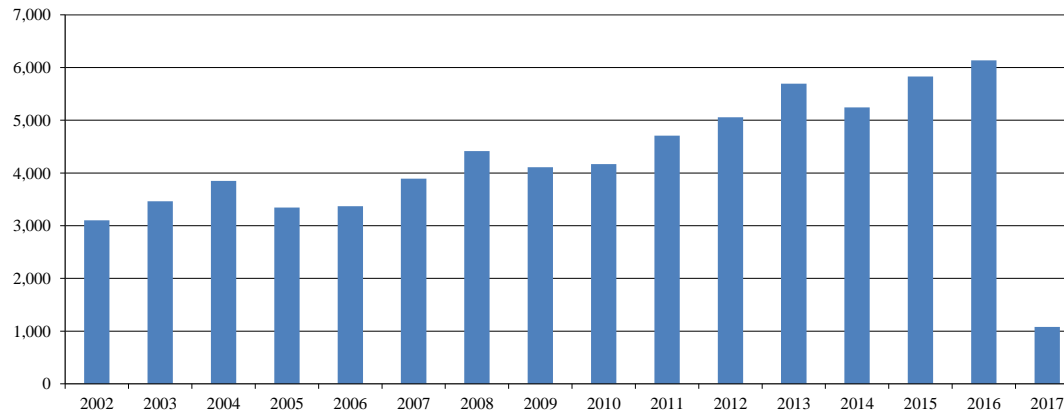
| TOTAL        |
|--------------|
|              |
|              |
| 5,460        |
| 25           |
| 5,485        |
|              |
|              |
| 118          |
| 1            |
| 119          |
|              |
|              |
| 3            |
| 0            |
| 3            |
|              |
|              |
| (110)        |
| (2)          |
| (2)          |
| (114)        |
|              |
|              |
| 5,469        |
| 24           |
| <b>5,493</b> |



**PEO STATISTICS  
APPLICATIONS RECEIVED  
2001 - 2016**

|                        | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| JANUARY                | 341          | 539          | 440          | 364          | 316          | 308          | 372          | 336          | 393          | 414          | 397          | 440          | 530          | 561          | 453          | 682          |
| FEBRUARY               | 222          | 260          | 345          | 259          | 319          | 257          | 234          | 338          | 276          | 278          | 384          | 422          | 380          | 422          | 460          | 395          |
| MARCH                  | 234          | 169          | 298          | 340          | 316          | 272          | 345          | 379          | 373          | 453          | 398          | 428          | 395          | 368          | 265          |              |
| APRIL                  | 277          | 279          | 304          | 269          | 291          | 280          | 381          | 294          | 239          | 338          | 297          | 414          | 361          | 356          | 484          |              |
| MAY                    | 299          | 394          | 425          | 270          | 298          | 293          | 278          | 279          | 303          | 314          | 353          | 394          | 324          | 292          | 450          |              |
| JUNE                   | 220          | 221          | 337          | 264          | 273          | 279          | 332          | 320          | 306          | 322          | 374          | 388          | 356          | 472          | 421          |              |
| JULY                   | 265          | 200          | 297          | 286          | 254          | 355          | 460          | 395          | 332          | 398          | 482          | 529          | 486          | 555          | 554          |              |
| AUGUST                 | 269          | 357          | 272          | 301          | 285          | 367          | 413          | 326          | 358          | 493          | 508          | 505          | 495          | 547          | 638          |              |
| SEPTEMBER              | 352          | 455          | 382          | 254          | 251          | 333          | 415          | 402          | 383          | 451          | 388          | 512          | 542          | 466          | 567          |              |
| OCTOBER                | 206          | 257          | 253          | 263          | 282          | 396          | 419          | 428          | 372          | 469          | 540          | 646          | 568          | 648          | 566          |              |
| NOVEMBER               | 238          | 190          | 236          | 304          | 226          | 505          | 430          | 340          | 497          | 481          | 503          | 525          | 416          | 565          | 754          |              |
| DECEMBER               | 178          | 140          | 261          | 168          | 260          | 248          | 334          | 270          | 336          | 295          | 432          | 491          | 392          | 576          | 525          |              |
| <b>TOTAL</b>           | <b>3,101</b> | <b>3,461</b> | <b>3,850</b> | <b>3,342</b> | <b>3,371</b> | <b>3,893</b> | <b>4,413</b> | <b>4,107</b> | <b>4,168</b> | <b>4,706</b> | <b>5,056</b> | <b>5,694</b> | <b>5,245</b> | <b>5,828</b> | <b>6,137</b> | <b>1,077</b> |
| <b>MONTHLY AVERAGE</b> | <b>258</b>   | <b>288</b>   | <b>321</b>   | <b>279</b>   | <b>281</b>   | <b>324</b>   | <b>368</b>   | <b>342</b>   | <b>347</b>   | <b>392</b>   | <b>421</b>   | <b>475</b>   | <b>437</b>   | <b>486</b>   | <b>511</b>   | <b>539</b>   |
| <b>YEAR TO DATE</b>    | <b>3,101</b> | <b>3,461</b> | <b>3,850</b> | <b>3,342</b> | <b>3,371</b> | <b>3,893</b> | <b>4,413</b> | <b>4,107</b> | <b>4,168</b> | <b>4,706</b> | <b>5,056</b> | <b>5,694</b> | <b>5,245</b> | <b>5,828</b> | <b>6,137</b> | <b>1,077</b> |

## Applications Received - Year To Date



**REGISTRATION STATISTICS – March 2017 Council Meeting Report**

Registration Phase

**2014**      **2015**      **2016**      **2017**  
 (as of Mar. 7, 2017)

|                                                   |    |    |     |   |
|---------------------------------------------------|----|----|-----|---|
| Requests for Hearing                              | 5  | 4  | 1   | 1 |
| Premature Applications<br>(no Notice of Proposal) | 2  | 2  | 6   | 1 |
| Matters Pending (Caseload)                        | 10 | 10 | 4** | 8 |
| Written Final Decisions Issued                    | 3  | 2  | 1   | 0 |
| Appeals to the Divisional Court                   | 1* | 1  | 0   | 0 |
|                                                   |    |    |     |   |
| <b><i>REC Activity</i></b>                        |    |    |     |   |
| Pre-Hearing Conferences Held                      | 6  | 3  | 0   | 0 |
| Hearings Phase completed                          | 2  | 2  | 1   | 0 |

\*The Divisional Court upheld the decision of the Registration Committee

\*\*Several matters were closed this year as premature, or withdrawn by the applicants who filed a request for hearing.

Note: An adjustment between 2016 and 2017 “Matters Pending (Caseload)” was done to reflect the current number of pending matters.



## **COUNCILLORS ITEMS**

- a) **Notices of Future Agenda Items**
- b) **Councillors' Questions**

**Purpose:** To provide Councillors with an opportunity to provide notice of items for inclusion on the next Council meeting agenda, and to ask questions.

**No motion required**

**Prepared by:** Dale Power, Secretariat Administrator