

Certificate of Authorization Review Task Group
Final Report
February 11, 2002

The Terms of Reference establishing the Certificate of Authorization Review Task Group specified several questions that Council required the Group to answer. Based on the deliberations the Group offers the following responses.

Does the Certificate of Authorization offer additional public protection?

The Task Group agrees that, in the case of corporations, the Certificate of Authorization offers additional public protection because the process provides a review by PEO of the firm's capabilities in the specified area of practice. The majority agreed on the usefulness of a Certificate of Authorization requirement for sole proprietors.

Does the C of A extend any additional recourse for the public with regards to professional accountability and/or civil liability?

The Task Group agreed that the Certificate of Authorization does not affect professional accountability as that resides with individual P. Eng. licencees. The group also agreed that the Certificate of Authorization may extend some additional recourse to the public through the liability insurance provisions stipulated in the Professional Engineers Act but that this protection could be improved.

Is the current C of A process effectively addressing the impact of the business entity on the practice of engineering?

The Task Group agreed that the current process of business regulation is not effective and requires improvement. The Certificate of Authorization is essentially a business registry and provides PEO with little control of the professional engineering activities of the entity. See Appendix A for summary of problems identified by staff.

Is the majority of professional engineering activity in society being delivered by C of A holders or by others?

Currently PEO has no mechanism to track this information. If Council believes that it is necessary to have this data then some means must be developed to quantify the volume of professional engineering activity in Ontario and ascertain volume done by C of A holding firms, non-C of A holding firms employing professional engineers and others (e.g. firms operating under industrial exemption, illegally practicing individuals and firms).

What are the implications for the Consulting Engineer designation?

The Task Group agrees with the members of the CEDC that the CE designation provides an additional layer of public protection through peer review that the C of A does not have at this time.

What are the implications for the Professional Excellence Program?

Members of the Task Group suggested that the Certificate of Authorization could provide a mechanism for the implementation of a Professional Excellence Program if the C of A program is changed to make engineering businesses and the persons running those businesses accountable to PEO.

The Task Group will recommend improvements to the Certificate of Authorization program.

The Task Group suggests that the following are important improvements that will strengthen the Certificate of Authorization program as a public protection vehicle.

- 1) PEO should establish an equitable fee structure for the Certificate of Authorization based on number of professional engineers in the firm, area of practice, volume of work and other factors. The total fees should be calculated on a cost recovery basis for the C of A program.
- 2) PEO should institute an information program to clarify the intent of the C of A program to members of the association and the public.
- 3) Limitations should be imposed on the number of Certificates that a licensee can be responsible for. Every P. Eng. listed in the Certificate of Authorization should indicate what type of employment arrangement s\he has with the entity and whether s\he is listed on any other C of A. Every P. Eng. listed in the Certificate of Authorization must be required to notify PEO when they leave the business or their business arrangement is changed.
- 4) Every P. Eng. listed in the Certificate of Authorization should sign the application to indicate that s\he is aware of his\her responsibility. PEO should provide a document describing their responsibilities to each P. Eng. signatory of a Certificate of Authorization.
- 5) Over 30% of C of A's have opted for compulsory disclosure but PEO has no idea if these entities are providing clients with a disclosure notice. In order to follow up on disclosure notifications PEO should have powers of inspection built into the Act.
- 6) C of A should be used as a common reporting mechanism for external certifications such as that required under the Building Code Act as recommended by the BRRAG report.
- 7) PEO could assist licenced individuals by ensuring that C of A holders provide proper professional working conditions (i.e prevent overriding of P. Eng. decisions by non-P.Eng.; giving P. Eng. more clout in controlling the professional engineering activities of a firm).
- 8) The C of A would benefit from a review process. In this way PEO would have a record of the applicant's commitment to the qualifications of engineers taking responsibility for a C of A entity's engineering operations.
- 9) PEO should develop policies to stipulate whether moonlighters and volunteers require a C of A; how many engineers must be listed on the C of A for a multi-disciplinary firm; the types of entity that can qualify for a C of A, e.g. municipalities, design build firms, universities.

Appendix A – Problems with Program Reported by Staff

A staff report prepared for the Task Group outlined the following difficulties associated with the C of A process.

- 1) if a firm's Certificate of Authorization is revoked for any reason it could simply re-establish itself as a new corporate entity and acquire a new C of A.
- 2) a firm can operate unprofessionally and the supervising P. Eng.(s) may be disciplined but unlicensed owners and managers, who may have made the decisions, are immune to PEO regulatory practices.
- 3) some firms owned by non-P.Eng.s have a 'revolving door' for supervising professional engineers leading to concerns about the quality of the engineering work done by these firms.
- 4) some P. Eng.s are listed as the supervising engineer for many different Certificate of Authorization holders leading to concerns that they have little involvement in daily operations of these businesses.
- 5) until the next C of A renewal there is no confirmation that a firm continues to employ a supervising P. Eng.
- 6) employers, non-professional managers and owners can interpret the Act's application of engineering principles or providing to the public definitions to avoid the requirement for a C of A and for a professional engineer. The C of A process provides no additional measure of enforcement of the Act or regulations against such corporations.
- 7) PEO has no direct legislative control over the use of the word 'engineering' or any derivations thereof in the names of organizations. MCCR and its branches have been less than consistent in ensuring that firms obtain a letter of consent from PEO before registering these firms.
- 8) in many cases it is difficult to ascertain precisely the professional engineering services the organization intends to provide. PEO may issue Certificates to firms that may never offer or engage in providing professional engineering services but wish to use the word "engineering" in the corporate name. Since there only minimal requirements for a C of A firms that are not offering professional engineering services may choose to obtain certificates in order to protect the corporate name or acquire right to use PEO logo in advertising.
- 9) because there is no adequate definition of "professional engineering" it is often difficult to determine whether the services that a firm provides actually are the practice of professional engineering.
- 10) the Professional Engineers Act does not impose any requirements, qualifications or responsibilities on the owners, directors or officers of C of A holding entities.
- 11) there are no criteria or process for ascertaining the veracity of information provided on a C of A application. Staff must rely on the professional engineer's commitment to the code of ethics.
- 12) there is no requirement that a firm have a P. Eng. taking responsibility for each area of practice in a multi-disciplinary firm.