



## Introduction

Professional Engineers Ontario (PEO) developed the booklet, *Questions and Answers on PEO Operations*, to help members and others better understand PEO operations. Information in this document was prepared based on input from PEO staff, Engineers Canada, the Ontario Society of Professional Engineers, and the Audit and Finance committees.

The figures in this document are based on the audited financial statements for 2019. The audited statements show the association's financial position as at December 31, 2019. The audited statements have been reviewed by an independent external auditor. In its audit opinion, the auditor stated the association's financial statements are free of material errors and are in accordance with Canadian accounting standards for not-for-profit organizations.

Should you have any questions or feedback, please email [webmaster@peo.on.ca](mailto:webmaster@peo.on.ca). Look for periodic updates to *Questions and Answers on PEO Operations* on PEO's website ([www.peo.on.ca](http://www.peo.on.ca)).

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# 1. 2019 Finances and Operations

## 1.1 Revenue and Expenditures

### 1.1.1 Revenue increased by 11.5 per cent in 2019 over the previous year. What accounted for the increase?

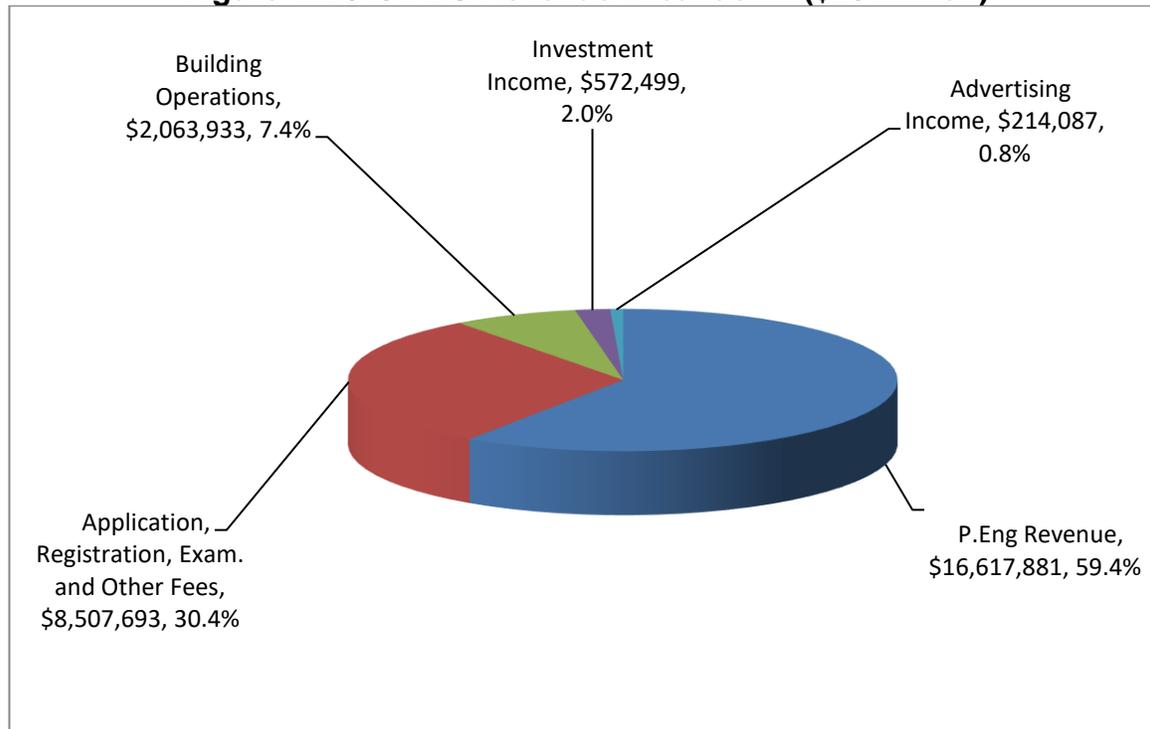
The total revenue in 2019 was \$28.0 million compared to \$25.1 million in 2018. This can be attributed to:

- ◆ An increase in application, registration, examination and other fees of \$1,541,167 or 22 per cent, which was due to a 20 per cent fee increase in May 2019 and an increase in the number of applications, registrations and exams. The increase includes revenues from P.Eng. applications, Engineering Intern (EIT) fees, Professional Practice Exams (PPE), Technical Exams and C of A revenues.
- ◆ An increase in P.Eng. revenue of \$885,978 or 5.6 per cent, due to the May 1, 2019 fee increase and due to an approximately 2 per cent growth in membership.
- ◆ An increase in investment income of \$508,039 or 788.1 per cent, largely due to favorable market conditions.

The above was partially offset by:

- ◆ A decrease in advertising revenue of \$55,918 or 20.7 per cent, largely due to fewer advertisements in the digital version of Engineering Dimensions.

**Figure 1. 2019 PEO Revenue Breakdown (\$28 million)**



**1.1.2 In 2019, PEO experienced an increase of \$7,575,261 in its net assets compared to 2018. What factors contributed to the increase?**

In 2019, the net asset balance was \$24.7 million, compared to \$17.2 million in 2018. The increase was due to an increase in net income resulting from higher revenues largely due to the 20 per cent fee increase in May 2019 and a reduction in operating expenses.

**1.1.3 What areas in PEO operations experienced savings as compared to the previous year? What accounted for the decreased cost as compared to the previous year?**

- ◆ **Legal (corporate, prosecution and tribunal).** A decrease of \$352,204, or 32.8 per cent, was due to lower prosecution costs in 2019, lower costs for independent legal counsel, spend on Tribunal fees, court reporter costs etc. These costs were partially offset by higher spend on legal counsel for employment matters, investigations and discipline prosecution.
- ◆ **Purchased services.** A decrease of \$324,561, or 20 per cent, lower costs for printing of *Engineering Dimensions* due to the transition to a digital format, lower audio-visual costs for various events such as Order of Honour, AGM, Council election town hall meetings, etc. No spend on the Engineers in Residence (EIR) program; no spend on a policy development survey; lower catering expenses, and costs for meals for various events such as Order of Honour (OOH), Government Liaison Program (GLP), etc. These costs were partially offset by higher spend on exam marking and invigilation.
- ◆ **Volunteer expenses.** A decrease of \$112,198, or 15.4 per cent, was due to reduced spend on accommodation, meals, mileage, air/train fare, bus/car/taxi, and parking for attendance at various events, committee meetings, student membership events, and discipline hearings.
- ◆ **Postage and courier.** A decrease of \$111,983, or 21.1 per cent, was largely due to lower postage for mailing fewer paper copies of *Engineering Dimensions* due to the transition to the digital edition. In addition, there were lower costs for mailing technical exams and professional practice exams.
- ◆ **Occupancy costs.** A decrease of \$39,350, or 4.4 per cent, was due to lower operating costs and lower spend on rental space for events related to the internship program and the GLP (Govt. Liaison Program). This decrease was partially offset by higher spend on rental space for conducting PPE and technical exams.
- ◆ **Amortization.** A decrease of \$27,660, or 2.3 per cent, is due to fully depreciated computer hardware and building improvements. This reduction is partially offset by higher amortization for software due to the closing of the Aptify upgrade project and an increase in amortization on furniture.

**1.1.4 Although PEO's total expenditures for regular operations decreased 0.8 per cent, or \$201,027, in 2019 over the previous year, can you highlight the areas that encountered increases in costs?**

- ◆ **Contract staff.** An increase of \$245,902, or 80.6 per cent, largely due to several vacant full-time staff positions in Licensing, Regulatory compliance and IT were filled with contract staff and also due to a new contract position of legal counsel.
- ◆ **Staff salaries.** An increase of \$170,234, or 1.4 per cent, largely due to spend on salaries due to cost of living and merit increases. This increase is partially offset by lower expenses for pensions and benefits.
- ◆ **Chapter expenses.** An increase of \$124,442, or 15.2 per cent. The increase is due to an increase in allotments and higher spend on travel expenses for bus/car/taxi and

meals including accommodation costs for attendance at various chapter events. These costs were partially offset by lower spend on the chapter certificate program.

- ◆ **Transaction fees.** An increase of \$106,012, or 19.5 per cent, largely due to an increase in credit card commissions, higher fees for payroll and benefits administration.

#### **1.1.5 What are the various items included in purchased services?**

The main spend items under purchased services for 2019 include:

- ◆ Scanning files for the document management centre (\$121,275);
- ◆ Electronic voting for Council elections (\$116,328);
- ◆ Marking of professional practice exams (\$102,157);
- ◆ Marking technical exams (\$86,603);
- ◆ Setting technical exams (\$84,025);
- ◆ Printing *Engineering Dimensions* magazine (\$67,926);
- ◆ Order of Honour event meal (\$47,544);
- ◆ Audio visual graphics for the Ontario Professional Engineers Awards (\$46,170);
- ◆ Catering committee meetings (\$44,246); and
- ◆ Annual General Meeting event meal (\$36,163), etc.

In addition, there are costs for PPE and technical exam invigilation, engineering seals and stamps, AGM audio visual, advertising printing, other catering, other event meals, security camera, trainer facilitator expenses, freelance writer, transcript purchases and other election related costs.

#### **1.1.6 What is the breakdown of the costs for consultants?**

The spend on consultants in 2019 was \$255,675 (compared to \$235,196 in 2018). The breakdown of this spend largely consists of \$114,667 for the Government Liaison Program; \$33,341 for financial audit services, \$29,830 for the Succession Planning Task Force; and \$29,734 for various IT projects including an upgrade of the financial software, \$17,856 for the investment consultant, etc.

#### **1.1.7 What was the revenue foregone by way of the EIT Financial Credit Program and the increase in the number of EITs?**

The revenue foregone by way of the Financial Credit Program was \$199,680 (compared to \$802,800 in 2018). The number of EITs (engineering interns) as of December 31, 2019, was 14,686 (compared to 14,709 in 2018). Under the program, as of May 1, 2019, no upfront credit is provided but eligible participants can have the cost of their application fee and first year of enrolment in the Engineering Intern (EIT) program (should they choose to enroll) credited towards payment of their registration and initial P.Eng. license fees once they have been approved for a license.

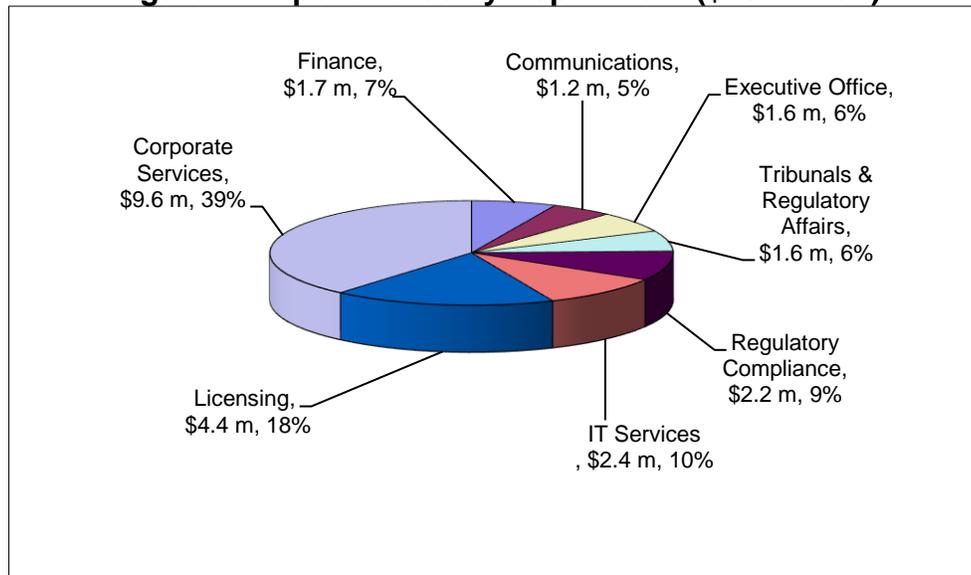
#### **1.1.8 What were the expenses for tribunal operations?**

The expenses for operating PEO's tribunals, which include fees for independent legal counsel, court reporters, etc., were \$93,976 compared to \$272,971 in 2018. Spending decreased with lower spend on independent legal counsel and does not include the costs for the Registration Committee, the Discipline Committee, the Complaints Review Council or the Fees Mediation Committee.

**1.1.9 What are the 2019 figures for department expenditures?**

Figure 2 illustrates the 2019 expenditures by department.

**Figure 2. Expenditures by Department (\$25 million)**



**1.1.10 I hear that chapter funding decreased in 2019. Is this correct?**

No. Chapter budget allotments increased in 2019 to \$639,000 from \$524,000 in 2018.

**1.1.11 How much did it cost PEO in 2019 to fund its chapters?**

During the year, PEO paid chapter expenses totaling \$942,292 (compared to \$817,850 in 2018), including \$639,000 in allotments (compared to \$524,000 in 2018) and other disbursements to individual chapters. The association incurred additional costs of \$533,458 (compared to \$485,698 in 2018) related to chapter operations, including staff salaries and benefits, and various other support activities.

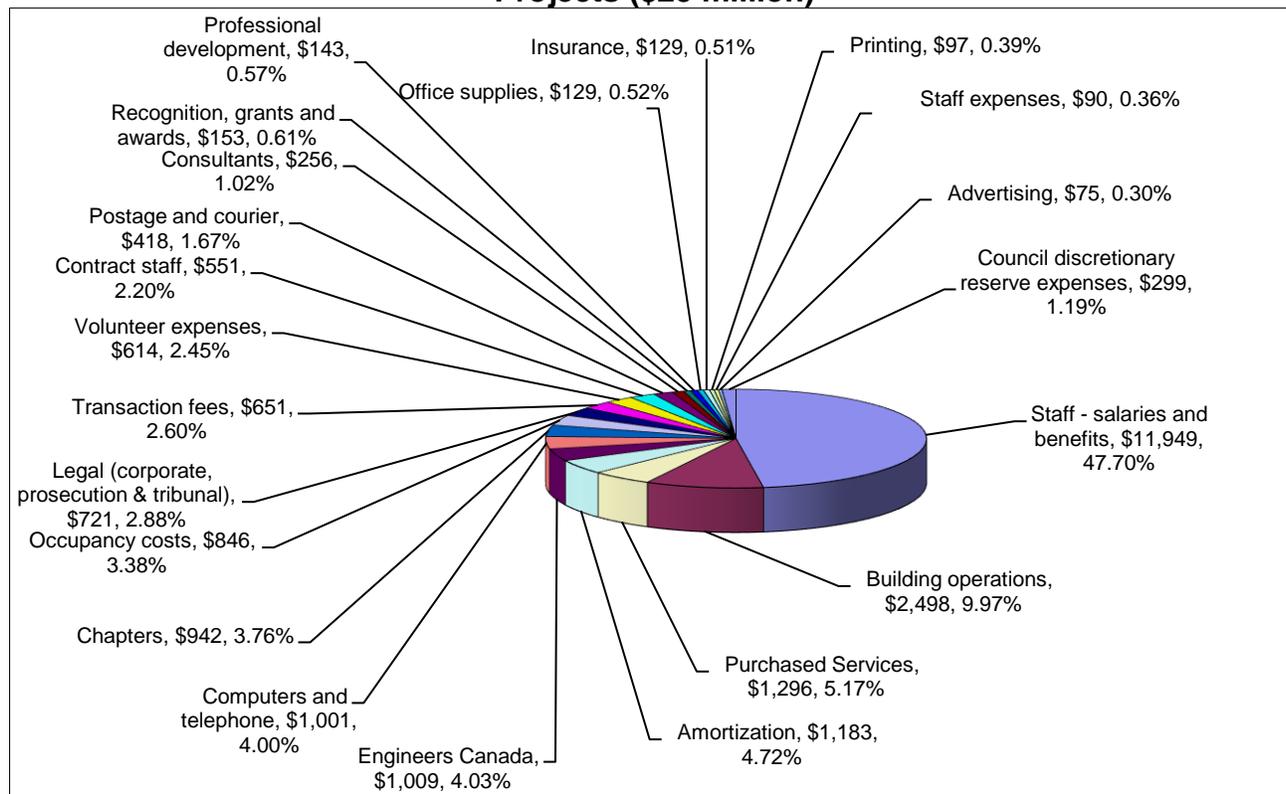
**1.1.12 How does PEO manage its expenditures?**

Please see the answer to question 1.3.3.

**1.1.13 How is my annual PEO licence fee spent? Can you give me a breakdown of PEO's expenditures?**

The annual licence fee was only one component, or 59.4 per cent, of PEO's total revenue in 2019. The breakdown of PEO's revenues is illustrated in Figure 1 (question 1.1.1). In addition to annual fees, PEO also received revenues from application, registration, examination and other fees, which constituted 30.4 per cent of total revenue. Revenue from building operations was 7.4 per cent of total revenue. Investment income and advertising revenue were 2.0 per cent and 0.8 per cent, respectively, of total revenue in 2019. Figure 3 illustrates the areas in which the annual licence fee and other revenues were spent.

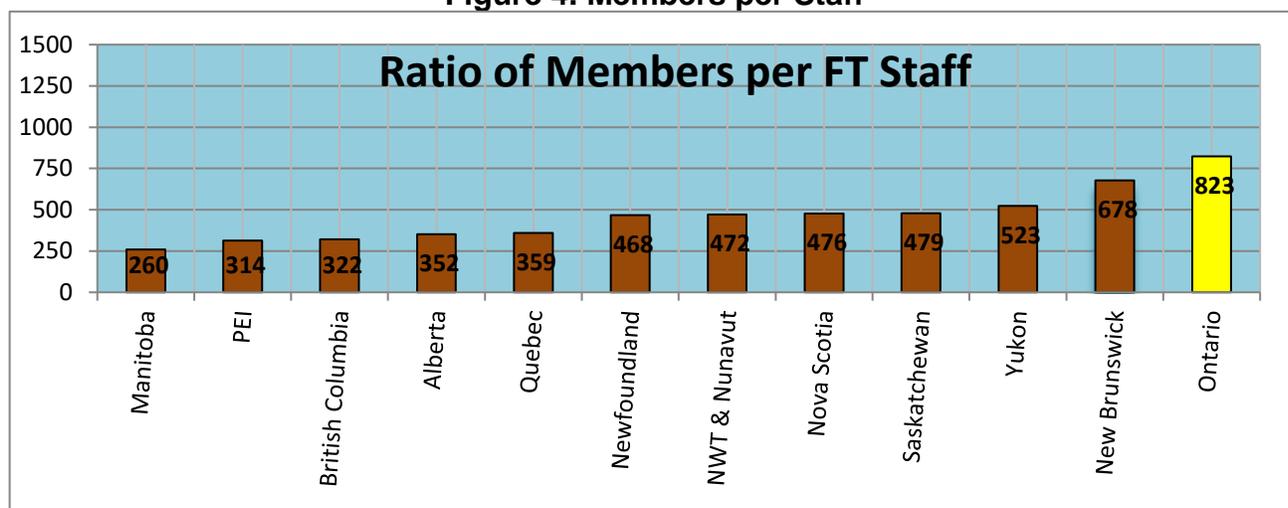
**Figure 3. 2019 PEO Expenditures ('000) for Operations including Council Special Projects (\$25 million)**



Web research was conducted to benchmark staffing in other self-regulatory organizations, including other engineering associations in Canada. The key performance indicator, “members per staff,” used as proxy to indicate the average number of members supported per each staff. A higher value of this metric suggests that staffing levels are lean. The effect of volunteers is not considered in this metric, as volunteers are not compensated for their services.

As can be seen from Figure 4, PEO has approximately 823 members for each staff member, placing it at the top of the benchmarked associations. This suggests that PEO’s current staffing levels are very lean.

**Figure 4. Members per Staff**



## 1.2 Cash balance requirements

Per the current cash balance policy, the minimum requirement for cash and marketable securities has been set at \$4.5 million. The balance as of December 31, 2019 was \$14.3 million — well above the \$4.5 million requirement.

### 1.2.1 What is the purpose of having a minimum cash balance requirement policy?

A minimum cash balance policy provides the necessary funding capacity to deal with uncertainties such as an unexpected decrease in revenue or an increase in costs. This minimum cash balance ensures there are adequate funds available to an organization at short notice to sustain day-to-day operations for a few months. For PEO, the minimum cash balance policy enables it to:

- ◆ Survive operating shortfalls caused by economic turbulence or inappropriate financial decisions;
- ◆ Enhance its financial flexibility and planning to implement new initiatives, replace outdated assets and/or programs, or satisfy members' needs by expanding certain activities;
- ◆ Provide favourable financing for PEO's growth and expansion of its regulatory support activities;
- ◆ Fulfil contractual agreements; and
- ◆ Fulfil legal requirements.

### 1.2.2 Why does PEO need a minimum cash balance requirement policy?

PEO needs a minimum cash balance to ensure it can sustain its operations in the event of unexpected occurrences. The policy provides an effective planning and control mechanism for its business planning and budgeting process. To reflect the changing needs of PEO's regulatory activities, the cash balance requirements are monitored closely each year. This is done to ensure financial flexibility to help in implementing new initiatives, replacing outdated assets and/or programs, or satisfying members' needs by expanding certain activities to ensure all programs that assist PEO in discharging its regulatory mandate are adequately funded.

**1.2.3 Does PEO review its minimum cash balance requirement policy on an ongoing basis?**

The minimum cash balance requirement policy is reviewed by the Finance Committee every year and changes to the policy, if any, are presented to Council for approval. This review is an integral part of the planning and budgeting process that requires an ongoing dynamic assessment of new circumstances and future requirements.

**1.2.4 What was the spending on Council special projects in 2019?**

For 2019, the net expenditures for the projects approved by Council amounted to \$298,827. This figure includes an actual spend of \$241,597 for the regulatory functions review, \$34,372 for the governance advisor, \$22,819 for the 30 by 30 Task Force and \$39 for the Emerging Discipline Task Force. This amount includes \$92,263 in full-time staff salaries allocated to these projects to reflect staff time spent on these initiatives.

**1.3 Internal Controls**

An internal control system is a set of internal accounting control procedures and policies that provide reasonable assurances PEO can achieve its objectives. The system helps PEO make maximum use of its financial resources and assures PEO operating expenditures are controlled completely, reliably and relevantly.

The ultimate responsibility for internal control rests with Council and management in their roles of planning, controlling and decision making. The Audit Committee is responsible for overseeing management's efforts to create a strong control environment and periodically asks the auditors to conduct a more detailed review or cycle audit to ensure appropriate controls are in place.

**1.3.1 What is PEO's internal control system?**

PEO has established an internal control system for its expenditures and purchase of goods and services on a value basis. This is intended to strengthen the confidence of Council and members that PEO's financial resources are being used effectively and according to sound and consistent procedures.

PEO's internal control system includes:

1. Banking Policy;
2. Expenditure Approval Authority Policy;
3. Extraordinary Expenditures Policy;
4. Expense Report Policy;
5. Procurement Policy;
6. Investment Policy; and
7. Minimum Cash Balance Requirement Policy.

These policies help PEO establish appropriate authority, responsibilities and accountabilities as the key components of its internal control mechanism for entering into contracts and for spending money in accordance with the approved budget and with the *Professional Engineers Act*, Regulation 941/90, By-Law No.1 and other policies and procedures.

**1.3.2 Do the auditors review and test the internal control system?**

The auditors obtain an understanding of the internal controls that are relevant to their audit; however, not all controls are relevant to every audit. The auditors evaluate the design of these controls and determine whether they are implemented. The auditors, however, are not required in an audit to determine whether all relevant controls are operating effectively.

### **1.3.3 How does PEO manage its expenditures?**

It is PEO policy that all expenditures must be within the Council-approved budget. Any expenditure related to an activity must be tied to an appropriate line item in the approved budget before the expense can be incurred.

PEO management ensures planned departmental expenditures are from an appropriate budgeted item before a purchase order to release funds can be issued or money spent. PEO management regularly reviews their department budgets to ensure the expenses are charged accurately against the appropriate general ledger accounts. In instances where the item exceeds budget, guidelines set out in the Extraordinary Expenditures Policy are followed.

Invoices and transactions for payment of all department or committee budgeted expenses incurred in the conduct of the affairs of the association are reviewed for accuracy and appropriateness by committee staff advisors or management staff of the related department and signed by the appropriate authorities before a payment is made.

PEO Finance staff review all expenditures before making payments. The CEO/registrar or deputy registrars and the director, Finance, authorize payments from the bank. The president may also review the cheque register from time to time to monitor expenditures. Payments for unapproved expenses are not authorized.

Each department head receives a budget comparative report monthly, detailing variances, for internal control and cost analysis. As well, the Finance Committee reviews variances once every three months and seeks explanations on significant variances. PEO's procurement processes and systems use quality-based selection criteria to acquire goods and services that add value to PEO and to ensure the procurement results in the best value for PEO.

### **1.3.4 What has PEO done to establish checks and balances to control expenditures?**

Please see answers to questions 1.3.1 and 1.3.3.

### **1.3.5 Does PEO generate and publish financial management reports related to its department operations?**

Yes. Financial statements along with variance analysis reports are issued quarterly to the Finance Committee.

## 1.4 Human Resource Management

### 1.4.1 How does PEO strive to achieve efficiency and effectiveness through human resource management?

PEO employs staff and a large contingent of volunteers to conduct its daily regulatory functions, as mandated under the *Professional Engineers Act*, effectively and efficiently. PEO also uses temporary staff, contractors and consultants, in addition to full-time staff and volunteers.

PEO's staffing includes regular full-time staff, contractors and temporary staff, which are defined as:

- ◆ **Regular full-time staff** are employees who work a normal work week of 37.5 hours for PEO.
- ◆ **Contractors** are employed by PEO for a set period. Normally, contractors are part of the PEO payroll and will work a normal work week.
- ◆ **Temporary staff** are hired for short-term assignments to replace absent staff (for example, disability, maternity leave, backlog and special projects). Normally, temporary staff are employed by a third-party (agency) for the period of time they are with PEO and will work a normal work week.
- ◆ **Consultants** are hired for a specific project and will invoice PEO for services rendered.

### 1.4.2 I hear that more than 100 people work at PEO. Is this correct?

Table 1 shows both actual and budgeted staffing levels, including temporary and contract positions. The figures in the 2019 budget were: 111 full-time staff and 10 contractors.

**Table 1. Actual and Budgeted Staffing Levels 2015–2019**

Year	Regular full-time staff (number in approved budget)	Actual full-time staff (excludes contract and temporary)	Actual staff (including contract and temporary)
2015	105	99	104
2016	106	102	105
2017	108	106	110
2018	108	106	116
2019	111	104	109

### 1.4.3 Why does PEO use temporary staff, contractors and consultants in addition to full-time staff?

Like other businesses, PEO uses temporary staff, contractors, and consultants in addition to full-time staff and volunteers to conduct its daily regulatory functions, as mandated under the *Professional Engineers Act*, efficiently and effectively. PEO uses such resources as legal and management consultants because of the need to use their expertise to assist both regulatory and support activities. It is usually more economical to outsource the services required than hire staff on a regular full-time basis. The use of contractors and temporary staff are for short-term assignments (such as to reduce backlog and complete special projects) and to replace absent staff (for example, medical or maternity leaves). This strategy offers organizational flexibility, assists PEO to meet its staffing needs and avoids unnecessary, longer-term staffing costs.

- As of December 31, 2019, PEO had:
- ◆ Four contract staff in Licensing and Registration—to cover a job vacancy and handle increased workload; and
- ◆ One contract staff in Corporate Services to cover a job vacancy.

## 1.5 Employee Future Benefits

### 1.5.1 What are employee future benefits?

Employee future benefits are benefits earned by active employees that are expected to be provided to them when they are no longer providing active service, pursuant to the terms of an entity's undertaking to provide such benefits.

### 1.5.2 What are the components that make up employee future benefits?

PEO's employee benefits are shown in Table 2.

**Table 2. PEO Employee Benefits**

Employee Future Benefits Components	Offered Benefits
Pension and other retirement benefits (retiree future benefits)	Benefits to employees and their beneficiaries after retirement include: <ul style="list-style-type: none"> <li>• Pension income</li> <li>• Health care and dental care benefits</li> </ul>
Post-employment benefits (while actively employed)	Benefits to the employees include: <ul style="list-style-type: none"> <li>• Short-term disability income benefits</li> </ul>
Compensated absences (while actively employed)	<ul style="list-style-type: none"> <li>• Sick days</li> <li>• Vacation</li> </ul>
Termination benefits	<ul style="list-style-type: none"> <li>• Severance package</li> </ul>

### 1.5.3 Why does PEO have to comply with the accounting rules for calculating benefits cost?

If PEO does not follow the CPA (*Chartered Professional Accountants*) *Canada Handbook* with respect to employee future benefits, the annual financial statements of the organization would not be prepared in accordance with generally accepted accounting principles. This would force the auditor to provide a reservation in the audit opinion.

### 1.5.4 What is meant by the remeasurement amount shown in the audited financial statements?

Every year, an accounting actuarial valuation is performed for the pension plans and the post-retirement benefits plan. The results of this valuation depend on several assumptions and variables such as life expectancies, discount rates, service life, etc. Every year, the actuary looks at these assumptions and, based on what has actually happened, the plan liabilities may change depending on the actuarial gains or losses. Because of these changes, the plan liability can fluctuate. Until recently, these changes were amortized through the income statement. However, due to changes to accounting standards, all such actuarial gains or losses are aggregated as remeasurement amounts and charged to net assets in the statement of revenue, expenses and changes in net assets.

## 1.6 **Process Improvement and Cost Savings**

The CEO/Registrar's Report outlining department-wide expenditures, savings, process improvements and other information on PEO's financial position may be found on the PEO website at [www.peo.on.ca](http://www.peo.on.ca).

### 1.6.1 **What has PEO done to improve its business processes and achieve cost savings in its operations?**

Council and management at PEO are aware of the importance of ongoing process improvement. PEO is committed to ongoing cost efficiency by implementing systems to better understand, track and manage the costs of its activities and processes. As published in the past, PEO's volunteer leadership and management team have together initiated important measures to control costs and ensure maximum value received for monies spent.

- ◆ **Digital copies of *Engineering Dimensions*.** In 2019, PEO reintroduced having the digital edition of *Engineering Dimensions* as the default version, whereby members would automatically receive the digital edition, rather than the print edition, unless otherwise specified. This resulted in saving of over \$40k by way of postage and mailing costs.
- ◆ **Exam reprints.** In 2019, PEO phased out hardcopies and made all exam reprints available online resulting in average annual cost savings of approx. \$12k per annum. The fee charged per exam remained unchanged and the savings were realized by reducing costs in the following areas: staff time, paper, envelopes, labels, copier cost per page and postage.
- ◆ **Electronic elections.** An initiative undertaken in this area involves providing voting materials electronically to all members who have an email address on file with PEO for Council elections. This is a user-friendly and efficient option in comparison to having paper copies.
- ◆ **Electronic membership cards and e-receipts.** The membership card was phased out over five years ago and replaced with the e-card and e-receipt. With this initiative, members can download their card and receipt at any time from the PEO website portal. As of Dec. 31, 2019, over 70 per cent of members can download their receipts and membership cards directly from the PEO web portal.
- ◆ **Electronic member correspondence.** Wherever feasible, all communication and correspondence, such as fee reminders and notices of licence approval, renewal and cancellation, are sent via email. This has contributed to lower postage costs in 2019.
- ◆ **Electronic funds transfer (EFT).** The option to receive payments via EFT has been offered by PEO for several years now and since its inception, this initiative has resulted in an increase of over 60 per cent in the number of vendors/volunteers receiving payments by ETF. This mode of payment is safe, fast and reduces paper, postage and printing costs.

Other ongoing measures include:

- ◆ Meeting efficiency and remote participation were enhanced via the continued use of audio, video and teleconference resources in meeting rooms.
- ◆ PEO's underlying computer infrastructure was further optimized and streamlined by eliminating services that were not mission critical or minimally used.
- ◆ An application was developed in-house to assist the finance and reception teams in issuing and emailing receipts to members and applicants, resulting in the elimination of over 6000 paper receipts.
- ◆ An electronic cheque scanner was introduced in 2018 to improve the accuracy and efficiency of the depositing process. As a result, cheques can now be deposited to PEO's bank account directly from the office without having to visit the bank. This has resulted in the cash conversion cycle time to improve by over 50 per cent.
- ◆ A digital cheque signature has been implemented to streamline issuing of payments.

This has reduced the turnaround time for the processing of cheques by over 10 per cent.

- ◆ Expense reimbursement has become more efficient with the introduction of the Certify online expense application. Certify is an automated travel and expense program which improves the expense submission, approval and reimbursement process. Certify was initially made available to staff in late 2018 as a pilot program. After incorporating feedback from staff, the workflows in Certify were further improved and the application was subsequently rolled out to volunteers in September 2019. Among several features, users can upload receipts to create quick expense reports from anywhere via a smart phone app and have these submitted directly to the approver. It also flags non-compliant expenses and sends automated reminders to both the user and approver if further action is required. In addition, Certify provides superior analytics and allows for better tracking of historical spend data. After the implementation of this solution, expense reimbursement cycle time has improved by over 30 per cent.
- ◆ The initiative to use of accounts payable stamps for processing invoices instead of regular paper forms continues and has successfully helped in reducing annual paper usage by over 6000 sheets each year.
- ◆ Printing on PEO printers has been defaulted to double-sided printing for the past three years, etc.
- ◆ At the end of 2019, PEO centralized banking for the chapters' payment process to ensure tax compliance and improve general fiscal responsibility.

#### **1.6.2 Are we going to continue seeing process improvements and, more specifically, cost savings from PEO in the future?**

As outlined in answer to question 1.6.1, PEO has implemented several automation initiatives to reduce costs. PEO is committed to ongoing improvement by reviewing business processes to identify and implement cost-effective means of operation.

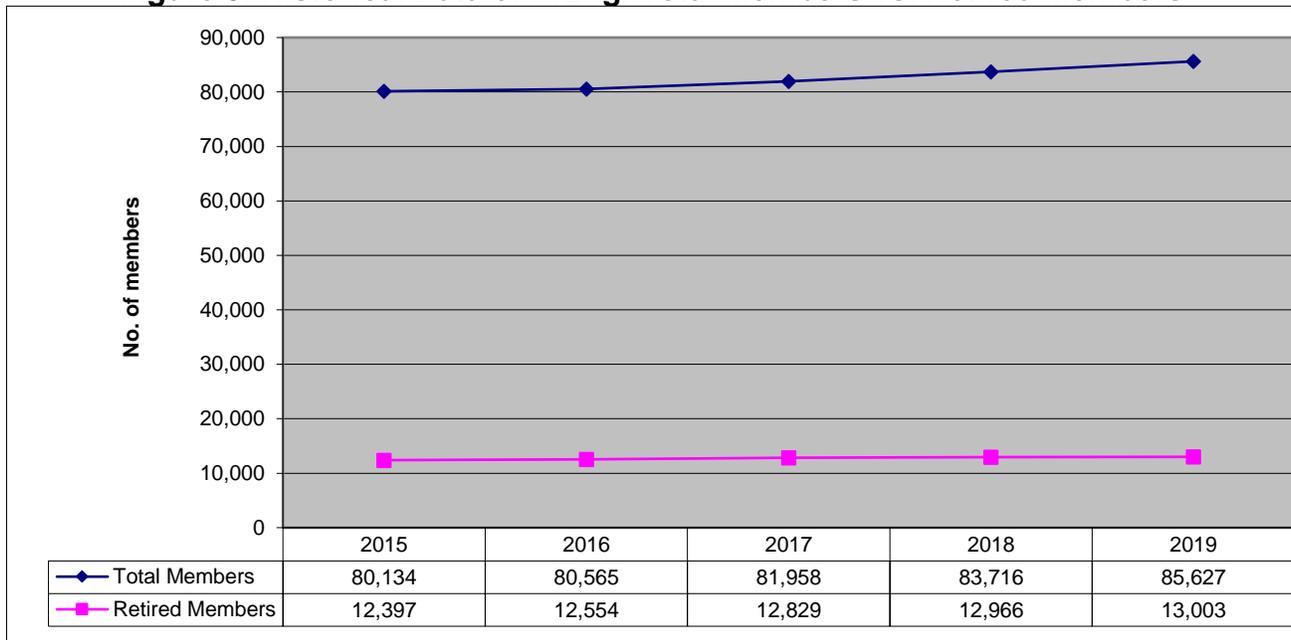
## 2. PEO Membership

### 2.1 PEO Membership Statistics

#### 2.1.1 Can you provide historical data on membership growth over the last five years?

P.Eng. membership has grown by an average of 1.5 per cent year-over-year in the last five years as shown in Figure 5. This growth rate is influenced by such factors as economic trends, unemployment, an aging population, number of retirees, immigration and PEO processes for issuing licences.

**Figure 5. Historical Data of P.Eng. Total Members vs. Retired Members**



#### 2.1.2 What is PEO doing to increase membership?

PEO is not mandated under the *Professional Engineers Act* to increase its membership, but rather to regulate the practice of professional engineering and to govern its members and various licence holders. It is also expected that PEO initiatives designed to promote the relevance of the licence to engineering graduates, raise awareness among employers of the added value licensed engineers provide, and increase the public's confidence in the licence, will serve as building blocks to:

- ◆ Attract/engage unlicensed engineering graduates;
- ◆ Retain licensed engineers who no longer practise engineering;
- ◆ Increase licence uptake by graduates of CEAB-accredited engineering programs; and
- ◆ Encourage international engineering graduates to apply to PEO upon landing in Canada.

## 3. Membership Fees

#### 3.1.1 How much are the other engineering associations in Canada charging their members for the annual licence fee?

Research was conducted to compare how the annual licence fees are charged in various provinces. As Table 3 illustrates, PEO has the second lowest annual licence fee amongst

Canadian professional engineering associations, although the fees were increased in 2019 for the first time in the past 10 years.

**Table 3. Provincial Engineering Associations' Annual Licence Fees at December 31, 2019**

Association	*Number of Members	*Annual Licence Fee (P.Eng.)
Association of Professional Engineers and Geoscientists of Newfoundland and Labrador	4,216	\$246
Professional Engineers Ontario	85,627	\$265
Association of Professional Engineers of Nova Scotia	6,192	\$270
Association of Professional Engineers of Yukon	1,045	\$290
Association of Professional Engineers and Geoscientists of New Brunswick	6,100	\$300
Association of Professional Engineers of Prince Edward Island	314	\$300
Association of Professional Engineers, Geologists and Geoscientists of the Northwest Territories and Nunavut	1,889	\$340
Assoc. of Professional Engineers and Geoscientists of Alberta	51,394	\$392
Engineers and Geoscientists British Columbia	27,047	\$415
Ordre des Ingénieurs du Québec	64,658	\$430
Association of Professional Engineers and Geoscientists of Saskatchewan	10,529	\$450
Association of Professional Engineers and Geoscientists of Manitoba	5,722	\$510

*\*Data are based on web research and from information provided by the associations.*

### 3.1.2 Changes to fees and Financial Credit Program effective May 1, 2019

At its meeting on March 22, 2019, Council approved moving forward with the proposed fee changes to PEO's bylaw. This section provides details about the changes to article 39 of By-Law No.1.

PEO licence holder fees had not increased since 2008, and revenues from the growth in the number of licence holders, applications, examinations etc., had not been adequate to keep pace with the rate of inflation of nearly 20 per cent over this time.

As a result, PEO Council approved that fees related to all licences, examinations, certificates of authorization, consulting engineer designations, engineering intern membership, reinstatements, fee remissions and seals be increased by approximately 20 per cent, effective May 1, 2019. Two current fees previously not included in By-Law No. 1 have been added with an increase of approximately 20 per cent: requesting a re-marking of an exam and requesting a PEO examination to be held outside of Canada. These were one-time fee increases. Any future fee increases will be decided upon by PEO Council.

The bylaw changes excluded for the time being two new fees approved by Council in November 2019. These include: interviews to waive technical examinations and a \$10 credit

card convenience fee. These new fees may be implemented later. In addition, the Engineering Intern Financial Credit Program (FCP) was restructured and eligible participants will no longer have their application fee and first year of enrolment in the Engineering Intern (EIT) program waived immediately. Rather, as of May 1, 2019, eligible participants will now have the cost of their application fee and first year of enrolment in the EIT program (should they have chosen to enroll) credited towards payment of their registration and initial P.Eng. licence fees once they have been approved for a licence. Some frequently asked questions follow.

## **FAQ—Fee Changes**

### **3.1.2.1 Why did PEO implement a 20 per cent increase to all its fees?**

Revenues did not enable PEO to fulfil adequately its legislated functions and supporting activities. Revenues from the growth in the number of licence holders, applications, examinations etc., were not adequate to keep pace with the rate of inflation of nearly 20 per cent over this time. Any future increases will be decided upon by PEO Council.

### **3.1.2.2 Which fees are affected?**

Fees related to all licences, examinations, certificates of authorization, consulting engineer designations, reinstatements, engineering intern membership, fee remissions and seals were increased by approximately 20 per cent, effective May 1, 2019. In addition, two current fees previously not included in By-Law No. 1 were added with an increase of approximately 20 per cent: Requesting a re-marking of an exam and requesting a PEO examination to be held outside of Canada.

### **3.1.2.3 I've already received an invoice that includes the former fee. Will I have to pay the new fee?**

No. Only invoices sent on and after May 1, 2019 will include the new fees. If you received an invoice prior to May 1, 2019, you should pay only the amount requested on that notice.

### **3.1.2.4 When was the last time PEO increased the annual licence-holder fee?**

The annual licence-holder fee was last increased in 2008.

### **3.1.2.5 I thought any fee increase was subject to the approval of licence holders through a referendum. Is this true?**

At its February 2019 meeting, Council approved repealing section 59 of By-Law No. 1 to remove its obligation to always seek member confirmation to increase the annual licence holder fee. Section 59, which was created in 2011, had been determined to be legally invalid, as it infringed on Council's authority to determine on a case-by-case basis whether to seek member confirmation of by-laws passed by Council. The repealed section of the bylaw read as follows:

*59. Council shall seek confirmation by the members of the association of a bylaw passed by the Council pursuant to the act pertaining only to annual fees for licence holders*

Council still retains its full authority to decide on passing future bylaw changes, with or without seeking a member confirmation to vote. Council has the authority under section 8(2) of the *Professional Engineers Act* to pass any bylaw within its bylaw-making powers unless under section 8(3) Council specifies that the bylaw be confirmed by a majority of the members voting on the bylaw.

Council also decided to approve the approximately 20 per cent fee increase under section 8(2) of the *Professional Engineers Act* without seeking member confirmation of the bylaw change.

#### **3.1.2.6 Are any other fee changes forthcoming?**

The bylaw changes approved by Council in March 2019 and that become effective May 1, 2019, are one-time fee increases to catch up with inflation since 2008. They exclude for the time being two new fees approved by Council in November 2019. These include: interviews to waive technical examinations, and a \$10 credit card convenience fee. These new fees may be implemented later.

### **FAQ—Financial Credit Program**

#### **3.1.2.7 How has the Engineering Intern Financial Credit Program (FCP) changed?**

The intent of the program remains the same—to provide an incentive to those who graduate from a program accredited by the Canadian Engineering Accreditation Board to apply for a P.Eng. licence within six months of graduation and participate in PEO's Engineering Intern (EIT) program; and to encourage international engineering graduates to apply for a P.Eng. licence within six months of their landing in Canada and participate in the EIT program.

Under the previous version of the FCP, fees for the licence application and first year enrolment in the EIT program were immediately waived for eligible candidates. Under the new version of the FCP, all eligible applicants will have the application fees they paid, as well as the fee for the first year of participation in the EIT program (should they have registered for the program), credited towards payment of their registration and initial P.Eng. licence fees when they have been approved for a licence.

#### **3.1.2.8 Under the new FCP, is enrolment in the Engineering Intern (EIT) program mandatory to receive a credit upon being approved for licensure?**

No. Under the new program, eligible applicants who join the EIT program and pay the first year's fee will have that amount credited towards payment of your registration and initial P.Eng. licence fees once they are approved for a licence. Eligible applicants who choose not to enroll in the EIT program will have only their application fee credited at the time of licensure. Participation in the EIT program is voluntary and provides benefits but is not required to become licensed.

#### **3.1.2.9 What are the benefits to participating in the Engineering Intern (EIT) program?**

The EIT program provides guidance and assistance to engineering graduates as they acquire the 48 months of acceptable engineering work experience, including annual reviews of experience to help ensure that an applicant is on the right track for licensing. Those enrolled in the program can also use the title "engineering intern" or "EIT" after their name. Further information about the program is available [here](#).

#### **3.1.2.10 I submitted my application before the May 1, 2019, deadline but my convocation date will not occur until after May 1. Do I still qualify to have my application fee waived?**

No. Applications are only valid when received and the necessary requirements have been met. However, if you submit a completed application and pay the application fee within six months of convocation, and are subsequently approved for a licence, that application fee will be credited towards payment of your registration and initial P.Eng. licence fees.

**3.1.2.11 If my date of permanent residency in Canada("landing") falls after May 1, 2019, but I apply before then, will I be eligible to have my application fee waived?**

No. However, if you apply for a P.Eng. licence and pay the application fee, that fee will be credited towards payment of your registration and initial P.Eng. licence fees should you be approved for a licence.

## **4. External Relations**

### **4.1 *Engineers Canada***

Engineers Canada upholds the honour, integrity, and interests of the engineering profession by supporting consistent high standards in the regulation of engineering, encouraging the growth of the profession in Canada, and inspiring public confidence. For over 80 years, we have worked on behalf of the provincial and territorial associations that regulate engineering practice and license the country's 300,000 members of the engineering profession.

Our work is focused on 10 core purposes, as established by Engineers Canada's members, the engineering regulators:

1. Accrediting undergraduate engineering programs.
2. Facilitating and fostering working relationships between and among the regulators.
3. Providing services and tools that enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada.
4. Offering national programs.
5. Advocating to the federal government.
6. Actively monitoring, researching, and advising on changes and advances that impact the Canadian regulatory environment and the engineering profession.
7. Managing risks and opportunities associated with mobility of work and practitioners internationally.
8. Fostering recognition of the value and contribution of the profession to society and sparking interest in the next generation of professionals.
9. Promoting diversity and inclusivity in the profession that reflects Canadian society.
10. Protecting 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.

#### **4.1.1 At what frequency does the fee that PEO pays to Engineers Canada change?**

The rate for the assessment for all regulators is \$10.21/registrant (an individual registered with PEO, with the exception of applicants and students) and remains unchanged since 2006.

#### **4.1.2. How is Professional Engineers Ontario represented at Engineers Canada?**

PEO is one of the 12 associations that compose Engineers Canada. In 2019, PEO had five directors on the Engineers Canada Board, which is comprised of 23 directors and one advisor. These PEO directors are: Annette Bergeron (Engineers Canada Past-president), **Christian Bellini**, Danny Chui, Kelly Reid, and Changiz Sadr. PEO members also serve on Engineers Canada

committees, which actively participate in all of the organization's undertakings, decisions, and long-range planning.

#### **4.1.3. What programs and services does Engineers Canada offer to individual engineers?**

Engineers Canada uses the collective buying power of 300,000 licensed professional engineers to offer a suite of insurance, financial, and other programs to support engineers in their professional and personal lives. These include:

##### *Insurance programs:*

- ◆ Professional Retiree Health and Dental Insurance (Manulife): A program that offers three choices of coverage levels that pick up when your work benefits end.
- ◆ Home and Auto Insurance (TD Insurance): This program has provided insurance coverage for engineers' home and automobiles since 1950. It also protects in the instance of identity theft.
- ◆ Term Life and Accident Insurance (Manulife): One of the oldest and largest group plans in Canada.
- ◆ Health and Dental Care, Disability Income Replacement, and Business Overhead Insurance (Manulife): Financial protection against sickness and accident.
- ◆ Critical Illness Insurance (Manulife): Pays a lump-sum benefit directly to the insured upon diagnosis of a covered life-threatening condition.
- ◆ Pet Insurance (Petsecure): Exclusive rates from the #1 recommended provider in Canada.

##### *Professional insurance programs:*

- ◆ Professional Liability Insurance (Victor, formerly known as Encon): A program that has been jointly endorsed by Engineers Canada and the Association of Consulting Engineering Companies – Canada (ACEC) for 50 years as of 2019.

##### *Financial programs:*

- ◆ Financial Security Program (Canada Life, formerly known as Great West Life): Provides lower fees and free personal investment guidance and support.
- ◆ Bank Manulife One (Manulife): All-in-one account that combines deposits and borrowings into one account.

##### *Other services:*

- ◆ Car Rental (Budget): Low rates and unlimited mileage on business and leisure travel.
- ◆ Shipping (UPS): Savings of between 40 per cent and 84 per cent on shipping services worldwide.

More information about these programs and services is available on the Engineers Canada website at <https://engineerscanada.ca/services/insurance-financial-and-other-benefits>.

#### **4.1.4. What is Engineers Canada doing to promote regulatory excellence in the engineering profession?**

Engineers Canada works to ensure that a current framework, standards, practices, and systems, as well as a means to effectively transfer knowledge to facilitate regulatory excellence, are available to the regulators. Engineers Canada undertakes a range of activities to achieve this goal:

*Accreditation Board:*

Engineers Canada accredits over 280 undergraduate engineering programs in Canada, promoting and encouraging high standards in engineering education and ensuring that they prepare students to meet the academic requirements for licensure. It also maintains Washington Accord signatory status. The Canadian Engineering Accreditation Board also plays a key role in international activities by assessing the equivalency of accreditation systems used in other countries relative to the Canadian system, by negotiating international agreements at the educational level, and by monitoring the accreditation systems employed by the engineering bodies that have entered into mutual recognition agreements with Engineers Canada or have signed onto the Washington Accord, an international agreement that recognizes comparability of signatories' approaches and systems for accrediting engineering programs.

*Qualifications Board:*

Engineers Canada publishes national practice guidelines to enable the assessment of engineering qualifications, and to foster excellence in engineering practice and regulation, thereby facilitating mobility of practitioners within Canada. The Canadian Engineering Qualifications Board also publishes the *Engineers Canada Examination Syllabus*, which describes an examination program that can be used by the engineering regulators to check applicants' academic knowledge if they have not graduated from an accredited program or from a program that falls under an international mutual recognition agreement.

*Mobility:*

Engineers Canada makes available and promotes information, systems, and agreements to facilitate mobility for registered engineers, both within Canada and internationally.

*Foreign credential recognition:*

Engineers Canada maintains [EngineerHere.ca](http://EngineerHere.ca) as a resource for international engineering graduates interested in becoming engineers in Canada. In addition, Engineers Canada maintains an International Institutions and Degrees Database, containing information on thousands of degrees and institutions, which the engineering regulators can use to assess the academic background of international engineering graduates.

*Regulatory research:*

Engineers Canada makes national and international information and trends on self-regulation available to the regulators and clarifies policy and draft legislation to ensure consistency in language in order to maintain a strong, self-regulated profession today and in the future.

**4.1.5. How does Engineers Canada promote confidence in the engineering profession?**

Engineers Canada provides information to stakeholders about the high standards, competence, and integrity of Canada's engineering profession. We also aim to communicate that engineers' work

and self-regulation benefit society. To this end, Engineers Canada undertakes a range of activities to promote confidence in the profession:

*Government relations:*

Engineers Canada has a robust government relations program that ensures timely and relevant national positions and expertise are made available to the federal government and to policy-makers. Engineers Canada regularly meets with members of Parliament and senior officials from the public service regarding the public interest concerns of the engineering profession.

*Sparking interest in the next generation of engineering professionals:*

Engineers Canada works to raise the profile of engineering through various activities such as National Engineering Month and participation in Canadian Federation of Engineering Students activities.

*Engineers Canada awards, scholarships, and fellowships:*

Engineers Canada manages a series of prestigious engineering awards and scholarships, which recognize, honour, and publicly celebrate the work of Canada's professional engineers, teams of engineers, engineering projects, and engineering students. In addition, Engineers Canada's fellowships honour individuals who have given noteworthy service to the engineering profession through their work with either Engineers Canada or our provincial and territorial engineering regulators.

**4.1.6. What work is Engineers Canada undertaking to ensure the sustainability of the engineering profession in Canada?**

Engineers Canada is working to ensure that the engineering profession is sustainable and reflective of Canadian demographics by ensuring that engineering is recognized as an attractive profession. It undertakes a range of initiatives in support of this goal.

Engineers Canada develops programs and resources to increase the diversity of people within the profession, including women and Indigenous peoples. For example, Engineers Canada is committed to raising the percentage of newly licensed engineers who are women to 30 per cent by the year 2030. Engineers Canada also published "Managing Transitions" in January 2016, a resource guide to assist engineers and geoscientists—and their employers—as they consider taking maternity or parental leave.

Engineers Canada has also published a review of practices that post-secondary engineering faculties can use to build and improve Indigenous engineering access programs. These are intended to encourage and support Indigenous students as they transition into post-secondary engineering education, thereby promoting increased Indigenous peoples' representation in the engineering profession.

Finally, Engineers Canada convenes several national networks to provide national platform for knowledge sharing and collaboration. The 30 by 30 Champions are comprised of regulators, higher education institutions, engineering associations, and engineering employers. The Indigenous

Student Services in Engineering working group is made up of representatives from higher education institutions working to increase the representation of Indigenous students in engineering and improve efforts to Indigenize the engineering education curriculum. The Indigenous Advisory Committee supports Engineers Canada's sub-strategy, Operation imperative 9 (OP9): Indigenous access to engineering,

#### 4.1.7. How does Engineers Canada protect the engineering terms?

Engineers Canada works to ensure that the public is not misled by persons improperly using terms, titles, images, and words that are integral to the engineering brand, including in federal corporations and trademarks. In doing so, it promotes an understanding by the public that the protected titles engineer, engineering, professional engineer, consulting engineer, P.Eng., and their French equivalents are used only by individuals and organizations who have been authorized by the regulators to use these titles. Engineers Canada also provides public access to a database of the decisions of the Trademark Opposition Board and the Federal Court related to Engineers Canada matters, and supports the regulators in defending against the improper use of engineering terms, titles, images, and words in provincial and territorial corporations and trademarks.

#### 4.1.8. How can you stay in touch with Engineers Canada, and up-to-date with engineering news?

Engineers Canada publishes a daily electronic media report that provides a summary of the day's engineering-related news. Engineers Canada also publishes a bi-weekly electronic newsletter, *Engineering Matters*, which covers subjects of importance to the engineering profession. Keep up to date and sign up for free by filling out the [online subscription form](#).

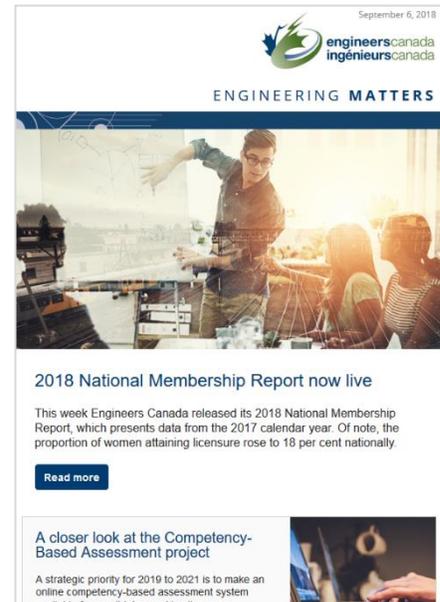
Follow Engineers Canada on social media, including [Twitter](#), [LinkedIn](#) and [Facebook](#).

More information about Engineers Canada and its activities is available on its website at [www.engineerscanada.ca](http://www.engineerscanada.ca).

## 4.2 Ontario Society of Professional Engineers

### 4.2.1 What is the Ontario Society of Professional Engineers (OSPE)?

The Ontario Society of Professional Engineers (OSPE) is the voice of the engineering profession in Ontario. We represent the entire engineering community, including professional engineers, engineering graduates and students who work or will work in several of the most strategic and influential sectors of Ontario's economy. OSPE elevates the profile of the profession by advocating to government, offering valued member services and providing opportunities for ongoing learning, networking and community building.



September 6, 2018  
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ENGINEERING MATTERS

2018 National Membership Report now live

This week Engineers Canada released its 2018 National Membership Report, which presents data from the 2017 calendar year. Of note, the proportion of women attaining licensure rose to 18 per cent nationally.

[Read more](#)

A closer look at the Competency-Based Assessment project

A strategic priority for 2019 to 2021 is to make an online competency-based assessment system available for candidates seeking licensure.

In May 2019, OSPE released its new Strategic Plan, titled “Engineering the Future Together”. This plan focuses on growing the OSPE community and working in tandem with other experts and organizations to build respect and generate new opportunities to amplify the voice of engineers in Ontario. It also ensures that OSPE continues to enhance the prosperity and sustainability of the profession by attracting and delivering value to members at all stages of their careers – from students to retirees.

OSPE envisions a diverse and inclusive profession where engineers are bold, courageous and respected leaders who come together to collaborate with government, industry and academia to seize new opportunities and solve Ontario’s problems with evidence-based, innovative solutions.

We’re excited about what the future holds for engineers in Ontario. As such, our Strategic Plan contains three main pillars:

**ENGINEERS LEAD** • Solidify OSPE’s position as “the voice” of the profession and its reputation as the association where engineers gather, share expertise and provide recommendations on issues facing the profession and society.

**ENGINEERS CARE** • Elevate awareness of the role engineers play in making the world a better place and deepen respect for the engineering profession in Ontario.

**ENGINEERS UNITE** • Strengthen and grow OSPE’s equitable, diverse and inclusive engineering community and deliver unparalleled value at every stage of our members’ careers.

[https://ospe.on.ca/public/documents/governance/OSPE%20Booklet\\_2019\\_ebook\\_april15.pdf](https://ospe.on.ca/public/documents/governance/OSPE%20Booklet_2019_ebook_april15.pdf)

#### **4.2.2 How and why was OSPE created?**

Back in 1990, a debate at Professional Engineers Ontario (PEO) about separating regulatory and non-regulatory affairs for the engineering profession was underway. This discussion resulted in a referendum of PEO licence holders in the year 2000, which found 80 per cent support among those who voted for the creation of a separate advocacy association.

This is how OSPE came to be. The referendum was approved by the Ontario Ministry of the Attorney General, and PEO licence holders voted to allow PEO to raise its annual fees and pass a portion of that increase along to start OSPE.

PEO does not financially support OSPE – the organizations are separate and distinct entities. OSPE is funded by solely through membership fees, revenue from partnerships, affinity and professional development programs, and other non-regulatory activities. As a Professional Engineer in Ontario, you are not automatically a member of OSPE unless you register with OSPE and pay a separate membership fee.

#### **4.2.3 What are the differences between PEO and OSPE?**

PEO and OSPE are separate organizations with distinct mandates.

PEO regulates

PEO’s mission is to regulate and advance the practice of engineering to protect the public interest.

- ◆ Licensing individuals who have met the rigorous qualifications
- ◆ Disciplining licence holders who fail to maintain the profession’s technical and ethical standards

- ◆ Ensuring that only licence holders practise professional engineering

OSPE advocates

OSPE's mission is to advocate on issues of importance to society and the engineering profession and create opportunities for engineers and engineering graduates to connect, collaborate and contribute as they progress through their careers. We ensure government, media and the public appreciate how critical the engineering profession is to growing Ontario's economy while protecting the environment and improving the quality of life we enjoy in our province. We do this by:

- Influencing public policy at both the Provincial and Federal level
- ◆ Building awareness of the many ways engineering enhances Ontario's economy and quality of life
- ◆ Providing member services and career support

#### **4.2.4 How does OSPE advocate for engineers in Ontario?**

OSPE's mission is to advocate on issues of importance to society and the engineering profession and create opportunities for engineers and engineering graduates to connect, collaborate and contribute as they progress through their careers. OSPE ensures government, media and the public appreciate how critical the engineering profession is to growing Ontario's economy while protecting the environment and improving the quality of life we enjoy in our province.

#### Recent advocacy highlights

- ◆ OSPE led a motion to declare March 1<sup>st</sup> Professional Engineers Day in Ontario (#PEngDay). Engineering is the only profession that is now officially recognized and celebrated by the Ontario government.
- ◆ OSPE worked with other stakeholders, such as RCCAO & GTASWCA to develop and implement new Excess Soils Regulatory Requirements in Ontario
- ◆ OSPE has been invited to participate in the Government of Ontario's Energy Working Group
- ◆ OSPE presented at the Standing Committee on Finance & Economic Affairs to share our recommendations for the 2020 Provincial Budget priorities.
- ◆ OSPE met with numerous Ministries, including Infrastructure, Finance, Environment, Transportation, Municipal Affairs, Treasury Board, and the Attorney General to discuss many of the issues that affect a Professional Engineer's ability to productively and adequately perform their function on issues related to Quality Assurance, Derisking Infrastructure projects, Procurement Issues, Engineering Skills Gap, Diversity & Inclusion, the significant increase in Professional Liability Insurance, and the need for a Strong and Focused Regulator for the Practice of Professional Engineering.

#### **4.2.5 How can I get involved in advocacy with OSPE?**

OSPE Ambassadors volunteer on Committees and Task Forces that work together to come up with solutions to tackle issues facing Ontario. Some of these groups include:

- ◆ Energy Task Force
- ◆ Environment Task Force
- ◆ Diversity and Inclusion Committee
- ◆ Infrastructure Task Force
- ◆ Research and Innovation Task Force
- ◆ Membership Advisory Committee

For more details on how to get involved, visit [www.ospe.on.ca/ambassador-program](http://www.ospe.on.ca/ambassador-program) or email [ambassador@ospe.on.ca](mailto:ambassador@ospe.on.ca).

#### **4.2.6 Why is it important that engineers have a separate advocacy organization like OSPE?**

PEO is the delegated authority from the government to protect the public interest, safety and well-being through licensing and regulation of the practice of professional engineering. The duty of public interest organizations is to place the welfare of the largest portion of the population (the citizens of Ontario) at the forefront of any debate, activity or service provision. Without this primary and sole focus, and demonstrated effectiveness at doing so, the profession opens itself to the risk of deregulation of the practice of professional engineering.

In the '90s, it was determined to be a conflict of interest for the regulator to be solely responsible for protecting the public interest, while also lobbying for the interests of engineers. This is why OSPE was formed as the advocacy and member services organization for the profession. This need is stronger now, than was the case 20 years ago. Furthermore, OSPE lobbies on issues that establish an engineer's ability to influence public policy on issues that are important to their professional practice, such as changes to the Construction Act, establishment of Excess Soils regulations, and on how to reduce the rising cost of rising professional liability insurance.

As is the case with medicine and law, the public needs a strong regulatory body that will ensure the highest standards of practice among engineering practitioners. This division of mandates is used by several professions. For example, physicians have the College of Physicians and Surgeons in Ontario for regulation and the Ontario Medical Association for advocacy. Similarly, lawyers have the Law Society of Ontario for regulation, and the Ontario Bar Association for advocacy.

### **4.3 Government Liaison Program**

#### **4.3.1 What is PEO's Government Liaison Program?**

PEO's Government Liaison Program (GLP) was established to ensure that government, PEO members and the public continue to recognize PEO's regulatory mandate, in particular its contributions to maintaining the highest level of professionalism among engineers working in the public interest. Ultimately, the goal is to have government view PEO as a partner and understand and support PEO's policy direction.

The main messages of the program are:

- ◆ PEO has a legislated mandate under the *Professional Engineers Act* to regulate the practice of professional engineering in the public interest.
- ◆ The self-regulating engineering profession in Ontario—comprising over 89,000 professionals—has been successfully protecting the public for more than 97 years.
- ◆ PEO has unique knowledge and expertise and it is in the best interest of government to consult with it before considering new policy directions that may have the potential to impact the regulation of the practice of professional engineering.

#### **4.3.2 Why is it necessary for PEO to become engaged in such a program?**

As a leader in the professional community, whose practitioners make significant contributions to the economy and many aspects of our everyday lives, PEO ought to have influence and impact on policy direction, as it applies to the regulation of the profession. By

not taking action, PEO would be falling short in its legislated mandate to serve the public interest.

While engineering has historically taken a back seat to medicine and law when it comes to being vocal about its professional interests, PEO sees its GLP opening doors so it is, increasingly, being invited to the decision-making tables. PEO believes professional engineers have much to contribute to the development of government policy as it relates to the regulation of the practice of professional engineering.

Through the GLP, PEO's dedicated volunteers from across the province are building the necessary relationships to ensure PEO's perspective is heard.

#### **4.3.3 How is the program structured?**

The Government Liaison Committee (GLC) provides oversight to the GLP, coordinates GLP efforts and develops and executes new strategic initiatives for the program. Serving on the GLC are representatives from PEO GLP, Engineers Canada, the Ontario Society of Professional Engineers, Consulting Engineers of Ontario, engineering interns and students who join together to determine the direction of government relations for engineers in the province.

To ensure chapter involvement in the program, each chapter has a GLP chair to oversee the program at the grassroots level. The GLP chairs are volunteer spokespeople for their chapter ridings and are responsible for organizing the chapter objectives/activities, which include:

- ◆ Inviting MPPs to chapter events;
- ◆ Coordinating meetings with local MPPs;
- ◆ Participating in MPP events; and
- ◆ Ensuring members are well informed of engineering and non-engineering matters so they can thoroughly comprehend issues important to MPPs.

Liaison with federal politicians is handled by Engineers Canada.

To help facilitate the GLP, PEO has retained the services of Brown & Cohen Communications and Public Affairs to:

- ◆ Provide spokesperson training for GLP members;
- ◆ Help facilitate spokesperson activities with MPPs in local chapters, events and meetings; and
- ◆ Provide guidance on the activities/steps that chapters can take to engage politicians.

#### **4.3.4 What did the program do during the past year?**

The Government Liaison Committee (GLC) met regularly throughout the year to create and execute a work plan, provide advice and feedback on the direction of government relations activities, consult with stakeholders, monitor trends, develop and issue GLP Information Notes to brief spokespeople on regulatory issues, organize events and training initiatives, and encourage involvement in public policy development.

2019 was an interesting year for the PEO Government Liaison Program (GLP) in its work with MPP's to help regulate the practice of professional engineering in Ontario.

The GLP plays an important role in ensuring the voice of the professional engineer related to regulatory issues is heard in the government.

Here are some of the highlights:

### **PEO Hosted Four Take Your MPP to Work Days**

PEO's innovative "Take Your MPP to Work Day" program continues to be popular with both chapter members and MPPs with four held in 2019.

Since 2013, individual MPPs have been invited by local chapters to visit companies who employ professional engineers. Through facility tours and discussions, the MPP learns more about the work professional engineers do in their communities, and about PEO as a regulator and their impact on protecting public safety.

PEO hosted four events in 2019:

- March 15, 2019 - Sudbury Chapter hosted MPP France Gélinas and Jamie West at SNOLAB in Sudbury
- September 23, 2019 – Hamilton-Burlington Chapter hosted MPP Jane McKenna at Joseph Brant Hospital in Burlington
- September 26, 2019 – Kingsway Chapter hosted MPP Christine Hogarth at Cana Datum in Etobicoke
- November 29, 2019 – Oakville Chapter hosted MPP Effie Triantafilopoulos at Rockwool production plant in Oakville

### **Successful GLP Academies and Congresses held in North Bay, Chatham, Toronto and Kingston**

Four GLP Academies and Congresses were held in 2019 with the participation of two Ministers and seven other MPPs. They were held in:

- North Bay - The Northern GLP Academy was held in North Bay on January 26, 2019 with then Finance Minister Vic Fedeli, MPP (Nipissing) and now Minister of Economic Development, Job Creation and Trade and Deputy NDP Leader John Vanthof, MPP (Timiskaming-Cochrane). The chapter representatives were able to spend two hours with Minister Fedeli and three hours with MPP Vanthof. Both MPPs encouraged PEO to keep up their visibility, both at the chapter level and at Queen's Park.
- Chatham - The Western Region GLP Academy was held in Chatham on May 30 with Deputy Speaker Rick Nicholls, MPP (Chatham-Kent-Leamington). MPP Nicholls encouraged attendees to continue hosting Take Your MPP to Work Days. This Academy had a number of young professional engineers. There was much participation from engineers who work in the public service, including a representative from the Ministry of the Environment.
- Toronto - The East and West Central GLP Academy was held in Toronto on October 5 with NDP Attorney General Critic Gurratan Singh, MPP (Brampton East), Sara Singh, MPP (Brampton Centre) and Sheref Sabawy, MPP (Mississauga – Erin Mills). This Academy was the first time an Attorney General Critic was taking notes and getting to know the profession better. MPP Gurratan Singh took on the role of a 'curious MPP' and ensured he understood what mattered to the PEO representatives in the room.
- Kingston - The Eastern Region GLP Academy was held in Kingston on November 23 with Minister of Municipal Affairs and Housing Steve Clark, MPP (Leeds- Grenville- Thousand Islands and Rideau Lakes), Ian Arthur, MPP (NDP – Kingston and the Islands) and Randy Hillier, MPP (Independent – Lanark – Frontenac- Kingston). The

feedback from MPPs was great. Minister Clark thought that “PEO had the best government relations set up of any group in government, bar none”

GLP representatives received training about how to speak with their MPPs, discussed PEO’s role as a regulator and increased their understanding of who’s who in government.

GLP Academies and Congresses are important because they help chapters increase their knowledge every year, share progress to date and build their relationships with MPPs and Ministers in attendance.

### **Meeting with Attorney General**

PEO President Nancy Hill, P.Eng., met with Attorney General Doug Downey, MPP (Barrie – Springwater – Oro Medonte) on October 29, 2019. Also, in attendance were PEO’s CEO/Registrar Johnny Zucco, P.Eng. and Manager, Government Liaison Programs Jeannette Chau, P.Eng.

The delegation briefed Attorney General Downey on the recent findings of the Cayton Report, as well as the work of PEO as the regulator of professional engineering in the province.

### **Queen’s Park Event**

The same delegation was joined on November 20 at Queen’s Park by GLC Chair and PEO West Central Regional Councillor Warren Turnbull, P. Eng., GLC Vice-Chair and PEO Councillor Arjan Arenja, P.Eng., and PEO Government Relations Consultant Howard Brown.

The delegation was introduced in the Legislature by Attorney General Downey.

Meetings were held with Lindsey Park, MPP (PC -Durham), Parliamentary Assistant to the Attorney General, Gurratan Singh, MPP (NDP - Brampton East), Opposition Attorney General Critic and John Fraser, MPP (Ottawa South), Attorney General Critic and Interim Liberal Party Leader

The delegation provided an overview of PEO’s role as a regulator and information about the Cayton Report to each MPP with which they hosted a meeting.

### **Establishing Relationships with Local MPPs**

PEO and its chapters continued to work hard to develop and maintain relationships with all 124 MPPs, particularly the 74 that were newly elected in the last provincial election and had little or no knowledge of PEO. The chapters do this by inviting MPPs to chapter licensing ceremonies and events and attending MPP events. PEO is non-partisan, and the chapters work with all political parties.

### **Government Liaison Committee (GLC)**

The Government Liaison Committee (GLC) had a very active year overseeing the GLP activities of the chapters, including, holding quarterly hour-long conference calls with all GLP chairs across the province.

The GLC continues to meet monthly to discuss GLP activities, regulatory issues, MPP outreach, and communications.

It is one of the few PEO committees with both student and EIT representation and is the only PEO committee with representation from Consulting Engineers of Ontario, Christine Hill, P.Eng.

### **Professional Engineers elected in 2019 Federal Election**

There were two Ontario professional engineers elected in the 2019 Federal Election.

They were Omar Alghabra, P.Eng., (Liberal – Mississauga Centre) and Marilyn Gladu, P.Eng., (PC – Sarnia – Lambton)

### **Publications to keep informed**

The GLP Weekly e-newsletter was sent to MPPs across Ontario, along with some of their key staff members to keep MPPs and PEO members informed on government relations activities. Each issue covers chapter meetings and events with MPPs and important PEO news such as Council updates, GLC meeting recaps, the Cayton Report and regulatory news.

The GLP also has a regular column published in *Engineering Dimensions* with information on the program.

A quarterly GLP Chair Newsletter was produced and sent to all GLP chairs with information on items such as; ways to organize a Take Your MPP to Work Day, seasonal Talking Points that help GLP chairs speak with MPPs, links to helpful information, and a Parliamentary Calendar to show when the legislature is sitting.

### **Chapter and MPP activities**

PEO chapter GLP representatives also attended various MPP New Year's levees, community events and local meetings. MPPs participated in chapter licence ceremonies, chapter annual general meetings, Engineering Month events and Take Your MPP to Work Days. These interactions helped to develop awareness and strong relationships between PEO and MPPs as well as promote our regulatory issues when required.

#### **4.3.5 Is it too late for me to get involved in the program?**

PEO is always actively recruiting volunteers for the program. If you are interested in joining the growing number of professional engineers involved in the Government Liaison Program, contact your chapter chair or Jeannette Chau, P.Eng., manager, government liaison programs, at [jchau@peo.on.ca](mailto:jchau@peo.on.ca) or (647) 259-2262.

## **5. Practice Evaluation and Knowledge (PEAK) Program**

The PEAK program turned three on March 31, 2020. Licence renewal notices sent to all professional engineers and limited licence holders invite them to voluntarily complete elements of the program every year before their annual licence renewal date.

### **Q: What is the PEAK program?**

**A:** It is an information-gathering tool to equip PEO with suitable information—on the practice activities and continuing professional development of every licence holder—to effectively carry out its role as the regulator of the profession. The program was designed to help PEO achieve four objectives:

1. Identify which licence holders are “practising” professional engineering and how they perform their practice activities,
2. Encourage licence holders (especially those who are practising) to remain competent by pursuing and tracking their continuing professional development—with the intent to maintain a level of knowledge and skill commensurate with safeguarding the public interest.
3. Reacquaint licence holders—practising, non-practising and retired alike—with their statutory and ethical obligations as PEO licence holders.
4. Publish the practice status and participation status in the PEAK program for every licence holder as a matter of public interest.

**Q: Who benefits from the PEAK program?**

**A:** The public, licence holders, employers and PEO all benefit from the PEAK program. The program offers public interest protection through its features of collecting engineering practice data about licence holders and promoting continuing professional development to maintain the licence holder’s competence.

As a matter of public interest, PEO’s online directory of licence holders publishes the practice declaration and participation status in the PEAK program for every licence holder. This information is beneficial to existing and potential clients and employers.

By participating in the program, licence holders gain an opportunity to organize their continuing professional development and inform PEO of those pursuits on an annual basis. This information is also beneficial to employers for their initiatives regarding continuing education support and internal quality assurance protocols.

Licence holders and their employers both benefit from the program through its public posting of the PEAK participation status for every licence holder on PEO’s online directory of licence holders; a “completed” status posting promotes the licence holder and employer in a positive light because the program is a voluntary initiative and was designed for public interest protection.

**Q: What are the 3 elements of the PEAK program?**

**A:** The three PEAK program elements include: a practice questionnaire, an ethics module, and a continuing knowledge activity report.

**Practising** licence holders should complete the practice questionnaire and ethics module at the start of every licence year. Their responses to the questionnaire are used to provide a personalized recommended amount of time to dedicate to continuing knowledge activities during the licence year. The maximum possible recommendation is 30 hours per licence year; however, the actual recommendation is typically less. Then, practising licence holders should inform PEO of the continuing knowledge activities they completed during the licence year before the next renewal date.

**Non-practising** licence holders are only asked to declare they are not currently practising engineering for the Ontario jurisdiction and complete the ethics module at the start of every licence year.

**Q: Who is being asked to complete the PEAK program?**

**A:** All professional engineers and limited licence holders—practising, non-practising and retired alike—should complete the program. Temporary and provisional licence holders are exempt. Engineering interns are only asked to familiarize themselves with the program for when they become licensed.

**Q: How often should the PEAK program be completed?**

**A:** Licence holders should complete the program at least once every licence year. However, they could update their information anytime during the licence year.

**Q: Is completing the PEAK program mandatory?**

**A:** No. Council has made no decision to make continuing professional development mandatory.

Licence holders are encouraged to voluntarily participate in the PEAK program at their professional discretion. PEO's online directory of licence holders will publicly show the practice declaration and participation status for each element of the program for every licence holder.

Since December 2017, subclause 7(1)27 of the [Professional Engineers Act](#) authorizes Council to make regulations governing and requiring continuing education and professional development programs for licence holders as well as sanctions for non-compliance with those requirements.

In September 2019, Council approved a motion directing the Registrar to propose the legislative framework needed for a mandatory continuing professional development program and to review the PEAK program to ensure the program is pedagogically sound, has measurable and achievable goals, and is proportionate to the need to maintain public trust in the profession.

**Q: What does PEO do with the data it collects from licence holders?**

**A:** Using the data collected, the program publishes on PEO's public online directory of licence holders in the public interest (1) the practice status of every licence holder and (2) the completion status for all applicable elements of the PEAK program for the current licence year for every licence holder, including whether practising licence holders informed PEO of their continuing knowledge activities.

Data collected by the PEAK practice declaration and evaluation questionnaire is used to update PEO's register of licence holders and for policy development purposes, such as identifying practice demographics. This helps ensure PEO has adequate information to

effectively carry out its role as regulator of the profession. PEO does not record response selections by licence holders to the questions contained in the PEAK ethics modules.

**Q: How do I access the program?**

**A:** The program must be accessed online through PEO's portal at [secure.peo.on.ca](https://secure.peo.on.ca) under the PEAK tab. Here, licence holders could update their practice declaration, change their information and responses, complete the ethics module and, if applicable, report their continuing knowledge hours.

**Q: I'm already doing continuing knowledge activities—why does PEO need to get involved?**

**A:** PEO is only asking licence holders to report their continuing knowledge activities. By completing the PEAK practice questionnaire and reporting continuing knowledge activities to PEO—the engineering regulator—licence holders help PEO learn which licence holders are practising, how they practice and what they do to stay competent, thereby providing assurance to the public that practising licence holders are taking steps to maintain their engineering competence beyond licensure.

**Q: What is the ethics module?**

**A:** The ethics module element is a refresher module to reacquaint all licence holders with their ethical and statutory obligations as licence holders regardless of their practice declaration. Licence holders are asked to complete one module at the start of every licence year.

**Q: Will PEO recommend specific continuing knowledge activities for me?**

**A:** No. Licence holders are encouraged to develop their own continuing education and professional development plans by determining which activities are relevant to their practice areas and ensuring those activities are suitably technical for their needs and convenient to undertake.

A ***continuing knowledge activity*** reinforces or supplements the licence holder's engineering knowledge and competence, and PEO recognizes continuing knowledge activities under three categories or avenues of learning: *formal education*, *informal education* and *contributions to knowledge*.

The *formal education* and *informal education* categories describe avenues of learning that involve the acquisition of engineering knowledge. Whereas, the *contributions to knowledge* category involves the dissemination and sharing of engineering knowledge by the licence holder to the engineering community.

**Q: What is the PEAK program uptake so far?**

**A:** In its first year (2017), 33% of licence holders participated in the program, of which 76% self-declared as practising and 60% watched the ethics module.

In its second year (2018), 22% of licence holders participated in the program, of which 79% self-declared as practising and 72% watched the ethics module.

In its third year (2019), 17% of licence holders participated in the program, of which 81% self-declared as practising and 70% watched the ethics module.

**Q: Where can I find more information on the PEAK program?**

**A:** Complete information on the PEAK program is available online at [www.peopeak.ca](http://www.peopeak.ca). Questions or requests for PEAK program information materials and seminars could be submitted by email to [peopeak@peo.on.ca](mailto:peopeak@peo.on.ca) or by phone at (416) 224-1100 or 1 (800) 339-3716.

## **6. 40 Sheppard Avenue West**

### **6.1.1 Can you tell me when PEO purchased 40 Sheppard Avenue West and the details of the purchase?**

PEO purchased 40 Sheppard Avenue West on March 11, 2009 for the purchase price of \$22,575,000. It is an eight-storey building with a floor plate of about 14,000 square feet. The building has 106,730 square feet of rentable area. PEO moved into 40 Sheppard Avenue West on December 18, 2009. PEO occupies 39,100 square feet as of December 31, 2019.

### **6.1.2 Who is PEO's current property manager?**

The building at 40 Sheppard is being managed by Brookfield Global Integrated Solutions (BGIS). The building was previously managed by Colliers International and the change to Brookfield Global Integrated Solutions was made in February 2011 after a thorough tendering process. A tendering process was conducted in 2019 for property management services and, after a thorough review, BGIS was again selected as PEO's property manager from 2019 onwards.

### **6.1.3 Was the building profitable in 2019?**

The building generated \$2,818,471 in revenue, including PEO's share of recoverable expenses but excluding base rent (had PEO paid market rent for its space) with total expenses of \$3,252,046. This created a deficiency of revenue over expenses of \$433,575 (after all expenses, including loan interest), as compared to a deficiency in 2018 of \$435,583. This deficiency of revenue over expenses was due to unleased vacant space and higher non-recoverable building costs. Total recoverable expenses were \$2,226,266, with PEO's share of this totaling \$754,538. These costs were reclassified from building operations to occupancy costs in the financial statements. Total occupancy costs for 2019 were \$845,733, which included storage and other occupancy costs. PEO's total accommodation expense (including interest for the mortgage) was \$1,057,278. PEO occupied a total of 39,100 square feet at December 31, 2019. The market rent of this space is approximately \$15/square foot with operating costs of \$20.86/square foot. Therefore, PEO's equivalent costs for rent and operating costs would be \$1,402,126 for 2019. Another benefit of ownership of the building is reduced municipal property taxes as allowed under

the *Municipal Act*, since PEO is a not-for-profit organization. Since 2013, PEO has been billed at the reduced municipal tax rate.

#### **6.1.4 Can you provide a breakdown of the major building improvements made in 2019?**

The following major projects were completed in 2019:

- ◆ **Generator replacement.** This 2018 project was completed in 2019 with a total spend of \$404,273
- ◆ **Leasehold improvement.** Several tenants on the second floor were given allowances totaling \$110,836 for preparing their space.
- ◆ **Fourth floor public corridor fit-up.** To ready the fourth floor for new tenants a final spend of \$110,145 was made in 2019.
- ◆ **Exterior Windows.** Replacement of exterior windows project in 2019 cost PEO \$52,448.
- ◆ **Mechanical Elevator upgrades.** An additional spend in 2019 was required for the 2017 project with a total spend of \$44,851.
- ◆ **Leasehold improvement.** A new tenant on the fourth floor was given an allowance of \$37,305 in 2019 for preparing their space.

#### **6.1.5 Can you provide an update on 2020 plans?**

Planned capital spending on common area space and recoverable from tenants includes:

- ◆ Additional tenant inducements for locations on the fourth and eighth floors;
- ◆ Continued replacement of windows as needed;
- ◆ Fire system upgrades and repairs;
- ◆ Structural study for main building roof;
- ◆ HVAC chiller touch screen replacement;
- ◆ Additional heat pump replacement; and
- ◆ 2020 general structural study.

#### **6.1.6 What monies have been set aside for future renovations beyond 2020, such as future Council chambers?**

Plans for a future Council chamber have been discontinued with the decision to lease the vacant eighth floor space to new tenants once the renovation work is complete.

#### **6.1.7 Do we still have vacant floor space? If so, what are the plans? Will some portion be occupied by PEO staff/volunteers and what portion will be dedicated to future tenants?**

Currently, there is vacant space on the eighth and fifth floors totaling approx. 4500 sq. ft. This space may be required for PEO use and hence, unlikely to be leased.

## **7. Capital expenditures**

#### **7.1.1 Can you provide a breakdown of the capital expenditures made in 2019?**

In 2019, total capital expenditures were \$929k out of which \$807k was for the building. The breakdown of the building-related capital improvements is outlined under section 6.1.4. The other capital projects in 2019 (in addition to those for the building) are as listed below.

- ◆ Website upgrade for \$81,268;
- ◆ Replacement furniture \$22,858;
- ◆ Aptify software upgrade project-in-progress for \$18,125.

#### **OUR MANDATE**

Through the *Professional Engineers Act*, PEO governs licence and certificate holders and regulates the practice of professional engineering in Ontario to serve and protect the public interest.

#### **OUR VISION**

The trusted leader in professional self-regulation

#### **OUR MISSION**

Regulate and advance the practice of engineering to protect the public interest.

#### **PEO CORE VALUES**

Accountability  
Integrity  
Professionalism  
Respect  
Teamwork



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