



Professional Engineers
Ontario

QUESTIONS & ANSWERS
on PEO Operations
2020



REIMAGINING PEO **TOGETHER**

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 2020. The audited statements show the association's financial position as at December 31, 2020. 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. Look for periodic updates to *Questions and Answers on PEO Operations* on PEO's website (www.peo.on.ca).

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1. 2020 Finances and Operations

1.1 Revenue and Expenditures

1.1.1 Revenue increased by 9.6 per cent in 2020 over the previous year. What accounted for the increase?

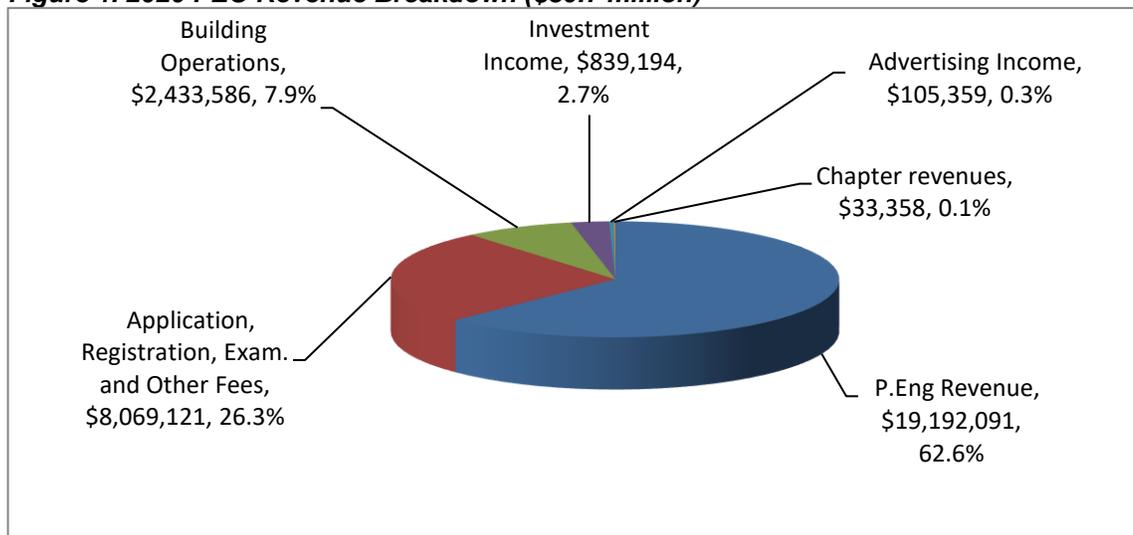
The total revenue in 2020 was \$30.7 million compared to \$28.0 million in 2019. This can be attributed to:

- ◆ An increase in P.Eng. revenue of \$2,574,210 or 15.5 per cent, due to the full impact of the fee increase that went into effect on May 1, 2019. However, the positive impact of the fee increase was partially offset by a fall in P.Eng. membership in 2020 by 1085 members or 1.3 per cent. This reduction can be attributed to fewer new licenses being issued and higher cancellations for non-payment of fees. The total P.Eng. membership as of December 31, 2020 is 84,542 versus 85,627 as of December 31, 2019.
- ◆ An increase in building operations revenue of \$369,653 or 17.9 per cent, due to an increase in tenant rent and the accompanying increased operating cost recovery revenue.
- ◆ An increase in investment income of \$266,695 or 46.6 per cent, largely due the well - diversified asset mix in the portfolio with approximately 70 per cent invested in high quality, fixed income instruments that have helped in insulating the portfolio from the volatility of equity markets.
- ◆ An increase due to the introduction of chapter revenues of \$33,358, due to a change in accounting policy concerning chapters, as a result of which chapters financials are consolidated prospectively into PEO's financial statements effective January 1, 2020.

The above was partially offset by:

- ◆ A decrease in application, registration, examination and other fees of \$438,572 or 5.2 per cent, largely due to lower revenues from Technical Exams, Professional Practice Exams and the National Program. There was also a reduction in the number of P.Eng. registrations and reduction in Engineering Intern (EIT) revenues.
- ◆ A decrease in advertising revenue of \$108,728 or 50.8 per cent, largely due to unfavourable market conditions resulting in fewer advertisements in *Engineering Dimensions*.

Figure 1. 2020 PEO Revenue Breakdown (\$30.7 million)



1.1.2 In 2020, PEO experienced an increase of \$853,163, in its net assets compared to 2019. What factors contributed to the increase?

In 2020, the net asset balance was \$25.6 million, compared to \$24.7 million in 2019. The increase was due to the full impact of the 20 per cent fee increase in May 2019 and control of expenses. This was offset by an adjustment due to a change in accounting policy.

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?

- ◆ **Chapter expenses.** A decrease of \$614,352, or 65.2 per cent, was largely due to the centralized banking initiative whereby effective 2020, all chapter-related spend is paid directly from the head office upon the receipt of invoices in contrast to the earlier set up in which the head office paid all the allotment monies to each of the chapters upfront.
- ◆ **Volunteer expenses.** A decrease of \$504,976, or 82.2 per cent, was largely due to reduced travel costs for accommodation, meals, mileage, air/train fare, bus/car/taxi, and parking for events such as the AGM, council meetings, ERC interviews, discipline hearings, and student/EIT events.
- ◆ **Staff salaries and benefits.** A decrease of \$407,543, or 3.4 per cent, largely due to lower spend on full-time salaries and benefits in 2020 versus 2019.
- ◆ **Purchased services.** A decrease of \$337,001, or 26.0 per cent, is largely due to no spend on meals and catering costs for various events such as the AGM (Annual General Meeting), OOH (Order of Honour), OPEA (Ontario Professional Engineering Awards), VLC (Volunteer Leadership Conference), etc.; lower spend on catering costs for various committee meetings; lower spend on the setting, marking and invigilation for technical exams; and lower costs for scanning records, etc. This decrease is partially offset by an increase in the costs for Professional Practice Exams, costs for a facilitator for the VLC, and higher audio-visual spending for remotely conducting various events such as the AGM and GLP (Government Liaison Program).
- ◆ **Building operations.** A decrease of \$300,878, or 12 per cent, was largely due to lower legal spend on negotiating new tenant contracts; no spend on leasing commissions; and lower mortgage interest payments. This decrease is partially offset by higher spend on tenant inducements.
- ◆ **Postage and courier.** A decrease of \$207,318, or 49.6 per cent, was largely due to the significant reduction in mailing out correspondence in 2020 due to the office closure on account of the pandemic. Instead, there was an emphasis on sending out digital correspondence.

1.1.4 Although PEO's total expenditures for regular operations decreased 9.5 per cent, or \$2,350,039, in 2020 over the previous year, can you highlight the areas that encountered increases in costs?

- ◆ **Consultants.** An increase of \$199,005, or 77.8 per cent, largely due to higher spend for on consultant for various information technology projects; consultants for recruiting and HR matters; for changes to the workplace layout due to COVID-19; for pensions and for the investment manager.
- ◆ **Computers and telephone.** An increase of \$136,043, or 13.6 per cent. The increase is largely due to software support contracts, non-capital hardware and software spending, telecommunications spending and server maintenance contracts.
- ◆ **Transaction fees.** An increase of \$49,181, or 7.6 per cent, largely due to an increase in credit card commission fees and due to a large portion of our membership (over 75%) who pay their dues by credit card.

- ◆ **Legal (corporate, prosecution and tribunal).** An increase of \$45,196, or 6.3 per cent, is largely due to higher spend on legal expenses for discipline prosecution, discipline hearings and other legal matters.

1.1.5 What are the various items included in purchased services?

The main spend items under purchased services for 2020 include:

- ◆ Professional Practice Exam services (\$401,644);
- ◆ Electronic voting for Council elections (\$109,055);
- ◆ Printing *Engineering Dimensions* magazine (\$91,526);
- ◆ Audio visual services for the Annual General Meeting (\$71,273);
- ◆ Trainer/facilitator for the Volunteer Leadership Conference (\$36,000);
- ◆ Setting technical exams (\$32,865);
- ◆ Marking technical exams (\$27,500);
- ◆ Scanning files, documents and records (\$23,972);
- ◆ Security camera for office security (\$17,739); and
- ◆ Printing related to advertising (\$14,750).

In addition, there were costs for technical exam invigilation, other audio visual, freelance admin services, engineering seals and stamps, other catering, trainer facilitator expenses, freelance writer, transcript purchases and other election costs.

1.1.6 What is the breakdown of the costs for consultants?

The spend on consultants in 2020 was \$454,680 (compared to \$255,675 in 2019). The breakdown of this spend largely consists of \$144,287 for various IT projects; \$114,192 for the Government Liaison Program; \$60,300 for HR planning and staff recruitment services; \$45,426 for office workplace layout due to COVID-19; \$33,067 for financial auditing services; and \$27,852 for investment consultant services.

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

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 enrollment in the Engineering Intern (EIT) program (should they choose to enroll) credited towards payment of their initial P.Eng. license fees once they have been approved for a license. The number of EITs (engineering interns) as of December 31, 2020, was 13,265 (compared to 14,686 in 2019).

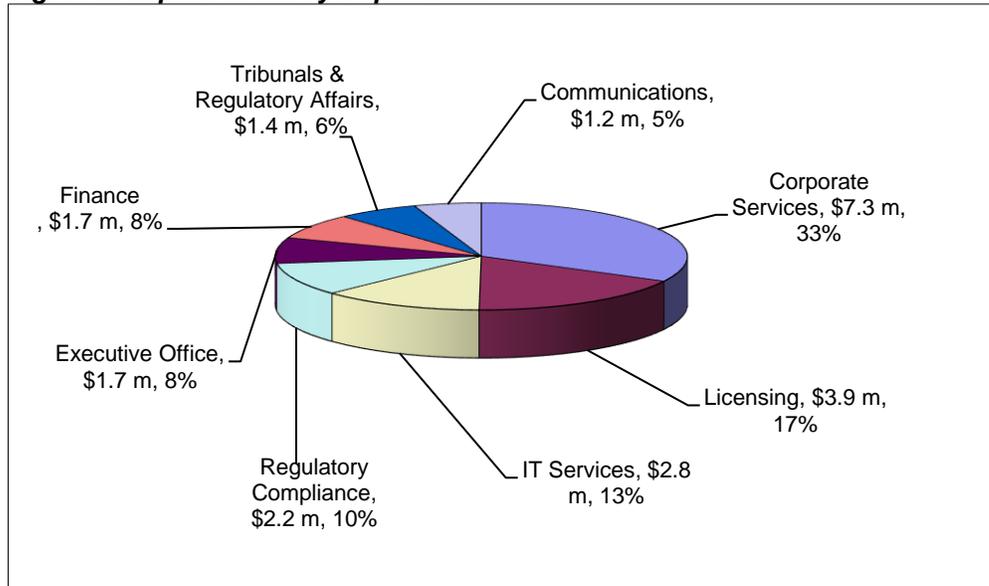
1.1.8 What were the expenses for tribunal operations?

The expenses for operating PEO's tribunals, which include fees for independent legal counsel, court reporters, etc., were \$129,539 compared to \$93,976 in 2019. Spending increased with higher 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 2020 figures for department expenditures?

Figure 2 illustrates the 2020 department expenditures.

Figure 2. Expenditures by Department



1.1.10 I hear that chapter funding decreased in 2020. Is this correct?

No. Chapter budget allotments increased in 2020 to \$686,208 from \$639,000 in 2019. PEO changed its policy with respect to its chapters in 2020. In 2020, PEO centralized the banking and accounting functions of all 36 chapters and determined that the financial transactions of all chapters will be consolidated into the financial statements of PEO.

1.1.11 How much did it cost PEO in 2020 to fund its chapters?

During the year, PEO paid chapter expenses totaling \$327,940 (compared to \$942,292 in 2019) and also incurred additional costs of \$371,362 (\$533,458 in 2019) related to chapter operations, including staff salaries and benefits, and various other support activities. These amounts have been included in the various operating expenses reported on the Statement of operations and changes in net assets.

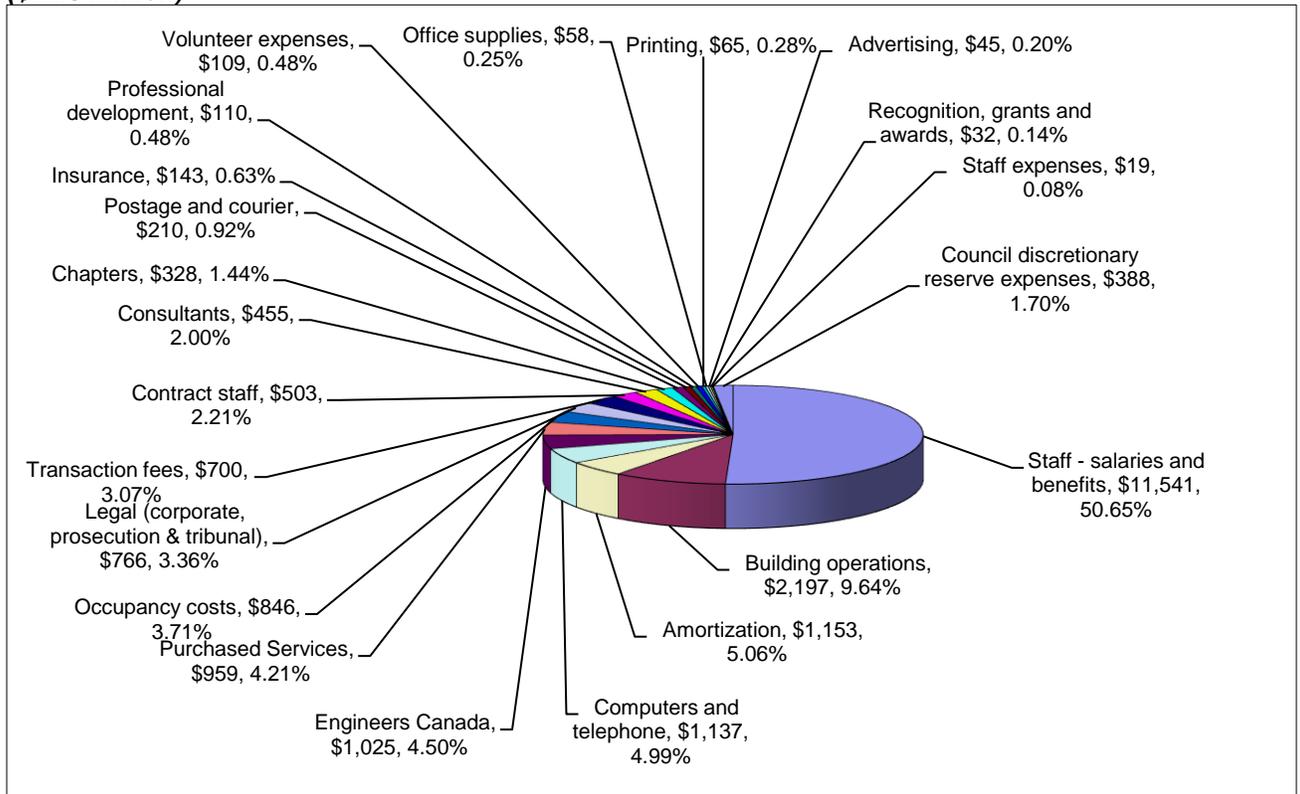
1.1.12 How does PEO manage its expenditures?

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 62.6 per cent, of PEO's total revenue in 2020. The breakdown of PEO's revenues is illustrated in Figure 1 (section 1.1.1). In addition to annual fees, PEO also received revenues from application, registration, examination and other fees, which constituted 26.3 per cent of total revenue. Revenue from building operations was 7.9 per cent of total revenue. Investment income was 2.7%. Advertising and Chapters revenue were 0.3 per cent and 0.1 per cent, respectively, of total revenue in 2020. Figure 3 illustrates the areas in which the annual licence fee and other revenues were spent.

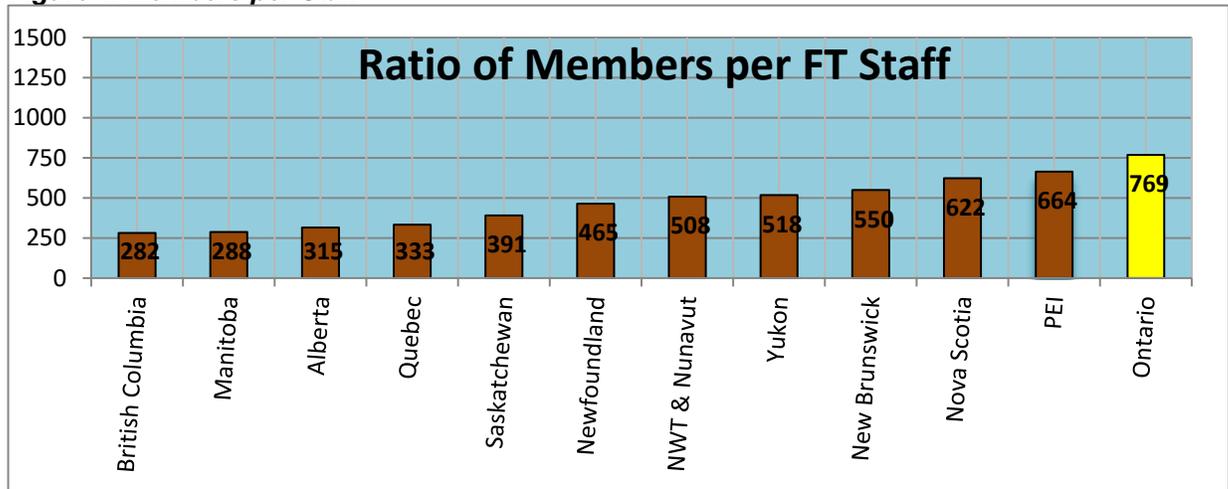
Figure 3. 2020 PEO Expenditures ('000) for Operations including Council Special Projects (\$22.8 million)



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 769 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**

In 2012, the Finance Committee instructed staff to develop a minimum cash balance requirement policy. After a review of PEO's operations and using a risk assessment approach, the minimum cash balance requirement was set at \$4.5 million. The cash balance (cash and marketable securities) as of December 31, 2020 was \$23.3 million—well above the \$4.5 million requirement in the cash balance policy.

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 2020?

For 2020, the net expenditures for the projects approved by Council amounted to \$388,086. This figure includes an actual spend of \$270,229 for the regulatory functions review, \$109,037 for the governance advisor and \$8,820 for the 30 by 30 Task Force. This amount includes \$272,039 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 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 Resources Overview

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

As PEO continues on its journey to become a modern regulator, Human Resources will be engaged every step of the way as a strategic business partner, ensuring we have the resources for a successful transformation. This includes providing on-going training for staff, to further enhance and develop their skillsets for the future. HR also plays a critical role in enacting recommendations from the WMC report, including driving updates to the organization's structure and refining job descriptions to focus on deliverables and to emphasize accountability. HR will continue to partner with and support the organization as it continues in this exciting transformation.

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.

Table 1. Actual and Budgeted Staffing Levels 2015–2020

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
2020	112	110	115

1.5 Employee Future Benefits

PEO employees have comprehensive benefits which are also extended to retired employees.

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.

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.

Several ongoing measures include:

- ◆ The introduction of the Certify online expense application for more efficient travel and expense reimbursement.
- ◆ For the 2020 fiscal year, PEO centralized banking for the chapters’ payment process to ensure tax compliance and improve general fiscal responsibility.
- ◆ In 2020, due to COVID-19 PEO closed its office and all staff transitioned to working remotely. As a result, PEO experienced cost savings using increased electronic correspondence and implemented virtual meetings through the Zoom application.

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

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

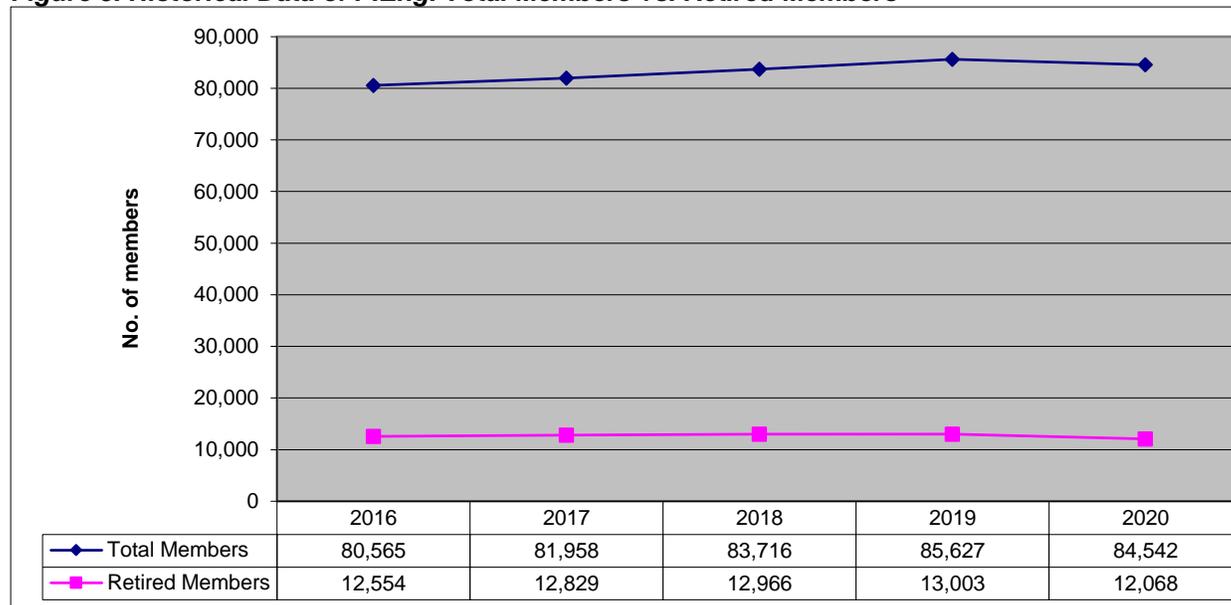
2. PEO Membership

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 1.1 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 2 illustrates, PEO has the 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 2. Provincial Engineering Associations' Annual Licence Fees at December 31, 2020

Association	*Number of Members	*Annual Licence Fee (P.Eng.)
Professional Engineers Ontario	85,542	\$265
Association of Professional Engineers and Geoscientists of Newfoundland and Labrador	3,719	\$270
Association of Professional Engineers of Nova Scotia	7,465	\$276
Association of Professional Engineers of Yukon	1,036	\$290
Association of Professional Engineers and Geoscientists of New Brunswick	3,301	\$300
Association of Professional Engineers of Prince Edward Island	664	\$300
Association of Professional Engineers, Geologists and Geoscientists of the Northwest Territories and Nunavut	2,033	\$340
Assoc. of Professional Engineers and Geoscientists of Alberta	52,315	\$392
Ordre des Ingénieurs du Québec	62,843	\$440
Engineers and Geoscientists British Columbia	25,907	\$450
Association of Professional Engineers and Geoscientists of Saskatchewan	9,385	\$450
Association of Professional Engineers and Geoscientists of Manitoba	6,625	\$510

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

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?

Each Canadian engineering regulator contributes \$10.21 per registrant (excepting students and applicants) to Engineers Canada. This is referred to as the Per Capita Assessment, and it has remained unchanged since 2006. The rate of the Per Capita Assessment is reviewed and approved annually by the 12 engineering regulators who are the members of Engineers Canada.

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

PEO is one of the 12 associations that compose Engineers Canada. PEO has five directors on the Engineers Canada Board, which is comprised of 23 directors and one advisor. These PEO directors are: Danny Chui (will serve as president for the 2021-2022 term), Christian Bellini, Nancy Hill, Kelly Reid and Changiz Sadr. PEO members also serve on the Canadian Engineering Accreditation Board (CEAB) and other networks, advisory committees, and work groups established by Engineers Canada, which actively engage 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 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>.

4.1.5. 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:

Canadian Engineering Accreditation Board (CEAB):

Through the CEAB, Engineers Canada has accredited 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. The CEAB 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.

Impact of COVID-19 on the accreditation engineering programs

In response to the COVID-19 pandemic, Engineers Canada transitioned all its programs, meetings, and events from in-person to virtual, including the delivery of the CEAB-accredited engineering education programs. As a result, the Accreditation Board's Executive Committee regularly meet with representatives from accredited programs, including Engineering Deans Canada, by teleconference to discuss the impact of the pandemic on the delivery of higher education and the CEAB workplan. Additionally, due to government directives on physical distancing, the CEAB began conducting visits virtually during the 2020/2021 cycle and will continue to do so during the 2021/2022 cycle.

Canadian Engineering Qualifications Board (CEQB)

Through the CEQB, Engineers Canada publishes national 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 CEQB 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. For example, the [Engineers Canada Mobility Register](#) facilitates registration on the International Professional Engineers Agreement (IPEA) register and the Asia-Pacific Economic Cooperation Engineers Agreement (APEC-EA) register.

Foreign credential recognition:

Engineers Canada maintains [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, in order to maintain a strong, self-regulated profession today and in the future.

4.1.6. 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.

Outreach

Engineers Canada works to foster recognition of the value of the profession and spark the interest of the next generation of engineering professionals through various outreach initiatives such as National Engineering Month, the Future City program, the Girl Guide Engineering crest, and participation in Canadian Federation of Engineering Students activities. In 2021, National Engineering Month went completely virtual, with online engineering events and activities for children and youth to complete at home, online, or in class (available at [www.ExploreEngineering.ca](#)).

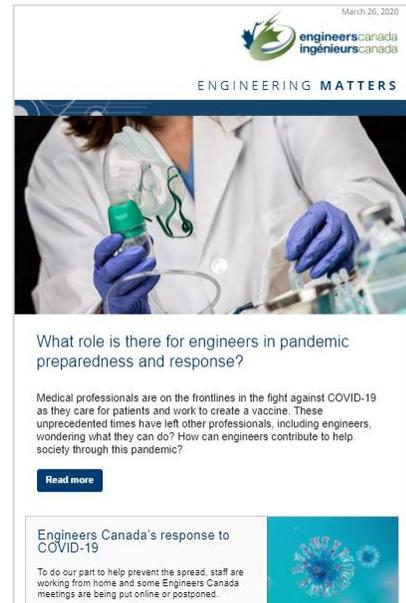
Engineers Canada awards, scholarships, and fellowships

Engineers Canada manages a series of prestigious engineering awards and scholarships, which recognize, honour, and publicly celebrate the work of Canada's professional

engineers 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.

4.1.7. What work is Engineers Canada undertaking to ensure diversity, equity and inclusion in the engineering profession?

Engineers Canada is working to ensure that the engineering profession is sustainable and reflective Canadian demographics. In support of this goal, it develops programs and resources to increase the diversity of people within the profession, including women and Indigenous peoples. For example, Engineers Canada is working to increase the representation of women in the engineering profession through its 30 by 30 initiative, which aims raise the percentage of newly licensed engineers who are women to 30 per cent by 2030. 30 by 30 has received national support across all provinces and territories, and the 30 by 30 Champions Network and working groups collaborate, share best practices, and create resources that support the recruitment, retention and professional development of women in engineering.



Engineers Canada also works to increase Indigenous access to engineering education and Indigenous representation in the engineering profession. Engineers Canada has 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.

Through the 30 by 30 program and various research reports, Engineers Canada collects and tracks metrics on the diversity of the engineering profession in Canada. The National Membership Report gathers data on the number of women in the engineering profession each year, while the Enrolment and Degrees Awarded Report tracks the number of women and Indigenous peoples enrolled and graduating from engineering programs at higher education institutions across Canada. Recent research reports from Engineers Canada also report on the number of Indigenous engineers in the profession.

4.1.8. 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.

4.1.9. 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.

4.2 Ontario Society of Professional Engineers

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

OSPE is the only independent membership organization that represents the entire engineering profession. OSPE offers a platform for members to provide their leadership and influence for a better future for themselves, their organizations and society at large.

At OSPE, advocacy means constantly reminding government, industry, media and the public that engineers are critical to the success of all aspects of Ontario's economy and public welfare.

4.2.2 What are the differences between PEO and OSPE?

PEO and OSPE are separate organizations with distinct mandates. PEO regulates and OSPE advocates. For more information, read our joint document, [Two Sides of the Same Coin](#).

4.2.3 How can I become an OSPE member?

Visit www.ospe.on.ca/membership to watch our member testimonial videos and see how OSPE supports engineers at all stages of their careers.

Professional OSPE Member Testimonials

"When I came to Canada as an international student, I didn't know so many people. I think beyond advocacy, education and workshops, OSPE gave me a platform to go out and talk to people and feel that I'm included and involved." – Ali Hoss, P.Eng.

"The small fee that we're paying on an annual basis for OSPE is being multiplied many times. I think it's one of the best fees that I have to pay in terms of impact. As a professional obligation, but also as a professional reward, I think it's hugely valuable. And so I'm really glad to be a member, and I'm sorry it took me so long to figure it out." – Emily Moore, P.Eng.

"I don't think I'd be where I'm at in my career if I didn't have that support from OSPE." – Manraj Pannu, P.Eng.

"The only way to continue to advocate for that is to help OSPE have a larger and bigger voice at the table. And the only way for you to do that is to become a member." – David Brown, P.Eng.

4.2.3 What issues is OSPE tackling lately?

Qualified Based Selection – OSPE is [calling on the Ontario government](#) to adopt QBS for procurement of engineering services as a post-COVID-19 economic recovery tool.

Air Quality & COVID-19 – check out [OSPE's podcast *Engineering the Future*](#) with host Jerome James, P.Eng., as he discusses current events with other engineers, like air quality and COVID-19 with Dr. Brian Fleck, Ph.D., P.Eng.

Engineering for Change – OSPE is demanding real change for a diverse & inclusive engineering community where Black, Indigenous and people of colour (BIPOC) and women are welcomed, included and recognized. Visit www.engineeringforchange.ca for more information.

Upcoming Events

OSPE is hosting virtual employment events, technical talks and socials weekly. Check out our [events calendar](#) to see what is coming up.

4.2.4 How can I get involved in advocacy with OSPE?

OSPE Ambassadors volunteer on Committees and Task Forces and through OSPE Exchange Hubs to discuss issues facing Ontario and the profession. 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

In addition, OSPE regularly calls on our Ambassador subject matter experts to put together agile working groups to quickly respond to government consultations on matter that are important to the role professional engineers play in policy, industry and society.

For more details on how to get involved with OSPE, visit www.ospe.on.ca/ambassador-program or email ambassador@ospe.on.ca.

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, 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 90,000 professionals—has been successfully protecting the public for more than 99 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.

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

2020 was a year like no other, however. Despite COVID-19, the GLP adapted its strategy and format and continued to build relationships with MPP's to help regulate the practice of professional engineering in Ontario.

These relationships provide PEO with the ability to effectively reach and communicate with MPPs when needed regarding regulatory concerns, provide visibility and knowledge to MPPs of who the regulatory body is for engineers, and the knowledge of who to reach out to with regulatory concerns or to work together to co-regulate.

Here are some of the highlights:

Successful 2020 Government Relations Conference

A Government Relations Conference was held online on November 6. Professional engineers from across the province participated in the day-long conference, as well as nine elected officials including a minister and eight MPPs. They were:

- Steve Clark, MPP (PC, Leeds-Grenville-Thousand Islands and Rideau Lakes), Minister of Municipal Affairs and Housing
- Will Bouma, MPP (PC, Brantford), Parliamentary Assistant to the Premier
- NDP Leader Andrea Horwath, MPP (NDP, Hamilton Centre)
- Liberal Leader Steven Del Duca
- Green Party Leader Mike Schreiner, MPP (Green, Guelph)
- NDP Attorney General Critic Gurratan Singh, MPP (NDP, Brampton East)
- Liberal Attorney General Critic Lucille Collard, MPP (Liberal, Ottawa Vanier)
- Jennifer French, MPP (NDP, Oshawa), NDP Transportation, Highways and Infrastructure Critic
- Marilyn Gladu, P.Eng., MP (PC, Sarnia-Lambton), Shadow Critic for FedDev Southern Ontario

Topics of discussion included:

- The importance of building relationships with MPPs from all parties
- Keeping MPPs informed about PEO's ongoing activities
- Preparing concise messages for discussions with elected officials
- Advantages/disadvantages of self-regulation
- Key regulatory items/documentation that have impacted PEO and the GLP
- Foundations of the GLP
- Tips for liaising with Ministers and MPPs
- Open discussion on the GLP's strengths and weaknesses

Considering this was the first time PEO had held a Conference of this size online, it ran very smoothly and was an excellent way to provide training for GLP representatives.

The conference was run by the GLC sub-committee and co-hosted by GLC members Vicki Hilborn, P.Eng., and Lorne Cutler, P.Eng., rather than professional facilitators. An audio-

visual company was used to provide a good virtual platform so there would be no technical issues during the conference.

The conference sub-committee met weekly from early-August to organize the conference under the co-chairs Vicki Hilborn and Alexandra Weryha.

Meeting with Attorney General

PEO President Marisa Sterling, P.Eng., met with Attorney General Doug Downey, MPP (PC, Barrie – Springwater – Oro Medonte) on October 27, 2020. Also, in attendance were PEO's CEO/Registrar Johnny Zuccon, P.Eng., Manager, Government Liaison Programs Jeannette Chau, P.Eng. and Minister Downey's Senior Policy and Legal Affairs Advisor Patrick Schertzer.

The delegation briefed Attorney General Downey on:

- Current PEO activities.
- PEO Skills & Attributes Matrix - This Matrix was approved by PEO Council. It will be a helpful tool for the Attorney General to reference to see whether there are any gaps in skills or attributes of members on Council that the government might be able to help fill when selecting Lieutenant Governor-in-Council Appointments. For example, to help close the gender gap.
- Continuing Professional Development and the Practice Evaluation and Knowledge (PEAK) program. Minister Downey was supportive of PEO's work

Six formal meetings with MPPs

Six formal meetings were held throughout the course of the year with MPPs from all parties. Three of these were with government MPPs and the other three were with members of the Opposition.

They were:

- Catherine Fife, MPP (Waterloo), NDP Critic for International Trade, Research and Innovation. Economic Growth and Job Creation on February 22.
- A Take Your MPP to Work Day with Will Bouma, MPP (PC, Brantford-Brant), Parliamentary Assistant to the Premier on March 13. It was held at LCL Builds construction site. It was organized by PEO Brantford Chapter GLP Chair Matt Gagliardi, P.Eng. PEO has since been looking at conducting virtual Take Your MPP to Work Days.
- Stephen Crawford, MPP (PC, Oakville), Parliamentary Assistant to the Minister of Infrastructure on October 15.
- Effie Triantafilopoulos, MPP (PC, Oakville-North Burlington), Parliamentary Assistant to the Minister of Long-Term Care on October 30.
- Lucille Collard, MPP (Liberal, Ottawa-Vanier), Liberal Attorney General Critic on October 23.
- Stephen Blais, MPP (Liberal, Orléans) on November 9.

Due to COVID-19, PEO did not host a Queen's Park event in 2020.

Establishing relationships with local MPPs

Chapters continued to maintain relationships with all 124 MPPs.

In 2020, chapters continued to host virtual licence ceremonies where MPPs had the opportunity to tune in live, pre-record greetings or present certificates. Other events such as Meet and Greets, and Mathletics Competitions were also held with Ministers and MPPs.

Participating in MPP events looked a little different in 2020, but nonetheless most of the 36 PEO chapters tuned in to online town halls, New Year's Levees and discussions. Following the event, they would send the Minister/MPP a note letting them know of their participation, encouraging them to stay in touch over the pandemic and inviting them to be involved in a chapter event when COVID-19 is over.

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.

In 2020, the GLC also devoted time to developing a transition of the current chapter GLP system to one rep per riding through the GLP Representative Selection, Training and Succession Working Group. They developed guidelines to identify and select riding representative.

A call for volunteer GLP representatives was sent via eblast to the entire PEO membership in October 2020. The chapter will choose their GLP reps in 2021. One GLP rep should be selected for each riding.

If there is more than one applicant within a riding for an MPP, the chapter would select their preferred candidate.

Publications to keep informed

The [GLP Weekly e-newsletter](#) continues to be sent to all 124 MPPs across Ontario, to keep them 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, and regulatory news.

The GLP also has a regular column published in [Engineering Dimensions](#) with information on the program.

Seasonal Talking Points were also prepared and circulated to chapter chairs. Even in a year like 2020, interaction was possible, and it was important to make sure GLP representatives were equipped with the knowledge and training to hold conversations with MPPs.

2020 really taught PEO the importance of maintaining all relationships. The PEO Government Liaison Program did an excellent job of reaching out to MPPs, pivoting events to an online format and actively participating in online MPP discussions, and ensuring the voice of the professional engineer related to regulatory issues is heard in the government.

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 or (647) 259-2262.

5. Practice Evaluation and Knowledge Program

Practice Evaluation and Knowledge (PEAK) program

The PEAK program turned four on March 31, 2021. Licence renewal notices sent to all professional engineers and holders of limited licences 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 evaluation, an ethics module and a continuing knowledge activity report.

Practising licence holders should complete the practice evaluation (practising declaration and 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 year before their next licence renewal date.

Non-practising licence holders are only asked to complete the practice evaluation (non-practising declaration and survey) and complete the ethics module at the start of every licence period.

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

A: All professional engineers and holders of limited licences—practising, non-practising and retired alike—should complete the program. Non-practising licence holders are exempt from the practice questionnaire and reporting of their continuing knowledge activities. Holders of provisional licences (PLs) or temporary licences and engineering intern registrants (EITs) are not invited to participate in the program.

Q: How often should the PEAK program be completed?

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

Q: Is completing the PEAK program mandatory?

A: Not currently. However, on February 26, 2021, Council approved a motion that allows PEO to move forward with the creation of a mandatory continuing professional development (CPD) program for its licence holders as soon as any required legislative and operational tasks have been completed. This decision, which builds on the existing, voluntary CPD program, is consistent with PEO's continuous improvement as a modern regulator. Further details on this initiative, including timing, program elements and requirements will be provided as information become available.

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 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% completed an ethics module.

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

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

In its fourth year (2020), 16% of licence holders participated in the program, of which 83% self-declared as practising and 67% completed an 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. Questions or requests for PEAK program information materials and seminars could be submitted by email to 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, 2020.

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 2020?

The building generated \$3,185,319 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 \$2,948,363. This created an excess of revenue over expenses of \$236,956 (after all expenses, including loan interest), as compared to a deficiency in 2019 of \$433,575. This excess of revenue over expenses was due increased rental revenue and lower non-recoverable expenses.

Total recoverable expenses were \$2,233,570, with PEO's share of this totaling \$751,733. These costs were reclassified from building operations to occupancy costs in the financial statements. Total occupancy costs for 2020 were \$846,019, which included storage and other occupancy costs. PEO's total accommodation expense (including interest for the mortgage) was \$983,138. PEO occupied a total of 39,100 square feet at December 31, 2020. The market rent of this space is approximately \$15/square foot with operating costs of \$23.10/square foot. Therefore, PEO's equivalent costs for rent and operating costs would be \$1,489,710 for 2020.

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 2020?

The following projects were completed in 2020:

- ◆ Leasehold improvement. Total leasehold improvements were \$207,038, which includes allowances given to tenants on the second and fourth floors for preparing their space.
- ◆ Fire system repairs and upgrades. This 2020 project was completed in 2020 with a total spend of \$29,997.
- ◆ Heat Pump Replacement. There was a need in 2020 to replace a worn-out heat pump in the building totaling \$7,400.
- ◆ Main roof membrane. A protected membrane on the roof related to a structural study was installed in 2020 with a spend of \$3,422.

6.1.5 Can you provide an update on 2021 plans?

Planned 2021 capital spending on common area space, and recoverable from tenants, includes:

- ◆ Exterior window replacement;
- ◆ Parking garage structural assessment;
- ◆ Exterior wall survey;
- ◆ Exterior water drainage upgrade;
- ◆ Fire protection – sprinkler assessment;
- ◆ Domestic water pump equipment;
- ◆ Terminal packing units – 3 heat pumps; and
- ◆ Software upgrade for building directory.

6.1.6 What monies have been set aside for future renovations beyond 2021, 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 floor. PEO is working with its property managers to lease this space out.

7. Capital Expenditures

7.1.1 Can you provide a breakdown of the capital expenditures made in 2020?

Total capital expenditures were \$308,144 in 2020. Building-related capital improvements are outlined under section 6.1.4. The main capital projects implemented in 2020 were:

- ◆ Aptify software go-live project for \$49,129;
- ◆ Aptify IT software upgrade for \$20,349;
- ◆ Document integration project for \$5,640; and
- ◆ Replacement furniture \$8,725.

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

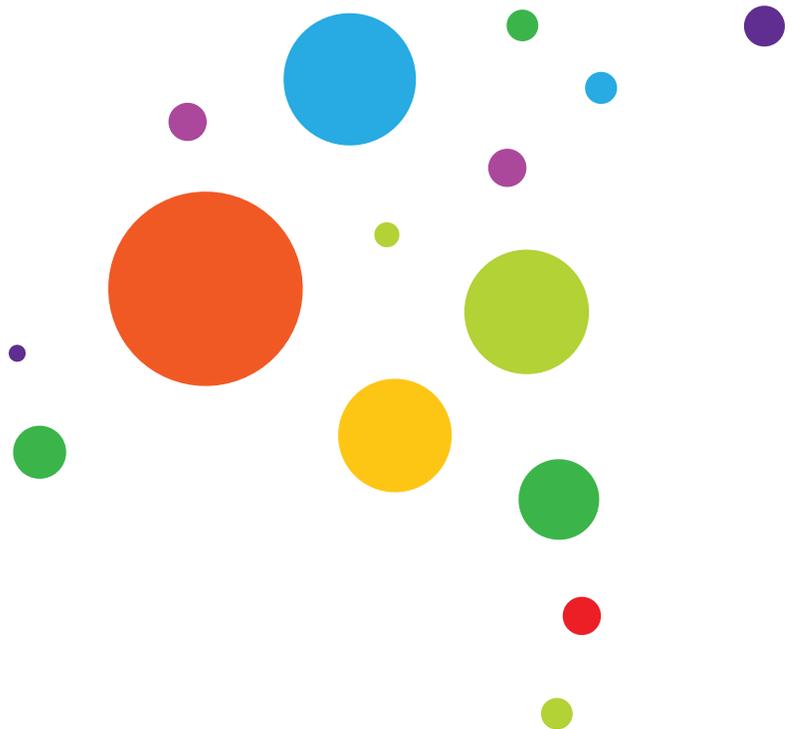
The trusted leader in professional self-regulation

OUR MISSION

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

PEO CORE VALUES

Accountability
Integrity
Professionalism
Respect
Teamwork



Professional Engineers
Ontario

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