

Briefing Note – Confirmation

C-546-1.1

CONFIRMATION OF NOTICE AND QUORUM

Purpose: Secretariat to confirm notice and quorum of the meeting.

Prepared by: Dale Power, Secretariat Administrator

Briefing Note - Decision

APPROVAL OF OPEN AGENDA

Purpose: To approve the open agenda for the meeting.

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

That:

- a) the open agenda, as presented to the meeting at C-546-1.2, Appendix A be approved;
and***
- b) the Chair be authorized to suspend the regular order of business.***

Prepared by: Dale Power – Secretariat Administrator

Appendices:

- Appendix A – 546th Council meeting open agenda

**C-546-1.2
Appendix A**

Draft AGENDA

546th Meeting of the Council of Professional Engineers Ontario
Friday, April 8, 2022 / 8:00 am – 4:00 pm / Lunch 1:00 – 1:45 pm
Virtual Delivery

Friday, April 8 – 8:00 am to 4:00 pm				
10:00 am	CALL TO ORDER – Formal Public Meeting Begins			
	ACKNOWLEDGEMENT OF ATTENDEES (COUNCIL, STAFF AND GUESTS)			
1. <u>OPENING</u>		Spokesperson/ Moved by	Type	Time
1.1	CONFIRMATION OF NOTICE AND QUORUM	Secretariat	Confirmation	10:00
1.2	APPROVAL OF AGENDA (OPEN SESSION)	Chair	Confirmation	10:05
1.3	DECLARATION OF CONFLICTS OF INTEREST: Do any Councillors have a conflict to disclose	Chair	Exception	10:10
2. <u>EXECUTIVE REPORTS</u>		Spokesperson/ Moved by	Type	Time
2.1	PRESIDENT'S REPORT AND COUNCIL YEAR RECAP	Chair	Information	10:15
2.2	CEO/REGISTRAR'S REPORT	CEO/Registrar Zuccon	Information	
2.3	STRATEGIC PLAN UPDATE	CEO/Registrar Zuccon	Information	
2.4	CENTENNIAL UPDATE	President-elect Colucci	Information	
<u>STANDING ITEMS</u>		Spokesperson/ Moved by	Type	Time
2.5	2021 AUDITED FINANCIAL STATEMENTS	Councillor Cutler	Decision	10:45
2.6	RECOMMENDATION OF THE APPOINTMENT OF AUDITORS FOR 2022	Councillor Cutler	Decision	
<u>REGULATORY AND GOVERNANCE ITEMS</u>		Spokesperson/ Moved by	Type	Time
2.7	ENGINEERS CANADA DIRECTORS REPORT	Danny Chui	Information	11:00
2.8	ENGINEERS CANADA ANNUAL MEETING OF MEMBERS: DIRECTION TO PEO MEMBER REPRESENTATIVE	Councillor Arenja	Decision	

2.9	ENGINEERS CANADA – CANDIDATE FOR PRESIDENT-ELECT	Councillor Arenja	Decision	
2.10	GUIDELINE – PRE-START HEALTH AND SAFETY REVIEW	Councillor MacCumber	Decision	
2.11	ANTI-RACISM AND ANTI-DISCRIMINATION EXPLORATORY WORKING GROUP (AREWG) UPDATE	Councillor MacCumber	Decision	
BREAK: 11:30-11:40				
2.12	PROCESS FOR FILLING COUNCILLOR VACANCIES	Councillor Arenja	Decision	11:40
2.13	GOVERNANCE ROADMAP – PHASE 4: RISK ASSESSMENT PROCESS	Councillor Arenja	Information	
2.14	2021 AND 2022 ELECTIONS ISSUES REPORTS	Councillor Arenja	Information	
2.15	GOVERNANCE COMMITTEE UPDATE – <ul style="list-style-type: none"> • Audit and Finance Committee (AFC) • Governance and Nominating Committee (GNC) • Human Resources and Compensation Committee (HRCC) • Regulatory Policy and Legislation Committee (RPLC) 	Committee Chairs	Information	
2.16	GOVERNANCE ROADMAP: TWO-YEAR REPORT	GSI	Information	
3.	<u>CONSENT AGENDA</u>	Spokesperson/ Moved by	Type	Time
	Council members may request that an item be removed from the consent agenda for discussion.			
3.1	MINUTES – 545 COUNCIL MEETING	Chair	Decision	
Regulatory Items				
3.2	CONSULTING ENGINEER DESIGNATION APPLICATIONS		Decision	
Governance Items				
3.3	CHANGES TO THE 2022 STATUTORY AND REGULATORY COMMITTEES' MEMBERSHIP LISTS		Decision	
Formal Public Meeting Ends LUNCH (1:00 – 1:45)				

4:00 pm	ADJOURNMENT - Formal Council Meeting Ends
5.	NEXT MEETINGS
	Board Meetings and Plenaries
	<ul style="list-style-type: none"> • April 30, 2022 – Annual General Meeting
	2022-2023 Committee meetings
	<ul style="list-style-type: none"> • Audit and Finance Committee (AFC) - TBD • Governance and Nominating Committee (GNC) - TBD • Human Resources and Compensation Committee (HRCC) - TBD • Regulatory Policy and Legislation Committee (RPLC) - TBD
<p>Please note that in order to streamline the agenda, Committee reports, with the exception of the governance committees, are not included in the agenda package. Those responsible for providing reports are asked to submit their written reports to the Secretariat for posting in the Diligent Boards Resource Centre. These reports can be discussed at the meeting if a Councillor asks to address a specific item contained within the written report. Reports/governance committee minutes submitted as of March 25th were as follows:</p> <ul style="list-style-type: none"> • Audit and Finance Committee (AFC) Approved minutes <ul style="list-style-type: none"> ○ November 17, 2021 • Governance and Nominating Committee (GNC) Approved minutes <ul style="list-style-type: none"> ○ February 4, 2022 ○ March 7, 2022 • Regulatory Policy and Legislation Committee (RPLC) Approved minutes <ul style="list-style-type: none"> ○ February 10, 2022) • Stats • Action Items Log (**New Report**) 	

Councillors Code of Conduct

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

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

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

[s. 2.4 of the Council Manual]

Briefing Note – Exception

C-546-1.3

CONFLICTS OF INTEREST

Purpose: Councillors are required to identify any real or perceived conflicts of interest that exist or may exist related to the open Council agenda.

No motion required

Prepared by: Dale Power, Secretariat Administrator

Councillors are to declare and refrain from participating in any Council matters where they might have a real or perceived conflict of interest

The Council Chair is responsible for ruling on whether a conflict exists if there is a dispute.

The Councillor with a conflict of interest will be required to leave the Council meeting for the duration of the agenda item, including for any respective votes.

If a Councillor wishes guidance on how to identify any conflicts of interest, the following 9-minute video can be referred to:

https://www.youtube.com/watch?v=fjebnky_j6M

Attached is the link to the “Eliminating Bias in the Registration Process Policy” which references Conflict of Interest.

<https://www.peo.on.ca/sites/default/files/2021-03/policy-eliminating-bias.pdf>

Briefing Note – Discussion

C-546-2.1

PRESIDENT'S REPORT

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

Motion(s) to consider:

none required

President Bellini will provide a report on his recent PEO activities, followed by discussion.

Briefing Note – Discussion

C-546-2.2

CEO/REGISTRAR'S REPORT

Purpose: CEO/Registrar Zuccon will present the CEO/Registrar's Report.

No motion required.

Prepared by: Dale Power, Secretariat Administrator

The CEO/Registrar's report is attached.



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C-546-2.2
Appendix A

CEO/Registrar Update

Johnny Zuccon, P.Eng., FEC, CEO/Registrar
 Prepared for PEO Council, April 8, 2022

Action Plan

Progress Report

Mandatory Continuing Professional Development

As was reported at Council's February 2022 meeting, changes to the regulations under the *Professional Engineers Act* are required to enable PEO to, among other things, providing for a continuing education and professional development program and requiring licence holders to participate and levy sanctions against licence holders who do not complete the annual requirements.

Section 7(1) 27 provides PEO Council with the statutory authority to propose such regulations to the provincial government and, as a first step, Council approved a preliminary regulatory impact assessment (PRIA) at its February 18, 2022 meeting. The PRIA was subsequently submitted to the Ministry of the Attorney General. At its April 8, 2022 meeting, Council will be asked to approve the draft regulation changes from the Ministry of the Attorney General that describe the requirements for a mandatory CPD program that will become effective in January 2023.

Please refer to the contents of the April 8 Council meeting package for complete information.

Operations

Governance

As we near the end of Council's two-year governance roadmap, Governance Solutions has provided its final report that contains a progress update and further recommendations. Please refer to the April 8 Council meeting package for more information. My thanks to Council for undertaking this critical step in PEO's transformation process to become a more modern, more effective regulator. As noted in the report, "governance is a journey, not a destination" and the successes we achieved as an organization must be preserved while continuing to pursue solutions to any shortcomings that have not yet been adequately addressed.

Licensing

Information Discovery and Digitization Capacity Project

At the end of March, more than 10,000 of the 21,000 paper-based in-process P.Eng. licence application files had been fully digitized. It is expected, based on recent file processing speeds, that the 21,000 inventory will be fully digitized by October, and there is opportunity, based on the adoption of further technology, for this to be improved. Other paper-based application inventory and other PEO documents are currently being assessed for suitability for digitization upon completion of the P.Eng. file digitization.

ARC Reviews

In September, the COVID-related accumulation of applications from graduates of a non-Canadian Engineering Accreditation Board engineering program requiring Academic Requirements Committee (ARC) review and assessment was approximately 2700 files. As of late March, through the efforts of the ARC and staff, the accumulation has been reduced to 450 files. The initiative is well on its way to achieving the goal of having eliminated the accumulation as well as continuing to process the regular influx of files, so that a steady state is achieved by end of April 2022. This has represented a significant, sustained, and focussed work effort on the part of staff and many ARC members.

ERC Reviews

Over the past three months, an average of 43 ERC interviews have been conducted per month compared to 80 per month pre-COVID. Training continues to be provided to ERC members on the virtual interview process, which has been in place for one year. During this time, only 25% of the ERC roster (37 members) have participated in more than 10 interviews, averaging one per month. Based on the current ERC backlog, if the ERC can achieve its pre-COVID rate of 80 interviews per month, it will take approximately 8 months to work through the accumulation of files and keep up with the typical incoming volume of monthly referred files. Staff continue to work with the chairs of ERC to manage the accumulation, including implementing a tool to automate and streamline the current staff-heavy, manual scheduling process.

Figure 1. Breakdown of P.Eng. licence applications received, January-February 2021 and 2022

Year	Applications Received Jan-Feb 2021					Applications Received Jan-Feb 2022					% Change
Gender	Female		Male		Totals	Female		Male		Totals	Totals
	(#)	(%)	(#)	(%)	(#)	(#)	(%)	(#)	(%)	(#)	
CEAB	152	22%	528	78%	680	168	26%	475	74%	643	-5%
Non-CEAB	98	17%	493	83%	591	219	17%	1062	83%	1281	117%
Totals	250	20%	1021	80%	1271	387	20%	1537	80%	1924	51%

Figure 2. Breakdown of P.Eng. licence applications approved, January-February 2021 and 2022

Year	P.Eng. Licences Approved Jan-Feb 2021					P.Eng. Licences Approved Jan-Feb 2022					% Change
Gender	Female		Male		Totals	Female		Male		Totals	Totals
	(#)	(%)	(#)	(%)	(#)	(#)	(%)	(#)	(%)	(#)	
CEAB	36	16%	183	84%	219	77	20%	316	80%	393	79%
Non-CEAB	20	14%	128	86%	148	22	15%	123	85%	145	-2%
Totals	56	15%	311	85%	367	99	18%	439	82%	538	47%

Figure 3. Average process times for P.Eng. licence approvals, January-February 2021 and 2022

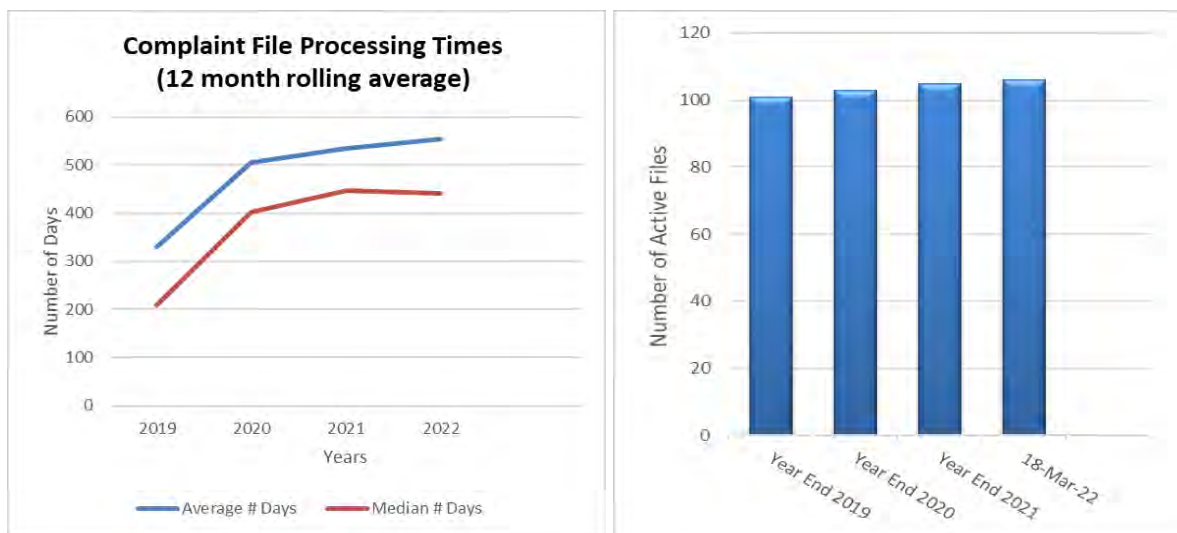
	P.Eng. Licences Approved Jan-Feb 2021		P.Eng. Licences Approved Jan-Dec 2021		P.Eng. Licences Approved Jan-Feb 2022		% Change
	# Applicants	Average licensing time	# Applicants	Average licensing time	# Applicants	Average licensing time	
CEAB applicants	253	1275 days	1795	1282 days	345	1257 days	-1.4%
Non-CEAB applicants	120	1096 days	636	1160 days	78	1299 days	18.5%
Confirmatory exam program	16	1581 days	109	1699 days	6	1969 days	24.5%
Specific exam program	5	2137 days	42	2410 days	11	2282 days	6.8%
Interprovincial Transfers	165	115 days	798	120 days	85	137 days	19.1%
Reinstatements	19	88 days	117	77 days	29	94 days	6.8%

Regulatory Compliance

Complaints

Complaint file processing times have trended upwards since COVID mainly due to the related shutdowns that have increased the time for complainants, respondents and third parties to gather documents and respond to information requests, as well as because of the nature of active files over the last three years.

Figure 4. Complaints and Investigation Statistics (as at March 18, 2022)



Enforcement

The net enforcement case load for the first 2 months of 2022 has experienced minimal change from the closing case load for 2021. Overall, the number of new files opened in 2022 is comparable to the same period for 2021 and there is a slight reduction in the number of file closures for the same periods. The time to close active enforcement matters has increased somewhat as compared to pre-COVID, as the ability for those under investigation to respond has been affected by their COVID-related office closures.

Figure 5. Active Enforcement Files



Finance

Update

For the two months ending February 28, 2022, revenues earned were \$4.7M and expenses incurred were \$3.3M, resulting in an excess of revenue over expenses of \$1.4M, as shown in Figure 6. The slight decrease in revenues in comparison to the prior year actuals for the same period by \$374k is largely attributable to lower-than-expected investment income due to unfavourable market conditions. This reduction in revenue was partially offset by an increase in P.Eng., application, registration, examination and other revenues.

On the expense side, there were \$3.3M in total expenses for the two months ending February 28, 2022, versus a spend of \$3.8M during the same period in the prior year, resulting in a favourable variance of \$424k. Expenses continue to trend lower due primarily to pandemic-related restrictions on in-person events. However, this trend is expected to change as the various pandemic related restrictions on in-person meetings and events are gradually relaxed in the upcoming months. As shown in Figure 7, PEO has cash reserves of \$13.2M and an investment portfolio of \$19.3M as of February 28, 2022, in comparison to cash reserves of \$9.9m and an investment portfolio of \$15.1m, respectively as of February 28, 2021.

Figure 6. Revenues and expenses as of February 28, 2022

	2022 Actual	2021 Actual	Variance Act vs Bud
Revenues	\$4,733,094	\$5,107,066	-\$373,972
Expenses	\$3,347,867	\$3,771,968	\$424,101
Excess of Rev over Exp	\$1,385,227	\$1,335,098	\$50,129

Figure 7. Assets and liabilities as of February 28, 2022

	2022 Actual	2021 Actual	Variance (Fav / Unfav)
Cash	\$13,246,878	\$9,904,767	\$3,342,111
Other current assets	\$716,380	\$1,264,992	-\$548,612
Marketable securities	\$19,323,124	\$15,130,871	\$4,192,253
Capital assets	\$29,444,462	\$31,019,841	-\$1,575,380
Total assets	\$62,730,844	\$57,320,472	\$5,410,372
Current liabilities	\$14,562,930	\$14,560,068	-\$2,862
Long term debt	\$1,270,234	\$2,359,030	\$1,088,796
Employee future benefits	\$11,024,733	\$13,518,916	\$2,494,183
Net assets	\$35,872,947	\$26,882,458	\$8,990,489
Total liabilities & net assets	\$62,730,844	\$57,320,472	\$5,410,372

Remissions and Resignations

The data in Figures 8 and 9 show the monthly breakdown of the number of members seeking fee remission in 2022 and 2021, respectively. In 2022, the average monthly number of members seeking remission as February 28, 2022, is 252 in comparison to 245 for 2021.

As can be seen in Figures 8 and 9, there was an average of 95 monthly resignations in 2022 versus 73 resignations in 2021. However, overall, the number of P.Engs as of February 28, 2022, increased by 809 to 86,318 members in comparison to 85,509 members as of February 28, 2021. Since the impact of the pandemic appears to have largely subsided, this trend of a growth in membership is expected to continue.

Figure 8. Remissions stats for 2022

Remission Type	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	Monthly Ave.
Parental leave	14	10											24	12
Post graduate	7	8											15	8
Unemployment	161	106											267	134
Temporary health	7	4											11	6
Permanent health	2	1											3	2
Retired	84	99											183	92
Total	275	228											503	252
Cumm. Total	275	503												
Resignations													190	95

Figure 9. Remissions stats for 2021

Remission Type	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	Monthly Ave.
Parental leave	18	20	19	11	11	14	15	19	18	16	25	13	199	17
Post graduate	9	10	10	8	4	5	3	5	7	8	6	4	79	7
Unemployment	220	135	158	140	144	106	124	130	140	125	127	94	1643	137
Temporary health	3	4	6	4	4	3	4	3	1	2	4	1	39	3
Permanent health	4	4	3	3	6	2	4	3	2	2	7	3	43	4
Retired	105	99	74	73	95	64	53	79	68	77	96	53	936	78
Total	359	272	270	239	264	194	203	239	236	230	265	168	2939	245
Cumm. Total	359	631	901	1140	1404	1598	1801	2040	2276	2506	2771	2939		
Resignations													876	73

Human Resources

Return-to-Office Plan

PEO has communicated with all staff that the effective date for the Return-to-Office is April 4th. The Return-to-Office Plan is a hybrid model that allows us to maximize our space while offering flexibility to our employees. In this model, employees will work several days per week in the office, and the remainder of days from home. This arrangement is available to most employees except for a small number of employees that are required to physically be in the office to be able to get their work completed. Employees who will work a minimal schedule in the office per week will have their desks/offices available for hoteling.

We believe that a hybrid model will help PEO to be competitive in the market to attract and retain talent. In addition, the hoteling model allows for the most flexibility and scalability while promoting collaboration of teams.

Workplace Vaccination Policy

The health and safety of our staff has always been and continues to be PEO's priority. We have been clear with employees that to return to the office, they must be able to provide proof of vaccination against COVID (as defined by the Province of Ontario and subject only to bona fide exemptions).

As employees return to the office, we will continue to practice safety measures by asking employees to wear masks when they are in common areas and by socially distancing as much as possible. We will continue to monitor health advisory and will make the necessary adjustments.

STRATEGIC PLAN UPDATE

Purpose: To provide Council with an update on the 2023 – 2025 Strategic Plan.

Motion(s) to consider:

none required

CEO/Registrar Zuccon will provide a report.

Appendix A - 2023-2025 Strategic Planning Update



2023-2025 Strategic Planning Update

Strategic Pillars

On January 28, 2022, PEO Council met for a Strategic Planning Kick-Off. Council was reminded of the progress that has been made to date under its three strategic pillars:

Enhanced Governance

- Action plan and activity filter
- Governance Roadmap
- Governance Committees
- Governance tenants and directions
- Equity, diversity, and inclusion initiatives
- Council attributes and election guide

Modernized Operations

- Action plan and activity filter
- 2020-2022 Strategic Plan
- Licensure review
 - Digitization
 - National practice exam
 - Mandatory continuing professional development
 - Licensure requirements

Superior Organization

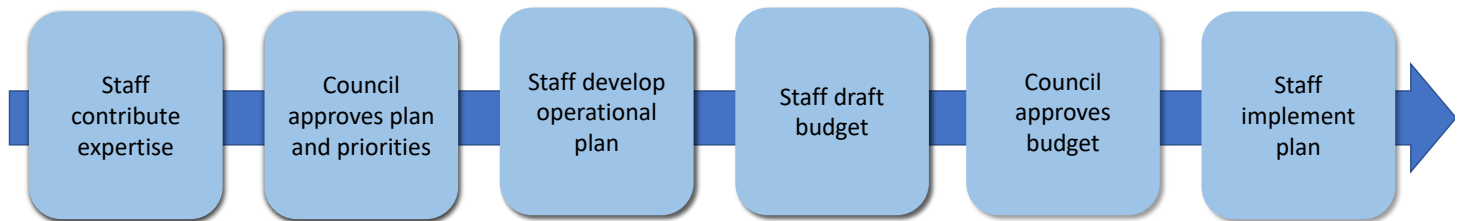
- New staff organizational structure
- New executive leadership team
- Hybrid work policy development

It was observed that while much has been accomplished, there remains much to be done under each pillar.

2023-2025 Strategic Planning Process

Strategic Planning for Regulators

The process discussed by Council is set out in the figure below.



Strategy for regulators is different than for some for-profit enterprises as all goals must support the statutory mandate: To serve and protect the public interest by setting and upholding high academic, experience and professional practice standards for the engineering profession.

The key questions Council will ask itself during the process are

- How can PEO organize its resources and priorities to best achieve its mandate?
- What are the opportunities in infrastructure and governance?
- What other opportunities exist to improve PEO's public service function?

Council will work towards developing SMART goals. That is specific, measurable, attainable, reasonable and time- bound.

Steps

March and April (underway)

- Stakeholder consultations
 - External stakeholder meetings
 - Internal capacity analysis and information-gathering about activities remaining in current action plan, and compelling demands from external stakeholders
 - Public focus group
 - Membership survey
- Environmental scan
 - Priorities of other regulators (both engineering and others) in key Canadian, American, and European jurisdictions
 - Potential future regulatory demands

May

- Two-day Council workshop
 - Receive report of gathered information
 - Affirm/revise Mission, Vision, and Values

- Affirm specific, measurable, attainable, reasonable, and time-bound goals in keeping with mandate

June to August

- Prioritize identified goals in the context of organizational capacity

November

- Approve Strategic Plan

Early priority indicators

At the strategy kick-off day, Council made it clear that the licensure process must be a key focus of the upcoming strategic plan: considering whether current licensure requirements are an obstacle to ensuring public protection and brainstorming about the future of licensing.

Another issue of critical importance to PEO's mandate is whether and how continuing professional development might be made compulsory.

Each of these issues would require a full-scale scoping exercise to ensure that all relevant information was collected for PEO consideration.

Briefing Note – Information

C-546-2.4

CENTENNIAL UPDATE

Purpose: To provide Council with an update.

Motion(s) to consider:

none required

President-elect Colucci will provide a verbal report.

Briefing Note – Decision

C-546-2.5

2021 AUDITED FINANCIAL STATEMENTS

Purpose: To approve the audited financial statements for the year ended December 31, 2021 and the auditor's report thereon.

Motions to consider:

That Council:

- a) approve the audited financial statements for the year ended December 31, 2021, and the auditor's report thereon, as presented to the meeting at C-546-2.5, Appendix A; and
- b) authorize the President and President-elect to sign the audited financial statements on Council's behalf.

Prepared by Chetan Mehta, Director - Finance

Moved by Lorne Cutler, P.Eng., MBA, Chair – Audit and Finance Committee

1. Need for PEO Action

PEO's governing legislation and its By-laws require that Council approve the audited financial statements of the Association for presentation to members at PEO's Annual General Meeting and that these statements be published on PEO's website for access to all members.

The Audit and Finance Committee's legislated mandate approved by Council is to:

- Oversee the auditing of the Association's financial statements by an external auditor; and
- Monitor the accounting and financial reporting processes and systems of internal control.

PEO By-Law No. 1, section 51 states:

The Council shall lay before each Annual Meeting of the members a financial statement prepared in accordance with generally accepted accounting principles for the previous fiscal year of the association (made up of a balance sheet as at the end of such fiscal year and statements of revenue and expenditure and members' equity for such fiscal year) together with the report of the association's auditors on the financial statement. The financial statements with (a summary of) the auditor's report shall be published in the official publication of the association after its approval by the Council.

2. Proposed Action / Recommendation

That Council approve the audited financial statements and the auditor's report thereon for the year ended December 31, 2021 for presentation to members at the 2022 Annual General Meeting and ensure that the statements be published on PEO's website and in the next edition of *Engineering Dimensions*, as required by legislation and PEO's By-laws.

3. Next Steps

Once the 2021 financial statements are approved and signed by the President and President-

elect, the audited financial statements will be made available to members at the 2022 Annual General Meeting and be published on PEO's website and in the next edition of *Engineering Dimensions*.

4. Peer Review & Process Followed

Process Followed	The 2021 audited financial statements and auditor's report were presented to the audit and finance committee at the meeting held on Mar 8, 2022 for discussion, review and approval. At this meeting, the committee members met with the auditor from Deloitte to review the audit findings and auditor's report and after extensive discussions, unanimously recommended that the 2021 draft audited statements and the auditor's report be presented to Council for approval.
Council Identified Review	None.
Actual Motion Review	At its meeting on Mar 8, 2022, the audit and finance committee unanimously recommended that the 2021 draft audited statements and the auditor's report be presented to Council for approval.

5. Appendices

Appendix A – 2021 audited financial statements and auditor's report

Appendix B – Report on financial highlights for the year-end December 31, 2021

C-546-2.5
Appendix A

Financial statements of Association of Professional Engineers of Ontario

December 31, 2021

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Statement of operations and changes in net assets	3
Statement of financial position	4
Statement of cash flows	5
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Independent Auditor's Report

To the Members of the
Association of Professional Engineers of Ontario

We have audited the accompanying financial statements of the Association of Professional Engineers of Ontario ("PEO") which comprise the Statement of financial position at December 31, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PEO as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of PEO in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing PEO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate PEO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing PEO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PEO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PEO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause PEO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants
_____, 2022

Association of Professional Engineers of Ontario
Statement of operations and changes in net assets
Year ended December 31, 2021

	Notes	2021 \$	2020 \$
Revenue			
P. Eng. revenue		19,825,037	19,192,091
Application, registration, examination and other fees		9,161,653	8,069,121
Building operations	4	2,477,426	2,433,586
Investment income		891,416	839,194
Advertising income		101,060	105,359
Chapter revenues		16,747	33,358
		32,473,339	30,672,709
Expenses			
Staff salaries and benefits/retiree and future benefits	9	12,924,820	11,541,133
Building operations	4	2,285,937	2,196,630
Purchased services		1,455,090	958,697
Computers and telephone		1,118,498	1,137,393
Engineers Canada		1,005,563	1,024,502
Legal (corporate, prosecution and tribunal)		951,635	765,986
Amortization		779,837	1,152,613
Occupancy costs	4	773,577	846,019
Contract staff		773,533	502,825
Transaction fees		728,732	700,010
Consultants		489,435	454,680
Chapters	13	343,301	327,940
Postage and courier		214,354	210,455
Insurance		148,165	143,100
Professional development		131,785	109,858
Recognition, grants and awards		78,566	31,772
Office supplies		72,508	57,673
Printing		48,721	64,677
Volunteer expenses		31,786	109,056
Advertising		27,550	45,243
Staff expenses		7,470	18,857
		24,390,863	22,399,119
Excess of revenue over expenses before the undernoted		8,082,476	8,273,590
Council discretionary reserve expenses	8	1,623,341	388,086
Excess of revenue over expenses		6,459,135	7,885,504
Remeasurement and other items	6	2,447,724	(7,032,341)
Net assets, beginning of year		25,580,860	24,727,697
Net assets, end of year		34,487,719	25,580,860

The accompanying notes are an integral part of the financial statements.

Association of Professional Engineers of Ontario**Statement of financial position**

As at December 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash		11,319,333	8,219,649
Accounts receivable		700,544	1,382,842
Prepaid expenses and deposits		464,030	475,843
Other assets		171,319	251,044
		12,655,226	10,329,378
Marketable securities		19,885,232	15,069,278
Capital assets	3	29,689,774	31,340,072
		62,230,232	56,738,728
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	2,511,125	2,513,546
Fees in advance and deposits		11,730,592	11,573,230
Current portion of long-term debt	5	1,088,796	1,088,796
		15,330,513	15,175,572
Long-term			
Long-term debt	5	1,451,700	2,540,496
Employee future benefits	6	10,960,300	13,441,800
		27,742,513	31,157,868
Commitments and contingencies	12 and 16		
Net assets	7	34,487,719	25,580,860
Total liabilities and net assets		62,230,232	56,738,728

The accompanying notes are an integral part of the financial statements.

Approved by the Council

_____, Director

_____, Director

Association of Professional Engineers of Ontario**Statement of cash flows**

Year ended December 31, 2021

	Notes	2021 \$	2020 \$
Operating activities			
Excess of revenue over expenses		6,459,135	7,885,504
Add (deduct) items not affecting cash			
Amortization		1,810,440	2,269,255
Amortization – other assets		79,725	77,033
Employee future benefits expensed		1,218,100	713,400
Change in unrealized (gains) losses on marketable securities		499,992	507,308
Losses (gains) on disposal of marketable securities		36,281	46,294
		10,103,673	11,498,794
Change in non-cash working capital items	10	849,052	285,003
		10,952,725	11,783,797
Financing activities			
Repayment of mortgage	5	(1,088,796)	(1,088,796)
Contributions to employee future benefit plans		(1,251,876)	(1,181,800)
		(2,340,672)	(2,270,596)
Investing activities			
Net change in marketable securities		(5,352,227)	(4,319,777)
Additions to capital assets		(160,142)	(308,144)
		(5,512,369)	(4,627,921)
Increase in cash		3,099,684	4,885,280
Cash beginning of year		8,219,649	3,334,369
Cash, end of year		11,319,333	8,219,649

The accompanying notes are an integral part of the financial statements.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2021

1. Nature of operations

The Association of Professional Engineers of Ontario ("PEO" or the "Association") was incorporated by an Act of the Legislature of the Province of Ontario. Its principal activities include regulating the practice of professional engineering, and establishing and maintaining standards of knowledge, skill, and ethics among its members in order to protect the public interest. As a not-for-profit professional membership organization, it is exempt from tax under section 149(1) of the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following accounting policies:

(a) Financial instruments

PEO initially recognizes financial instruments at fair value and subsequently measures them at each reporting date, as follows:

Asset/liability	Measurement
Cash and marketable securities	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the financial asset shall be written down and the resulting impairment loss shall be recognized in the statement of operations and changes in net assets for the period.

Transaction costs are expensed as incurred.

(b) Hedge accounting

PEO entered into an interest rate swap in order to reduce the impact of fluctuating interest rates on its long-term debt. The policy of PEO is not to enter into interest rate swap agreements for trading or speculative purposes.

The interest rate swap held by PEO is eligible for hedge accounting. To be eligible for hedge accounting, an instrument must meet certain criteria with respect to identification, designation, and documentation. In addition, the critical terms of the derivative financial instrument must match the specific terms and conditions of the hedged item. The fair value of derivative instruments eligible and qualifying for hedge accounting is generally not recognized on the Statement of financial position. Gains and losses on such instruments are recognized in the Statement of operations and changes in net assets in the same period as those of the hedged item.

Interest on the hedged item is recognized using the instrument's stated interest rate plus or minus amortization of any initial premium or discount and any financing fees and transaction costs. Net amounts receivable or payable on the interest rate swap are recorded on the accrual basis of accounting and are recognized as an adjustment to interest on the hedged item in the period in which they accrue.

Association of Professional Engineers of Ontario**Notes to the financial statements**December 31, 2021

2. Significant accounting policies (continued)*(b) Hedge accounting (continued)*

PEO may only discontinue hedge accounting when one of the following situations arises:

- (i) The hedged item or the hedging item ceases to exist other than as designated and documented;
- (ii) The critical terms of the hedging item cease to match those of the hedged item, including, but not limited to, when it becomes probable that an interest-bearing asset or liability hedged with an interest rate swap will be prepaid.

When a hedging item ceases to exist, any gain or loss incurred on the termination of the hedging item is recognized as an adjustment of the carrying amount of the hedged item.

When a hedged item ceases to exist, the critical terms of the hedging item cease to match those of the hedged item, or it is no longer probable that an anticipated transaction will occur in the amount designated or within 30 days of the maturity date of the hedging item, any gain or loss is recognized in net income.

(c) Revenue recognition

License fee revenue, excluding the portion related to the Building Fund, is recognized as revenue on a monthly basis over the license period. Building Fund revenue is recognized as revenue at the commencement of the license period. Other revenues are recognized when the related services are provided.

(d) Donated services

The Association receives substantial donated services from its membership through participation on council and committees and as chapter executives. Donations of services are not recorded in the financial statements of the Association.

*(e) Employee future benefits**Pension plans*

The cost of PEO's defined benefit pension plans is determined periodically by independent actuaries using the projected benefit method prorated on service. PEO uses the most recently completed actuarial valuation prepared on the going concern basis for funding purposes for measuring its defined benefit pension plan obligations. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

Other non-pension plan benefits

The cost of PEO's non-pension defined benefit plan is determined periodically by independent actuaries. PEO uses the most recent accounting actuarial valuation for measuring its non-pension defined benefit plan obligations. The valuation is based on the projected benefit method prorated on service.

For all defined benefit plans, PEO recognizes:

- (i) The defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation allowance in the statement of changes in net assets;
- (ii) The cost of the plan for the year.

Association of Professional Engineers of Ontario
Notes to the financial statements
December 31, 2021

2. Significant accounting policies (continued)

(f) Capital assets

Capital assets are recorded at cost. Amortization is calculated on the straight-line basis at the following annual rates.

Building	2%
Building improvements – PEO	5%
Building improvements – common area	3.3% to 10%
Building improvements – non-recoverable	10% to 20%
Computer hardware and software	33%
Furniture, fixtures, and telephone equipment	10%
Audio visual	20%

The Association's investment in capital assets is included as part of Net assets on the Statement of financial position.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include capital assets, accrued liabilities, and employee future benefits.

3. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Building	19,414,668	4,972,660	14,442,008	14,830,301
Building improvements – PEO	8,961,068	4,684,278	4,276,790	4,719,464
Building improvements – common area	11,313,493	5,404,520	5,908,973	6,341,300
Building improvements – non recoverable	741,332	276,883	464,449	564,050
Land	4,366,303	—	4,366,303	4,366,303
Computer hardware and software	5,287,238	5,172,275	114,963	392,806
Furniture, fixtures and telephone equipment	1,519,400	1,403,112	116,288	121,148
Audio visual	1,008,315	1,008,315	—	4,700
	52,611,817	22,922,043	29,689,774	31,340,072

Association of Professional Engineers of Ontario**Notes to the financial statements**

December 31, 2021

4. Building operations

PEO maintains accounting records for the property located at 40 Sheppard Avenue West, Toronto, ON as a stand-alone operation for internal purposes. The results of the operation of the building, prior to the elimination of recoveries and expenses related to PEO, are as follows:

	2021	2020
	\$	\$
Revenue		
Rental	845,047	894,834
Operating cost recoverable – tenants	1,356,532	1,280,453
Parking	153,425	143,125
Miscellaneous	122,422	115,174
	2,477,426	2,433,586
Operating cost recoverable – PEO	739,249	751,733
	3,216,675	3,185,319
Recoverable expenses		
Utilities	433,499	470,173
Amortization	542,709	631,849
Property taxes	425,396	438,912
Payroll	260,748	258,166
Janitorial	214,587	198,312
Repairs and maintenance	140,707	98,802
Property management and advisory fees	50,000	50,000
Security	31,355	18,841
Administrative	39,285	23,006
Road and ground	27,396	20,548
Insurance	30,575	24,961
	2,196,257	2,233,570
Other expenses		
Interest expense on note and loan payable	104,179	137,119
Amortization of building	388,293	388,293
Amortization of deferred costs	79,725	77,033
Amortization of tenant inducements	99,601	96,500
Other non-recoverable expenses	157,131	15,848
	828,929	714,793
	3,025,186	2,948,363
Excess of revenue over expenses	191,489	236,956

For purposes of the Statement of operations and changes in net assets, the operating costs recoverable from PEO of \$739,249 (\$751,733 in 2020) have been eliminated. The portion of costs allocated to PEO is reallocated from Building operations and is included in Occupancy costs on the Statement of operations and changes in net assets.

Association of Professional Engineers of Ontario**Notes to the financial statements**

December 31, 2021

4. Building operations (continued)

	2021	2020
	\$	\$
Building revenue per above	3,216,675	3,185,319
Eliminated PEO portion	(739,249)	(751,733)
	2,477,426	2,433,586
Building expenses per above	3,025,186	2,948,363
Eliminated PEO portion	(739,249)	(751,733)
	2,285,937	2,196,630

5. Building financing

On April 5, 2019, the Association refinanced its outstanding loan of \$5,443,952 with the Bank of Nova Scotia. The refinanced loan is secured by a first mortgage on the property located at 40 Sheppard Avenue West, a general security agreement, and a general assignment of tenant leases. The loan is repayable in monthly installments of principal plus interest and bears a floating interest rate based on variable bankers' acceptances. The Association entered into a swap agreement related to this loan, where the floating rate debt is swapped for a fixed rate debt at an interest rate of 3.47% and settled on a net basis. The notional value of the swap is \$5,443,952 with a start date of April 5, 2019, and a maturity date of April 5, 2024, on which date the loan will be fully paid.

6. Employee future benefits

The Association's pension plans, and post-retirement benefits plan covering participating employees (full time and retirees) are defined benefit plans as defined in Section 3462 of the CPA Canada Handbook and accounted for as per Section 3463. The pension plans provide pension benefits based on length of service and final average earnings. The post-retirement benefits plan provides hospitalization, extended health care and dental benefits to retired employees. Participation in the pension plans and benefits plan (for post-retirement benefits) has been closed to all new employees as of May 1, 2006. All employees joining after this date have the option of participating in a self-directed RRSP (registered retirement savings plan). During the year, the Association recorded \$335,478 (\$290,806 in 2020) in employer contributions to the self-directed RRSP.

The funded status of the Association's pension plans and post-retirement benefit plan using actuarial assumptions as of December 31, 2021, was as follows:

	Basic pension plan	Supplemental pension plan	Other non-pension benefit plan	Total
	\$	\$	\$	\$
Accrued benefit obligation	(34,556,700)	(2,311,900)	(11,206,100)	(48,074,700)
Plan assets at fair value	35,021,800	2,092,600	—	37,114,400
Funded status – plan surplus (deficit)	465,100	(219,300)	(11,206,100)	(10,960,300)

Association of Professional Engineers of Ontario**Notes to the financial statements**

December 31, 2021

6. Employee future benefits (continued)

The funded status of the Association's pension plans and post-retirement benefit plan using actuarial assumptions as of December 31, 2020, was as follows:

	Basic pension plan \$	Supplemental pension plan \$	Other non-pension benefit plan \$	Total \$
Accrued benefit obligation	(32,567,600)	(2,321,500)	(12,013,500)	(46,902,600)
Plan assets at fair value	31,456,200	2,004,600	—	33,460,800
Funded status – plan surplus (deficit)	(1,111,400)	(316,900)	(12,013,500)	(13,441,800)

PEO measures its defined benefit obligations and the fair value of plan assets related to the basic and supplemental pension plans for accounting purposes as at December 31 each year based on the most recently completed actuarial valuation for funding purposes. The most recently completed actuarial valuation of the pension plans for funding purposes was as of January 1, 2021. PEO measures its obligations related to its other non-pension benefit plan using an actuarial valuation for accounting purposes. The most recent actuarial valuation for accounting purposes was as of December 31, 2020 and projected forward to December 31, 2021.

Remeasurements and other items resulting from these valuations are reported directly in net assets in the Statement of financial position and are reported separately as a change in net assets in the Statement of operations and changes in net assets.

7. Net assets

The net assets of the Association are restricted to be used at the discretion of Council and includes the Association's investment in capital assets of \$27,149,278 (\$27,710,780 in 2020).

8. Council discretionary reserve

The Council discretionary reserve is an internal allocation from the operating reserve used at the discretion of Council to fund expenses related to special projects approved by Council. These figures include \$415,766 (\$272,039 in 2020) for salaries and benefits costs of full-time staff for time spent on these projects. Expenses from the discretionary reserve were incurred on the following projects:

	2021 \$	2020 \$
O365 migration	385,551	—
Aptify enhancements	268,494	—
IDDC project	281,706	—
Contractors for IT initiatives	221,422	—
HR and governance related matters	160,347	109,037
Anti-racism working group	127,185	—
Online application process	63,818	—
IT initiatives due to Covid	55,833	—
Human resources info system	44,721	—
30 by 30 task force	13,977	8,820
Council composition task force	287	—
Regulatory functions review	—	270,229
	1,623,341	388,086

Association of Professional Engineers of Ontario**Notes to the financial statements**

December 31, 2021

9. Full time salaries and benefits

During the year, the Association incurred a total of \$13,340,586 (\$11,813,172 in 2020) for salary and benefits costs for its full-time staff. Out of this amount, \$415,766 (\$272,039 in 2020) was directly attributable to special projects approved by Council and disclosed in Note 8.

10. Change in non-cash working capital items

	2021 \$	2020 \$
Accounts receivable	682,298	(615,817)
Prepaid expenses and deposits	11,813	(112,571)
Accounts payable and accrued liabilities	(2,421)	488,716
Fees in advance and deposits	157,362	524,675
	849,052	285,003

11. Custodial account

The Association used to maintain a separate bank account for the Engineering Deans of Ontario (EDO), formerly known as the Council of Ontario Deans of Engineering (CODE). In 2021, the Association handed over all of these monies to EDO and will no longer be holding any funds for it going forward. The monies were previously held in trust for EDO and not reported on the Association's Statement of financial position.

12. Commitments

The Association has obligations under non-cancelable operating leases and agreements for various service agreements. The payments to the expiry of the leases and agreements are as follows:

	\$
2022	2,518,710
2023	997,767
2024	77,525
2025	16,238
	3,610,240

13. Chapters of the Association

During the year, the Association paid chapter expenses totaling \$343,301 (\$327,940 in 2020) and also incurred additional costs of \$375,285 (\$371,362 in 2020) related to chapter operations including staff salaries and benefits, and for various support activities. These amounts have been included in the various operating expenses reported on the Statement of operations and changes in net assets.

Association of Professional Engineers of Ontario

Notes to the financial statements

December 31, 2021

14. Financial instruments and risk management

Interest rate risk

PEO is exposed to interest rate risk, which is the risk that the fair values or future cash flows associated with its investments will fluctuate as a result of changes in market interest rates. Management addresses this risk through use of an investment manager to monitor and manage investments.

Liquidity risk

PEO's objective is to have sufficient liquidity to meet its liabilities when due. PEO monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2021, the most significant financial liabilities are accounts payable and accrued liabilities, and long-term debt.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. PEO's international and US equity pooled fund investments are denominated in foreign currencies the value of which could fluctuate in part due to changes in foreign exchange rates.

15. Government remittances

Accounts payables and accrued liabilities includes \$241,455 (\$620,877 in 2020), with respect to government remittances payable at year end.

16. Contingencies

PEO has been named in litigation matters, the outcome of which is undeterminable and accordingly, no provision has been provided for any potential liability in these financial statements. Should any loss result from these claims, which is not covered by insurance, such loss would be charged to operations in the year of resolution or earlier if the loss is likely and determinable.

Professional Engineers Ontario
Financial highlights for the year ended December 31, 2021
Report to the Audit and Finance Committee (AFC) – March 8, 2022

Highlights

For the year ended December 31, 2021, Professional Engineers Ontario ("PEO") generated an excess of revenue over expenses of \$8,082k before Council discretionary reserve expenses as compared to \$8,274k in 2020.

The surplus was reduced by Council discretionary spend of \$1,623k in 2021 as compared to \$388k in 2020 resulting in a net excess of revenues over expenses of \$6,459k as compared to \$7,886k in 2020. The 2021 Council discretionary expenses consist of spend on O365 migration, Aptify enhancements, IDDC project, Contractors for IT initiatives, HR and governance related matters, Anti-racism working group and several other projects.

Revenue

Total revenue in 2021 was \$32.5m vs \$30.7m in 2020 which is \$1.8m or 5.9 per cent higher than the prior year largely due to the following reasons:

- Higher Application, Registration, exam and other fees (\$9.2m in 2021 vs \$8.1m in 2020)
An increase of \$1,091.7k or 13.5% is due to higher revenues from Technical Exams, National exams, Professional Practice Exams, P.Eng. applications and, C of A revenue and P.Eng registration fees
- Higher P.Eng. revenues (\$19.8m in 2021 vs \$19.2m in 2020)
An increase of \$633k in P.Eng. revenue is due to an increase in membership numbers. There were 86,359 total members at the end of 2021 versus 84,542 for 2020, a 2.1% increase, in line with prior trends with the exception of 2020.
- Higher Investment income (\$891.4k in 2021 vs \$839.2k in 2020)
The \$52.2k increase in investment revenue in 2021 is due the favourable performance of investments.
- Higher Building operations revenue (\$2,477.4k in 2021 vs \$2,433.6k in 2020)
An increase of \$43.8k in Building operations revenue is due to an increase in operating cost recovery revenue, parking and miscellaneous rent.

The above increases were partially offset by:

- Lower Chapter revenue (\$16.7 in 2021 vs \$33.4k in 2020)
The decrease in revenue of \$16.6k is due to continued pandemic restrictions.
- Lower Advertising revenue (\$101.1k in 2021 vs \$105.4k in 2020)
The decrease of \$4.3k is largely due to unfavourable market conditions and fewer advertisements in Engineering Dimensions.

Expenses

Total expenses in 2021 before Council discretionary spend were \$24.4m vs \$22.4m in 2020. This represents an increase of \$2.0m or 8.9 per cent versus the prior year primarily due to the following:

- Higher Staff salaries and benefits (\$12.9m in 2021 vs \$11.5m in 2020).
The increase of \$1.4m is due to higher costs for salaries, benefits, including new hires, cost of living and merit increases. There were 114 FT staff in 2021 vs 110 FT staff in 2020.
- Higher costs for Purchased services (\$1.455m in 2021 vs \$959k in 2020)
The \$496k increase in costs in 2021 is largely due to higher costs for PPE and Technical exam setting and marking costs, Video production costs for OOH (Order of Honour) and the OPEA

(Ontario Professional Engineers Awards) event, electronic voting agent for Council elections, outsourced printing for Engineering Dimensions, etc. These are offset by lower spending on event meals and catering costs for various committees and meetings, and lower costs for document scanning.

- Higher costs for Contract staff (774k in 2021 vs \$503 in 2020)
The increase of \$271k is due to additional staffing required in the IT and Licensing departments.
- Higher Legal (corporate, prosecution and tribunal) expenses (\$952k in 2021 vs \$766k in 2020)
The \$186k increase is largely due to higher expenses for complaints and registration investigations, discipline prosecution and higher spend on independent legal counsel for registration and discipline hearings.
- Higher spend on Building operations (\$2,286k in 2021 vs \$2,197k in 2020)
Increase of \$89k is due to a bad debt expense on a lease with one of the building tenants. In addition, there was higher spending on repairs and maintenance and janitorial expenses. This spend was partially offset by lower mortgage interest, utilities, and amortization expenses.
- Higher spend on Recognition, grants and awards (\$79k in 2021 vs \$32k in 2020)
The \$47k increase in costs in 2021 is largely due to sponsorships of the OPEA, ESSCO, and other spend on service awards.
- Higher cost for Consultants (\$489k in 2021 vs \$455k in 2020)
The increase of \$35k is largely due to increased spend on HR consultants.
- Higher Transaction fees (\$729k in 2021 vs \$700k in 2020)
Increase of \$ 29k is largely due to an increase in credit card commission fees. These are offset by lower sales advertising commission fees and payroll processing costs.

The above increases in expenses are partially offset by:

- Lower Amortization expenses (\$780k in 2021 vs \$1,153k in 2020)
The \$373k decrease is largely due to completion of amortization on several IT projects and audio-visual items as well as furniture from the PEO move to 40 Sheppard.
- Decrease in Volunteer Expenses (\$32k in 2021 vs \$109k in 2020)
The lower spend of \$77k in 2021 is largely due to reduced travel costs for accommodation, mileage, air/train fare, bus/car/taxi, and parking for various events and committee meetings which were conducted remotely due to the pandemic.
- Decrease in Occupancy costs (\$774k in 2021 vs \$846k in 2020)
The decrease of \$72k was largely due to lower use of offsite space for exams and meetings. Additionally, PEO share of rent was lower in 2021.
- Decrease in spend on Computers and telephone (\$1,118k in 2021 vs \$1,137k in 2020)
The decrease of \$19k largely due to lower server maintenance contracts, and telephone rental/lease costs. These costs were partially offset by increased spend on IT hardware and software supplies.

Capital Assets

Total capital spending in 2021 was \$160k as compared to \$308k in 2020. Building improvements both to PEO space and common space totaling \$110k were made to the building in 2021. The net book value of the building is \$29.5m and it has a mortgage of \$2.5m outstanding as of December 31, 2021.

Break-down of capital spend in 2021 vs 2020

In (000's)

TYPE	FY21-ACT Additions	FY20-ACT Additions	Variance [Fav/(Unfav)]
Building Improvements There was no spend in 2021 compared with the 2020 spend which included spend on tenant leasehold improvements on the 2 nd and 4 th floor.	\$0	\$207	\$207
Building Improvements (recoverable) 2021 additions include fire protection sprinkler assessment, security upgrade, waterless urinals and thermal packing heat pumps. Spend in 2020 included fire system updates and repairs, heat pump replacements, and a structural study for the roof.	110	14	(96)
Computer hardware and software There were no additions in 2021 compared to 2020 spend that included an Aptify software addition.	0	78	78
Furniture, fixtures and telephone equipment	0	9	9
Work in progress Spend in 2021 includes a LED lighting project and office furniture.	50	0	(50)
TOTAL	\$160	\$308	\$148

Building Operations

The operating statement for the building is included in Appendix A-2 and is also summarized in Note 4 of the 2021 Audited Financial Statements. The building generated \$3.2m in revenue including PEO's share of recoverable expenses but excluding base rent had PEO paid market rent for its space. Total recoverable expenses were \$2.2m and other expenses totaled \$829k thereby creating an excess of \$191k as compared to \$237k in the prior year. The \$46k decrease in excess revenue over expenses in 2021 was largely due to an increase in janitorial, repairs and maintenance, roads and ground maintenance and administration costs along with bad debt expenses stemming from a tenant who has defaulted on his lease.

Appendices:

Appendix A-1 - 2021 Draft Statement of Revenue and Expenses - variances

Appendix A-2 - 2021 Draft 40 Sheppard Statement of Revenue and Expenses - variances

Professional Engineers Ontario
Statement of Revenue and Expenses - Variance Analysis
 Year Ended December 31, 2021

Appendix A-1
Mar 8, 2022

S.No	REVENUE	2021	2020	2021	2021 Vs 2020 [Fav/(Unfav)]	2021 [Fav/(Unfav)]	2021 [Fav/(Unfav)]	2021 [Fav/(Unfav)]	2021	2021
		Actual	Actual	Forecast	Actual Vs Actual	Actual Vs Forecast	Actual Vs Budget	Actual Vs Budget	Budget	Budget
		A	B	C	D	E	F	G	H	I
		\$	\$	\$	\$	%	\$	%	\$	%
1	P.Eng revenue	19,825,037	19,192,091	20,252,552	632,946	3.3%	(427,515)	-2.1%	1,006,436	5.3%
2	Application, registration, exam and other fees	9,161,653	8,069,121	9,770,000	1,092,532	13.5%	(608,347)	-6.2%	(447,232)	-4.7%
3	Building operations	2,477,426	2,433,586	2,520,983	43,840	1.8%	(43,557)	-1.7%	(90,626)	-3.5%
4	Investment income	891,416	839,194	800,000	52,222	6.2%	91,416	11.4%	341,416	62.1%
5	Advertising income	101,060	105,359	120,000	(4,299)	-4.1%	(18,940)	-15.8%	(23,940)	-19.2%
6	Chapter revenues	16,747	33,358	30,000	(16,611)	-49.8%	(13,253)	-44.2%	16,747	0.0%
	TOTAL REVENUE	32,473,339	30,672,709	33,493,535	1,800,630	5.9%	(1,020,196)	-3.0%	802,801	2.5%
	EXPENSES									
7	Staff salaries and benefits/Retiree and future benefits	12,924,820	11,541,133	14,391,876	(1,383,687)	-12.0%	1,467,056	10.2%	3,245,337	20.1%
8	Building operations	2,285,937	2,196,630	2,212,640	(89,307)	-4.1%	(73,297)	-3.3%	(128,550)	-6.0%
9	Purchased Services	1,455,090	958,697	1,837,027	(496,393)	-51.8%	381,937	20.8%	1,007,084	40.9%
10	Computers and telephone	1,118,498	1,137,393	1,186,069	18,895	1.7%	67,571	5.7%	116,657	9.4%
11	Engineers Canada	1,005,563	1,024,502	1,005,563	18,939	1.8%	0	0.0%	29,184	2.8%
12	Legal (corporate, prosecution and tribunal)	951,635	765,986	811,635	(185,649)	-24.2%	(140,000)	-17.2%	(84,505)	-9.7%
13	Amortization	779,837	1,152,613	779,941	372,776	32.3%	104	0.0%	40,354	4.9%
14	Occupancy costs	773,577	846,019	819,553	72,442	8.6%	45,976	5.6%	245,305	24.1%
15	Contract staff	773,533	502,825	598,730	(270,708)	-53.8%	(174,803)	-29.2%	(209,875)	-37.2%
16	Transaction fees	728,732	700,010	766,728	(28,722)	-4.1%	37,996	5.0%	23,870	3.2%
17	Consultants	489,435	454,680	474,155	(34,755)	-7.6%	(15,280)	-3.2%	(200,315)	-69.3%
18	Chapters	343,301	327,940	281,560	(15,361)	-4.7%	(61,741)	-21.9%	721,794	67.8%
19	Postage and courier	214,354	210,455	214,973	(3,899)	-1.9%	619	0.3%	138,044	39.2%
20	Insurance	148,165	143,100	150,326	(5,065)	-3.5%	2,161	1.4%	(4,455)	-3.1%
21	Professional development	131,785	109,858	98,900	(21,927)	-20.0%	(32,885)	-33.3%	96,915	42.4%
22	Recognition, grants and awards	78,566	31,772	104,074	(46,794)	-147.3%	25,508	24.5%	123,959	61.2%
23	Office supplies	72,508	57,673	101,050	(14,835)	-25.7%	28,542	28.2%	51,642	41.6%
24	Printing	48,721	64,677	64,000	15,956	24.7%	15,279	23.9%	40,279	45.3%
25	Volunteer expenses	31,786	109,056	109,544	77,270	70.9%	77,758	71.0%	412,299	92.8%
26	Advertising	27,550	45,243	55,100	17,693	39.1%	27,550	50.0%	102,700	78.8%
27	Staff expenses	7,470	18,857	19,578	11,387	60.4%	12,108	61.8%	54,795	88.0%
28	TOTAL EXPENSES	24,390,863	22,399,119	26,083,022	(1,991,744)	-8.9%	1,692,159	6.5%	5,822,518	19.3%
29	EXCESS OF REVENUE OVER EXPENSES BEFORE THE UNDERNOTED	8,082,476	8,273,590	7,410,513	(191,114)	-2.3%	671,963	9.1%	6,625,319	454.7%
30	COUNCIL DISCRETIONARY RESERVE EXPENSES	1,623,341	388,086	1,882,380	(1,235,255)	-318.3%	259,039	13.8%	(181,341)	-12.6%
31	EXCESS OF REVENUE OVER EXPENSES	6,459,135	7,885,504	5,528,133	(1,426,369)	-18.1%	931,002	16.8%	6,443,978	42514.9%

Professional Engineers Ontario
40 Sheppard Statement of Revenue and Expenses
Year Ended December 31, 2021

Appendix A-2
Mar 8, 2022

S.No	REVENUE	2021	2020	2021 Vs 2020 [Fav/(Unfav)]		2021	2021 [Fav/(Unfav)]	
		Actual	Actual	Actual Vs Actual		Forecast	Actual Vs Forecast	
		A	B	C	D	E	F	G
		\$	\$	\$	%	\$	\$	%
1	Rental	845,047	894,834	(49,787)	-5.6%	852,368	(7,321)	-0.9%
2	Operating cost reimbursements	2,095,781	2,032,186	63,596	3.1%	2,178,042	(82,261)	-3.8%
3	Parking	153,425	143,125	10,300	7.2%	154,950	(1,525)	-1.0%
4	Miscellaneous	122,422	115,174	7,248	6.3%	109,175	13,247	12.1%
5	Total REVENUE	3,216,675	3,185,319	31,356	1.0%	3,294,535	(77,860)	-2.4%
RECOVERABLE EXPENSES								
6	Utilities	433,499	470,173	36,674	7.8%	495,926	62,427	12.6%
7	Amortization	542,709	631,849	89,140	14.1%	545,119	2,410	0.4%
8	Property taxes	425,396	438,912	13,516	3.1%	425,386	-	-
9	Payroll	260,748	258,166	(2,582)	-1.0%	260,749	-	-
10	Janitorial	214,587	198,312	(16,275)	-8.2%	212,254	(2,333)	-1.1%
11	Repairs and maintenance	140,707	98,802	(41,905)	-42.4%	149,589	8,882	5.9%
12	Property management and advisory fees	50,000	50,000	-	0.0%	50,000	0	0.0%
13	Security	31,355	18,841	(12,514)	-66.4%	52,097	20,742	39.8%
14	Administration	39,285	23,006	(16,279)	-70.8%	27,612	(11,673)	-42.3%
15	Road and ground	27,396	20,548	(6,848)	-33.3%	22,547	(4,849)	-21.5%
16	Insurance	30,575	24,961	(5,614)	-22.5%	30,577	-	-
		2,196,257	2,233,570	37,313	1.7%	2,271,856	75,599	3.3%
OTHER EXPENSES								
17	Interest expense on note and loan payable	104,179	137,119	32,940	24.0%	103,947	(232)	-0.2%
18	Amortization of building	388,293	388,293	-	0.0%	388,293	-	0.0%
19	Amortization of deferred costs	79,725	77,033	(2,692)	-3.5%	79,725	-	0.0%
20	Amortization of tenant inducements	99,601	96,500	(3,101)	-3.2%	99,601	-	0.0%
21	Other non-recoverable expenses	157,131	15,848	(141,283)	-891.5%	42,771	(114,360)	-267.4%
		828,929	714,793	(114,136)	-16.0%	714,337	(114,592)	-16.0%
22	Total EXPENSES	3,025,186	2,948,364	(76,822)	-2.6%	2,986,193	(38,993)	-1.3%
23	EXCESS OF REVENUE OVER EXPENSES	191,489	236,956	(45,466)	-19.2%	308,343	(116,854)	-37.9%
24	Gross Revenue	3,216,675	3,185,319			3,294,535		
25	Revenue Interco reclass	(739,249)	(751,733)			(773,553)		
26	PEO Reported Revenue	2,477,426	2,433,586			2,520,983		
27	Gross Expense	3,025,186	2,948,363			2,986,193		
28	Recoverable Exp Interco reclass	(739,249)	(751,733)			(773,553)		
29	PEO Reported Expense	2,285,937	2,196,630			2,212,640		

Briefing Note – Decision

C-546-2.6

RECOMMENDATION OF THE APPOINTMENT OF AUDITOR FOR 2022

Purpose:

To approve the recommendation for the appointment of an auditor for 2022 to members at the AGM.

Motions to consider:

That Council recommend to members at the April 2022 Annual General Meeting that Deloitte LLP be appointed as PEO's auditor for 2022 and hold office until the next annual general meeting or until a successor is appointed.

Prepared by Chetan Mehta, Director - Finance

Moved by Lorne Cutler, P.Eng., MBA, Chair – Audit and Finance Committee

1. Need for PEO Action

It is necessary for Council to recommend the appointment of an auditor for 2022 to the members, for their approval at the upcoming Annual General Meeting.

Section 52 of By-Law 1 states:

The members of each annual meeting shall appoint one or more auditors who shall be chartered accountants to hold office until the next annual meeting and if an appointment is not so made, the auditor in office shall continue in office until a successor is appointed.

2. Proposed Action / Recommendation

That Council approve the recommendation of the audit and finance committee to appoint Deloitte LLP as PEO's auditor for 2022.

3. Next Steps (if motion approved)

Council will recommend the appointment of Deloitte LLP as PEO's auditor to the members at the April 2022 Annual General Meeting.

4. Financial Impact on PEO Budgets (for five years)

	Operating	Capital	Explanation
Current to Year End	\$45,000 (approx.)	\$	Funded from the operating budget

5. Peer Review & Process Followed

Process Followed	As part of every five-year cycle, an RFP for audit services was issued to reputable audit firms in July 2021. After a review of the proposals submitted and on staff's recommendation, the audit and finance
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	committee (AFC) unanimously agreed to recommend Deloitte LLP as PEO's auditor for the next five years until 2026 with the requirement that the appointment be confirmed every year by Council and the membership.
Council Identified Review	Council is to recommend to members at the April 2022 Annual General Meeting the appointment of Deloitte LLP as PEO's auditor for 2022 and to hold office until the next annual meeting or until a successor is appointed.
Actual Motion Review	Council is to recommend to members at the April 2022 Annual General Meeting the appointment of Deloitte LLP as PEO's auditor for 2022 and to hold office until the next annual meeting or until a successor is appointed.

6. Appendices

- None

Briefing Note – Information

C-546-2.7

ENGINEERS CANADA DIRECTORS REPORT

Purpose: To provide an update on the activities of Engineers Canada.

An update on the Engineers Canada activities that would be of interest to the mandate of PEO will be provided at the meeting.

Appendices:

Appendix A – March 2022 Update – English and French Versions



Engineers Canada directors update March 2022

Engineers Canada Board

Engineers Canada hosted its winter meetings virtually, which included the CEO Group meetings, Presidents Group meeting, the First Timers Lunch, and the Board meeting. The Board, at its meeting, made several decisions, including the approval of: a new and revised National Position Statement; the 2021 annual strategic performance report; Board policy updates and the terms of reference for two new task forces; an amendment to the Bylaw related to the definition of “Registrant”; the 2022 CEO objectives; and the content of the Board and Director self-assessment survey. The disposition of motions from the Board meeting is available on the Engineers Canada [website](#).

The FAR Committee also reviewed our investments performance; the Q4 2021 financial statements; and, the corporate risk profile.

Strategic Priority 1.1: Investigate and Validate the Purpose and Scope of Accreditation

In January, Engineers Canada held the first workshop in support of Strategic Priority 1.1, Investigate and Validate the Purpose and Scope of accreditation (SP1.1). The workshop, with a total of 37 participants (plus our staff and consultants), brought together educators from across Canada, our SP1.1 Regulator Advisory Group, and the Engineering Education Task Force. The group heard from educators and students about changes in teaching and learning methodologies and the impacts of increasing equity, diversity, inclusion and indigenization on engineering education. In small breakout groups, they explored how these changes impact or are impacted by accreditation purpose, criteria or processes.

The Engineering Education Task Force will now work with our consultant to create a comprehensive report about the current realities and future possibilities in engineering education, to be distributed in May. This is a critical first step for our project to understand the context in which accreditation operates, and the conflicts that we are encountering.

The Benchmarking Task Force for the strategic priority on accreditation finalized their selection of comparators and comparison metrics. This task force is working with consultants to prepare a report that will benchmark our accreditation system to four other engineering accreditation systems, and three other Canadian professional accreditation systems. This report is another foundational piece for our SP1.1 work which will help us to see how our system compares and to learn from the practices of other organizations. The final report from this group will also be available in May.

Strategic Priority 2.1: Accelerating 30 by 30

The second SP2.1 RFP of the year seeking proposals from bidders for our ‘[Employer engagement strategy for gender equity, diversity, and inclusion in engineering](#)’ was posted.’ The RFP sought a consultant to gather information on how to incorporate equity, diversity, and inclusion (EDI) within existing regulator employer certification processes, guide a consultation with regulators, and draft a national strategy. RFP submissions closed on February 22.

The 30 by 30 Champions’ Post-secondary Working Group gathered for a meeting led by the Canadian Engineering Accreditation Board (CEAB) 30 by 30 Working Group, who presented

on its recommendations to develop appropriate ways within the accreditation process to incorporate the goals of the 30 by 30 initiative. This initial feedback session will be added to the feedback that will be collected as part of the national consultation planned (dates TBD) for the recommendations included in the report.

The 30 by 30 Champions' Early Career Working Group held discussions on: providing an update on SP2.1; champions' updates and progress including by Engineers Yukon, Engineers and Geoscientists British Columbia, Engineers and Geoscientists Manitoba, Engineers PEI, Engineers Nova Scotia, and the Ontario Society of Professional Engineers; data on the gender pay gap in engineering; gathering diversity demographics data; and research priorities.

One of our partners, Engendering Success in STEM (ESS) hosted a presentation at the 30 by 30 Employer Working Group meeting. ESS offered a free workplace workshop for engineering employers focused on implicit bias, culture change, gender equity, and allyship. A presentation from Zhe Lin Bu, Research Assistant – Wellbeing in Engineering at the University of British Columbia was shared and working group members were invited to reach out directly to ESS to participate in this opportunity.

The 30 by 30 Champions' K-12 Working Group explored Engineers Canada's Outreach Engagement Strategy 2022-2024 and the opportunities for incorporating 30 by 30 into engineering outreach.

Engineers Canada attended the Electricity Human Resources Canada (EHRC) Advisory Committee Meeting on Building a Sexual Harassment Free Workplace for Women in Electricity. Engineers Canada is a signatory to the EHRC Leadership Accord on Gender Diversity.

Engineers Canada participated in the Ontario Bar Association's Not Another Decade Leaders

Summit - an idea-exchange meeting that included leaders in four professions – engineering, law, medicine, and nursing - on progress in advancing equality, diversity and inclusion in our respective professions.

Finally, Engineers Canada participated in a podcast hosted by Women in Engineering (WiE) at Concordia University, covering details on 30 by 30.

Strategic Priority 2.2: Reinforce Trust and the Value of Licensure

In January, regulator staff who are part of the Trust and Value of Licensure Project Advisory Group, as well as Engineers Canada, and our consultant, kicked off the first Marketing Campaign Development Workshop. This was the first of three sessions with the goal of aligning the group, coming to a common vision for the campaign, and identifying communications objectives and audiences. The final 2-hour sessions took place over the course of January and February. This workshop was preceded by sessions, led by our consultant this past November and December, which brought together small focus groups made up of Advisory Group members.

Accreditation Board

The CEAB held its 172nd meeting in early February. Key agenda items and meeting outcomes include:

- It was decided that the 2022/2023 visit cycle will be conducted in-person; however, visits may be required to transition to a virtual modality due to health directives. In the event that a visit must be conducted virtually, contingency plans are in place to support a transition on relatively short order.
- Two accreditation decisions were made: One following a visit to 8 programs (2

new) at one institution and one following a notice of significant change for three programs at one institution.

- Approval of the 2022 Policies and Procedures (P&P) Committee work plan which includes work to develop training materials for CEAB and visiting team members as recommended by the 2021 Accountability in Accreditation Report.
- Revised P&P Committee Terms of Reference were proposed. CEAB members provided feedback which will be considered by the Working Group. The CEAB will consider a revised proposal at a special meeting this Spring.

The CEAB's Policies and Procedures Committee has met twice this year so far. They reviewed and confirmed their 2022 work plan priorities, which will include a focus on addressing some of the training-related recommendations from the first [Accountability in Accreditation report](#). The committee also continued their work on exploring alternative input measures for accreditation (i.e. the 'Accreditation Unit' or 'AU').

The CEAB's Policies and Procedures Terms of Reference Working Group met to review the feedback received from the CEAB at their February meeting to the revised terms of reference. The working group is reviewing the committee's terms of reference in response to a recommendation from the Board's Nominations Task Force to consider the composition and representation requirements, the transparency of the process for member selection, and the authority and accountability of the Policies and Procedures Committee (P&P). Feedback from the CEAB suggested that sections regarding the voting procedures and the communication lines between the P&P and the CEAB needed to be improved.

Qualifications Board

The CEQB held its 117th meeting in late January, which included a workshop to kick off the review of the 2013 Guideline on good character. At the meeting, several items were approved for next steps:

- The draft Guideline for engineers and engineering firms on workplace equity for women was approved for regulator and stakeholder consultation
- The draft General direction on a guideline for engineers and engineering firms on Indigenous consultation and engagement was approved for regulator and stakeholder consultation
- The new Aerospace/aeronautical engineering syllabus was approved and will be made available on the Engineers Canada website
- The revised Materials engineering syllabus was approved and will be made available on the Engineers Canada website

Notably, there were discussions on how best to address concerns expressed by PEO during the consultations on syllabi regarding the fairness of varying numbers of required exams. While the syllabi do not constitute a standard, and can be adapted to suit regulators' needs, the CEQB Syllabus Committee has agreed to examine the question of syllabus fairness more closely. Regulators will be consulted on any changes being recommended in this area.

Following the meeting, the CEQB opened two regulator consultations:

- Draft guideline for engineers and engineering firms on workplace equity for women (Deadline is April 1)
- General direction for the new public guideline for engineers and engineering firms on Indigenous consultation and engagement (Deadline is March 11)

Questions and feedback on both QB documents can be directed to Ryan Melsom, Manager, Qualifications and QB Secretary at ryan.melsom@engineerscanada.ca.

Equity, Diversity, and Inclusion

The monthly meeting of our Decolonizing and Indigenizing Engineering Education Network (DIEEN) featured presentations from two of the most successful Indigenous access programs in engineering. Melanie Howard, Director, Indigenous Futures in Engineering at Queen's University's Faculty of Engineering and Applied Science, and Randy Herrmann, Director of the University of Manitoba's Engineering Access Program each shared insights about their programs and answered questions from members. This meeting was recorded and will be posted on YouTube for future viewing.

The Indigenous Advisory Committee (IAC) gathered for their first meeting of 2022. Chaired by Nicole MacDonald, EIT, the IAC reviewed 2021 achievements and the Committee Charges for 2022 and provided advice on naming a new meeting room at the Engineers Canada office in the spirit of truth and reconciliation.

Engineers Canada met with the University of Toronto research team that is working on the Social Sciences and Humanities Research Council (SSHRC) funded project on engineering career paths. The research focuses on tracking inequity in the workplace experiences of Canadian engineering graduates, including mobility patterns and the nature of workplace environments.

In honour of Black History Month, Engineers Canada participated in the Black Engineers of Canada (BEC) fireside chat with engineering regulators as part of a collaboration for Black History Month. The session was moderated by Engineers Canada and the session included the following panellists: APEGA President Brian Pearce; EGBC President Carol Park; Engineers

Nova Scotia President Darrin McLean; Engineers Yukon President Kirsten Hogan; and PEO President Christian Bellini. The panel focused on licensing, practice, and equity, diversity and inclusion in the profession.

An RFP for 'Updating the guideline on maternal and parental leave for engineers and geoscientists' was released. See posting [here](#).

Engineers Canada participated in a podcast hosted by Women in Engineering (WiE) at Concordia University discussing 30 by 30.

Outreach

National Engineering Month (NEM) is right around the corner. This year, Engineers Canada has created a national calendar of NEM events. The first of these is the NEM launch event on March 1 on the future of the P.Eng. licence. After the launch, the next NEM event in which Engineers Canada will participate will be on March 4, World Engineering Day, where we will be hosting a panel on the role of engineers in addressing climate change which will include a live welcoming address by engineer and Senator Rosa Galvez.

In partnership with Engineers of Tomorrow and Ontario Tech University, Engineers Canada hosted the official Future City Experience kick-off. As part of the event, we facilitated a live Q&A panel in English made up of engineers and scientists who specialize in space exploration. Over 2,500 youth from across Canada are participating in this year's event. This year's challenge asks students to design and build a city on the moon. A live Q&A panel session was also hosted in French.

Engineers Canada took part in the Canadian Federation of Engineering Students (CFES) annual Canadian Engineering Leadership Conference (CELC; formerly known as the CFES Congress) to be held virtually this year and hosted by Memorial University of

Newfoundland. In addition, a member of the Canadian Engineering Accreditation Board (CEAB) will make a presentation. The CFES is one of our strategic partners.

Finally, Engineers Canada secured Canadian astronaut, Joshua Kutryk, to be this year's keynote speaker for the Future City Experience Showcase that will take place on May 11. The Future City Experience has 2,640 students participating from across Canada and has started the process of pairing 174 professional engineers and engineering student volunteer mentors in classrooms across eight provinces to support students as they design and build a city on the moon.

Regulatory research

On December 17, we published the Paper on autonomous systems engineering on the members-only Engineers Canada website. This paper explains the practice of engineering as it relates to autonomous systems and provides information and guidance to regulators identify autonomous engineering, and to consider how to regulate it effectively in conjunction with existing tools and resources.

Engineers Canada began work with CamProf Canada Inc. to support the regulatory research envisioning exercise. The purpose of this exercise is to proactively identify trends and changes that are likely to impact the engineering profession and its regulation, and to prepare for unprecedented change and challenges in the future of engineering. CamProf will work with us to deliver three workshops where thought leaders will develop future scenarios that will identify these trends and changes, based on themes identified in last year's open survey about the future of engineering and engineering regulation.

National Membership Database

The business requirements document for the new National Membership Database (NMDB) was finalized in a meeting with the regulators who are advising on this project. The NMDB is a tool that helps regulators process applicants from those who are already licensed in another Canadian jurisdiction. Development of the tool is well underway, with the final development sprints expected to conclude next month.

Preparations for the User Acceptance Testing (UAT) of the new National Membership Database (NMDB) kicked off. Working with our developer, Run Straight Solutions, and a regulator advisory group, UAT will confirm that the new solution meets all user requirements and is ready to move into production. UAT will begin shortly, with system launch targeted for June 2022.

Government Relations

Prime Minister Justin Trudeau announced his new cabinet. The 38-member cabinet includes engineer Omar Alghabra who remains in cabinet as Minister of Transport. Additional information is in our [media release](#). Engineers Canada sent congratulatory letters to cabinet members whose portfolios are connected to our policy priorities. The letters included our key policy priorities and an offer to meet.

Engineers Canada's comments to the Canadian Energy Regulator regarding their review of the Onshore Pipeline Regulations have been submitted and posted. A draft version of this submission was shared with regulators on November 24, 2021, with a deadline for comments of December 23, 2021. APEGA, APEGNB and Engineers Nova Scotia responded with comments that were incorporated into the submission.

Engineers Canada attended a virtual information session with Environment and

Climate Change Canada on the proposed amendments to the wastewater systems effluent regulations.

Engineers Canada met virtually with the Conservative's shadow Minister for Infrastructure and Communities, Andrew Scheer. This meeting was the direct result of the congratulations letters we sent to select federal cabinet and opposition members for this parliamentary session. Each letter also described the connection between the Members' new portfolio and our work, including our key policy priorities as Canada recovers from the COVID-19 pandemic, and included an offer to meet.

Engineers Canada also met with Infrastructure Canada about Infrastructure Canada's Climate Lens. The Climate Lens includes a climate change infrastructure resilience assessment, which employs a risk management approach to anticipate, prevent, withstand, respond to, and recover and adapt from climate change related disruptions or impacts.

Additionally, Engineers Canada met with Jade Mallette, Director of Labour Relations for the President of the Treasury Board, to discuss the licensing of federal government engineers.

Deputy Prime Minister and Minister of Finance Chrystia Freeland tabled her second [Fall Economic Statement](#) (FES). The 96-page document was divided into two major themes: finishing the fight against COVID-19, and building a strong, inclusive economic recovery. It contained modest policy items, such as measures to protect public health, commitments to First Nations child welfare, ongoing settlement of compensation claims, and pandemic support for workers, caregivers, and businesses. Engineers Canada looks forward to the 2022 Federal Budget and will continue to collaborate with the federal government to ensure that the engineering profession remains a valued stakeholder in the

development and implementation of federal initiatives.

Mobility

A multilingual fact sheet was published onto our EngineerHere.ca website – a site that hosts a number of pre-arrival resources and information about working in engineering in Canada. Becoming familiar with the licensure process can be challenging, especially for those seeking information from outside of Canada. The new fact sheet aims to address that challenge and is available in Arabic, Bengali, Traditional Chinese, Simplified Chinese, Farsi, Hindi, Spanish, Tagalog and Urdu.

Excellence Canada

Engineers Canada was honoured with gold level certification against Excellence Canada's Excellence, Wellness, and Innovation Standard® during their annual awards event. The award is the culmination of a five-year progression and a focused effort on improving organizational effectiveness. We produced a video to accept the award and prepared an article for Engineering Matters. [Click here to view the video and read the article.](#)



Compte rendu à l'intention des administrateurs et administratrices d'Ingénieurs Canada Mars 2022

Conseil d'Ingénieurs Canada

Ingénieurs Canada a tenu ses réunions d'hiver en mode virtuel, qui comprenaient les réunions du Groupe des chefs de direction, la réunion du Groupe des présidents, le déjeuner des nouveaux venus et la réunion du conseil. Lors de sa réunion, le conseil a pris un certain nombre de décisions pour approuver : un nouvel énoncé de principe et un énoncé de principe révisé; le rapport annuel de rendement stratégique 2021; des révisions apportées à certaines politiques du conseil et les mandats de deux nouveaux groupes de travail; une modification du Règlement administratif liée à la définition du terme « Inscrit »; les objectifs du chef de la direction pour 2022; le contenu du sondage d'autoévaluation du conseil et des administrateurs et administratrices. Les résolutions découlant de l'adoption des motions sont disponibles dans le site Web d'Ingénieurs Canada.

Le Comité FAGR a examiné le rendement de nos investissements, les états financiers du TR4 de 2021 et le profil de risques de l'organisation.

Priorité stratégique 1.1 Examiner et valider le but et la portée de l'agrément

Ingénieurs Canada a tenu le premier atelier à l'appui de la Priorité stratégique 1.1 (PS1.1), *Examiner et valider le but et la portée de l'agrément*. Cet atelier a réuni 37 participants (en de plus notre personnel et de nos consultants), notamment des enseignants de partout au Canada, le groupe consultatif des organismes de réglementation pour la PS1.1 et le Groupe de travail sur la formation en génie. Des enseignants et des étudiants ont parlé des changements dans les méthodologies d'enseignement et d'apprentissage et des incidences de l'importance accrue accordée à l'équité, la diversité, l'inclusion et

l'autochtonisation sur la formation en génie. En petits groupes, ils ont exploré comment ces changements influencent le but, les normes et les processus d'agrément – ou sont influencés par ces derniers. Le Groupe de travail sur la formation en génie va maintenant entreprendre, en collaboration avec notre consultant, l'élaboration d'un rapport exhaustif sur les réalités actuelles et les possibilités futures de la formation en génie, qui sera distribué en mai. Il s'agit d'une première étape essentielle qui nous permettra de comprendre le contexte de l'agrément et les conflits que nous rencontrons.

Le Groupe de travail sur l'analyse comparative - Agrément a parachevé la sélection des comparateurs et des mesures de comparaison. Ce groupe travaille avec des consultants pour rédiger un rapport qui comparera notre système d'agrément à quatre autres systèmes d'agrément en génie et à trois autres systèmes canadiens d'agrément professionnel. Ce rapport est un autre élément fondamental de notre travail sur la PS1.1 qui nous aidera à voir comment notre système se compare à d'autres et à tirer profit des pratiques d'autres organismes. Le rapport final du groupe sera disponible en mai.

Priorité stratégique 2.1 : Accélérer 30 en 30

Ingénieurs Canada a publié La deuxième DP de l'année au titre de la PS2.1 pour la [Stratégie de mobilisation des employeurs sur l'équité, la diversité et l'inclusion des genres en génie](#). L'objectif est d'engager les services d'un cabinet-conseil qui sera chargé de recueillir de l'information sur la façon d'intégrer l'équité, la diversité et l'inclusion (EDI) dans les processus de certification des employeurs mis en place par les organismes de réglementation, de guider une consultation auprès des organismes de réglementation et d'élaborer une stratégie

nationale. La période de soumission des propositions a pris fin le 22 février.

Le groupe de travail « Études postsecondaires » des champions et championnes 30 en 30 s'est rencontré dans le cadre d'une réunion dirigée par le Groupe de travail 30 en 30 du Bureau d'agrément. Le groupe 30 en 30 a présenté ses recommandations visant à prendre les mesures nécessaires pour intégrer au processus d'agrément les objectifs de l'initiative 30 en 30. Cette première séance de rétroaction s'ajoutera aux commentaires qui seront recueillis lors de la consultation nationale prévue (dates à déterminer) sur les recommandations du rapport.

Le groupe de travail « Ingénieurs en début de carrière » des champions et championnes 30 en 30 a tenu des discussions sur les sujets suivants : la Priorité stratégique 2.1; les comptes rendus des champions et championnes sur les progrès réalisés notamment par Engineers Yukon, Engineers and Geoscientists British Columbia, Engineers Geoscientists Manitoba, Engineers PEI, Engineers Nova Scotia, et l'Ontario Society of Professional Engineers; les données sur l'écart salarial entre les genres dans le domaine du génie; la collecte de données démographiques sur la diversité, et les priorités de recherche.

L'un de nos partenaires, Engendering Success in STEM (ESS), a donné une présentation lors de la réunion du groupe de travail *Industrie/Employeurs* de 30 en 30. Le consortium ESS a offert un atelier gratuit pour les employeurs d'ingénieurs, qui portait sur les préjugés implicites, le changement de culture, l'équité des genres et les alliés. À la suite de la présentation de Zhe Lin Bu, assistante de recherche, Wellbeing in Engineering, à l'Université de la Colombie-Britannique, les membres du groupe de travail ont été invités à communiquer directement avec le consortium ESS pour participer à cette occasion de formation.

Le groupe de travail *Maternelle à 12^e année/fin secondaire* des champions et championnes 30 en 30 a examiné la stratégie d'engagement et de rayonnement d'Ingénieurs Canada pour 2022-2024 et les possibilités d'intégrer l'initiative 30 en 30 dans les activités de sensibilisation au génie.

Ingénieurs Canada a assisté à la réunion du Comité consultatif de Ressources humaines, industrie électrique du Canada (RHIEC) sur l'établissement de milieux de travail exempts de harcèlement pour les femmes dans le secteur de l'électricité. Rappelons qu'Ingénieurs Canada est signataire de l'Accord de leadership sur la diversité des genres de RHIEC.

Ingénieurs Canada a participé au sommet des leaders de l'initiative *Not Another Decade* de l'Association du Barreau de l'Ontario – une rencontre d'échange d'idées entre des leaders de quatre professions (génie, droit, médecine et soins infirmiers) – sur les progrès réalisés en matière d'équité, de diversité et d'inclusion au sein de ces professions.

Enfin, Ingénieurs Canada a participé à une baladodiffusion organisée par Women in Engineering (WiE) à l'Université Concordia, pour présenter en détail l'initiative 30 en 30.

Priorité stratégique 2.2 : Renforcer la confiance et la valeur du permis d'exercice

En janvier, les membres du personnel des organismes de réglementation qui font partie du Groupe consultatif du projet Confiance et valeur du permis d'exercice, ainsi qu'Ingénieurs Canada et son consultant ont participé au premier atelier de développement de la campagne de marketing. Ce premier atelier d'une série de trois avait pour but de mobiliser le groupe, d'en arriver à une vision commune de la campagne et de définir les objectifs et les publics cibles des communications. Les dernières séances de deux heures ont eu lieu au cours des mois de janvier et février. Le premier atelier avait été précédé par des rencontres,

dirigées par notre consultant en novembre et décembre dernier, auxquelles ont participé de petits groupes de discussion composés de membres du groupe consultatif.

Bureau d'agrément

Le BCAPG a tenu sa 172^e réunion début février. Les principaux points à l'ordre du jour et les résultats de la réunion sont les suivants :

- Il a été décidé que le cycle de visites 2022-2023 se tiendrait en personne; cependant, il se peut que les visites doivent passer au mode virtuel si les consignes sanitaires l'exigent. Si une visite doit être effectuée virtuellement, des plans d'urgence sont en place pour permettre une transition dans un délai relativement court.
- Deux décisions d'agrément ont été prises : l'une à la suite d'une visite de huit programmes (dont deux nouveaux) dans un établissement et l'autre à la suite d'un avis de changement important visant trois programmes dans un établissement.
- Le plan de travail 2022 du Comité des politiques et des procédures (P&P) a été approuvé; il comprend l'élaboration de matériel de formation pour les membres des équipes de visiteurs, tel que recommandé dans le Rapport sur la responsabilité en matière d'agrément 2021.
- Le mandat révisé du Comité P&P a été proposé. Les membres du BCAPG ont fourni des commentaires qui seront pris en compte par le groupe de travail. Le Bureau d'agrément examinera une proposition révisée lors d'une réunion spéciale au printemps.

Le Comité P&P s'est réuni jusqu'à présent deux fois cette année. Il a examiné et validé les priorités de son plan de travail pour 2022, et s'attachera à donner suite à certaines des recommandations concernant la formation qui

ont été présentées dans le premier [Rapport sur la responsabilité en matière d'agrément](#). Le comité a poursuivi l'examen d'autres méthodes possibles de mesure des intrants pour le système d'agrément (actuellement l'unité d'agrément [UA] est la mesure utilisée).

Le Groupe de travail sur le mandat du Comité P&P s'est réuni pour examiner les commentaires formulés par le Bureau d'agrément lors de sa réunion de février. Le groupe de travail a entrepris de réviser le mandat du Comité P&P en réponse à un avis du Groupe de travail sur les nominations, qui recommandait qu'on examine les exigences en matière de composition et de représentation, la transparence du processus de sélection des membres, ainsi que les pouvoirs et la responsabilité de ce comité. Le Bureau d'agrément a suggéré que les sections portant sur les procédures de vote et les lignes de communication entre le Comité P&P et le BCAPG devaient être améliorées.

Bureau des conditions d'admission

Fin janvier, le Bureau des conditions d'admission (BCCAG) a tenu sa 117^e réunion, qui comprenait un atelier pour amorcer la révision du Guide sur la bonne moralité de 2013. Lors de la réunion, les prochaines étapes de plusieurs travaux ont été approuvées :

- L'ébauche du Guide sur l'équité pour les femmes dans les milieux de travail à l'intention des ingénieurs et des firmes d'ingénierie a été approuvée en vue d'être soumise à la consultation des organismes de réglementation et des parties prenantes.
- L'Orientation générale pour un guide sur la consultation et la mobilisation des Autochtones à l'intention des ingénieurs et des firmes d'ingénierie a été approuvée pour consultation auprès des organismes de réglementation.
- Le nouveau programme d'examens de génie aérospatial/aéronautique a été

- approuvé et sera publié dans le site d'Ingénieurs Canada.
- La version révisée du programme d'examens de génie des matériaux a été approuvée et sera publiée dans le site d'Ingénieurs Canada.

Soulignons que les membres ont discuté de la meilleure façon de répondre aux préoccupations exprimées par PEO lors des consultations sur le nombre variable d'examens obligatoires. Bien que les programmes d'examens ne constituent pas une norme et qu'ils puissent être adaptés aux besoins des organismes de réglementation, le Comité des programmes d'examens du BCCAG a accepté d'examiner de plus près la question de l'équité des programmes d'examens. Les organismes de réglementation seront consultés sur tout changement recommandé à ce chapitre.

À la suite de cette réunion, le BCAPG a ouvert deux consultations auprès des organismes de réglementation :

- Ébauche du Guide sur l'équité pour les femmes dans les milieux de travail à l'intention des ingénieurs et des firmes d'ingénierie (commentaires à soumettre d'ici le 1^{er} avril)
- Orientation générale d'un guide sur la consultation et la mobilisation des Autochtones à l'intention des ingénieurs et des firmes d'ingénierie (commentaires à soumettre d'ici le 11 mars)

Les questions et les commentaires au sujet des deux documents du BCCAG peuvent être adressés à Ryan Melsom, gestionnaire, Compétences professionnelles et secrétaire du BCCAG, à ryan.melsom@engineerscanada.ca.

Équité, diversité et inclusion

Lors de la réunion mensuelle de notre Réseau pour la décolonisation et l'autochtonisation de la formation en génie (RDAFG) des

présentations sur deux des programmes d'accès qui connaissent le plus de succès ont été données. Melanie Howard, directrice du programme *Indigenous Futures in Engineering* à la Faculté de génie et des sciences appliquées de l'Université Queen's, et Randy Herrmann, directeur du programme *Engineering Access* de l'Université du Manitoba, ont décrit leur programme respectif et répondu aux questions des membres. Cette réunion a été enregistrée et sera publiée sur YouTube pour visionnement futur.

Le Comité consultatif autochtone (CCA) a tenu sa première réunion de 2022. Présidé par Nicole MacDonald, ingénieure stagiaire, le CCA a passé en revue ses réalisations de 2021 et ses tâches pour 2022, et a donné son avis sur la proposition de nommer une nouvelle salle de réunion aux bureaux d'Ingénieurs Canada dans un esprit de vérité et de réconciliation.

Ingénieurs Canada a rencontré l'équipe de recherche de l'Université de Toronto qui travaille à une étude financée par le Conseil de recherches en sciences humaines du Canada (CRSH) portant sur les cheminements de carrière en génie. La recherche se concentre sur les expériences d'iniquité en milieu de travail des diplômés canadiens en génie, notamment les schémas de mobilité et la nature des environnements de travail.

En l'honneur du Mois de l'histoire des Noirs, Ingénieurs Canada a participé à la causerie de Black Engineers of Canada (BEC) en compagnie d'organismes de réglementation du génie dans le cadre d'une collaboration pour cette occasion. La séance, qu'a animée Ingénieurs Canada, comprenait les panélistes suivants : Brian Pearse, président de l'APEGA; Carol Park, présidente d'EGBC; Darrin McLean, président d'Engineers Nova Scotia; Kirsten Hogan, présidente d'Engineers Yukon et Christian Bellini, président de PEO. La discussion a surtout porté sur l'attribution du permis, l'exercice professionnel, et l'équité, la diversité et l'inclusion au sein de la profession.

Une DP visant la mise à jour du guide sur les congés parentaux pour les ingénieurs et les géoscientifiques a été publiée. Voir l'information à ce sujet [ici](#).

Ingénieurs Canada a participé à une baladodiffusion organisée par la société Women in Engineering (WiE) de l'Université Concordia sur le thème de 30 en 30.

Rayonnement

À l'occasion du Mois national du génie (MNG), qui vient de commencer, Ingénieurs Canada a créé un calendrier national des événements qui s'y déroulent. Le lancement du MNG, le 1^{er} mars, porte sur l'avenir du permis d'exercice. Après ce coup d'envoi, le prochain événement auquel Ingénieurs Canada participera sera la Journée mondiale de l'ingénieur.e, le 4 mars, où nous organiserons une table ronde sur le rôle des ingénieurs dans la lutte contre les changements climatiques, et où l'ingénieure et sénatrice Rosa Galvez prononcera un mot de bienvenue en direct.

Ingénieurs Canada, en collaboration avec ses partenaires Engineers of Tomorrow et l'Institut universitaire de technologie de l'Ontario, a donné le coup d'envoi à l'Expérience Future City. Dans le cadre de cet événement, nous avons facilité une table ronde en direct (en anglais), composée d'ingénieurs et de scientifiques spécialisés en exploration spatiale. Plus de 2 500 jeunes de partout au Canada participent au défi de cette année, qui consiste en la conception et la construction d'une ville lunaire. Une séance de questions-réponses en direct a aussi été organisée en français.

Ingénieurs Canada a participé à la Conférence annuelle sur la diversité en ingénierie (CDI) de la Fédération canadienne étudiante de génie (FCEG). La conférence a été organisée cette année par l'Université Memorial de Terre-Neuve et s'est tenue en mode virtuel. Notons qu'un membre du Bureau d'agrément y a fait

une présentation. La FCEG fait partie de nos partenaires stratégiques.

Enfin, Ingénieurs Canada a invité l'astronaute canadien Joshua Kutryk à participer à titre de conférencier principal à l'exposition de l'Expérience Future City qui aura lieu le 11 mai. Le programme Expérience Future City de cette année, qui compte 2 640 élèves participants partout au Canada, a commencé à jumeler 174 ingénieur.e.s et étudiant.e.s en génie qui agiront comme mentors bénévoles auprès de classes de huit provinces pour les aider à concevoir et à construire une ville lunaire.

Recherche réglementaire

Le 17 décembre, Ingénieurs Canada a publié la version définitive du document sur l'ingénierie des systèmes autonomes dans la zone membres de son site Web. Ce document décrit la pratique de l'ingénierie en ce qui a trait aux systèmes autonomes et fournit aux organismes de réglementation des informations et des conseils pour cerner l'ingénierie des systèmes autonomes et envisager la manière de la réglementer efficacement avec les outils et les ressources en place.

Ingénieurs Canada a amorcé les travaux avec CamProf Canada Inc. pour le soutien de notre exercice d'élaboration de vision en ce qui concerne la recherche réglementaire. Cet exercice de vision a pour objet de cerner de façon proactive les tendances et les changements susceptibles d'avoir un impact sur la profession d'ingénieur et sa réglementation et de se préparer aux changements et défis sans précédent qui attendent la profession. CamProf collaborera avec nous pour organiser trois ateliers au cours desquels des leaders d'opinion élaboreront des scénarios d'avenir qui cerneront ces tendances et ces changements, en fonction des thèmes définis lors du sondage ouvert de l'an dernier sur l'avenir du génie et de sa réglementation.

Base de données nationale sur les effectifs

Le document sur les exigences opérationnelles de la nouvelle Base de données nationale sur les effectifs (BDNE) a été finalisé lors d'une réunion avec les organismes de réglementation qui nous conseillent dans le cadre de ce projet. La BDNE est un outil utilisé par les organismes de réglementation pour faciliter l'octroi de permis aux ingénieurs déjà titulaires dans une autre zone de compétence canadienne. Le développement de l'outil est en bonne voie, et les derniers sprints de développement devraient se terminer le mois prochain.

Les préparatifs en vue des essais d'acceptation par les utilisateurs de la nouvelle BDNE ont commencé. Ces essais, menés par notre développeur Run Straight Solutions et un groupe consultatif d'utilisateurs des organismes de réglementation, permettront de confirmer si la nouvelle solution répond à tous les besoins et exigences et est prête à passer à l'étape de la production. Les essais commenceront sous peu, et le système devrait être lancé en juin prochain.

Relations gouvernementales

Le premier ministre Justin Trudeau a dévoilé son nouveau cabinet de 38 membres, qui comprend notamment l'ingénieur Omar Alghabra, qui conserve le ministère des Transports. Vous trouverez d'autres informations sur ce nouveau cabinet dans notre [communiqué de presse](#). Nous avons adressé des lettres de félicitations aux membres du cabinet dont le portefeuille a un lien avec nos priorités politiques. Dans ces lettres, nous présentons nos principales priorités politiques et proposons une rencontre.

Les commentaires d'Ingénieurs Canada à l'intention de la Régie canadienne de l'énergie au sujet des modifications proposées au Règlement sur les pipelines terrestres (RPT) ont été soumis et publiés dans notre site public. Une version préliminaire de ce document a été transmise le 24 novembre dernier aux

organismes de réglementation, qui avaient jusqu'au 23 décembre pour la commenter. L'APEGA, l'AIGNB et Engineers Nova Scotia ont fourni des commentaires qui ont été intégrés dans le document.

Ingénieurs Canada a participé à une séance d'information virtuelle présentée par Environnement et Changement climatique Canada sur les modifications proposées du Règlement sur les effluents des systèmes d'assainissement des eaux usées.

Ingénieurs Canada a rencontré virtuellement le ministre fantôme de l'Infrastructure et des Collectivités du Parti conservateur, Andrew Scheer, cette rencontre faisant suite à une invitation de notre part. En effet, dans les lettres de félicitations que vous envoyons aux députés, nous décrivons les liens entre leur nouveau portefeuille et notre travail, notamment nos principales priorités politiques au moment où le Canada amorce une reprise dans la foulée de la pandémie, et nous les invitons à nous rencontrer.

Ingénieurs Canada a par ailleurs rencontré des représentants d'Infrastructure Canada pour discuter de leur Optique des changements climatiques. L'Optique des changements climatiques est une exigence applicable aux projets d'infrastructures qui comprend, notamment, une évaluation de la résilience aux changements climatiques. Cette évaluation est réalisée au moyen d'une approche de gestion des risques visant à prévoir et à prévenir les perturbations ou les incidences liées aux changements climatiques, à y résister, à s'y adapter et à s'en rétablir.

Ingénieurs Canada a aussi rencontré Jade Mallette, directrice des relations de travail pour le président du Conseil du Trésor, afin de discuter de l'attribution de permis aux ingénieurs du gouvernement fédéral.

La vice-première ministre et ministre des Finances, Chrystia Freeland, a déposé son

deuxième [énoncé économique de l'automne](#). Le document de 96 pages est divisé en deux grands thèmes : mettre un terme à la pandémie de COVID-19 et relancer une économie forte et inclusive. Il contient des éléments politiques modestes, comme des mesures de protection de la santé publique, des engagements à l'égard du bien-être des enfants des Premières Nations, le règlement continu des demandes d'indemnisation et un soutien en cas de pandémie pour les travailleurs, les soignants et les entreprises. Nous attendons avec intérêt le budget fédéral de 2022 et nous continuerons à collaborer avec le gouvernement fédéral pour veiller à ce que notre profession reste un interlocuteur précieux dans le contexte de l'élaboration et la mise en œuvre des initiatives fédérales.

génie. [Cliquez ici pour voir la vidéo et lire l'article](#).

Mobilité

Une fiche d'information multilingue a été publiée dans notre site Web Ingénieurs-ici.ca. Ce site offre un certain nombre de ressources et d'informations sur le travail d'ingénieur au Canada. Se familiariser avec le processus d'obtention d'un permis d'exercice peut s'avérer difficile, surtout pour ceux et celles qui cherchent des renseignements depuis l'étranger. La nouvelle fiche d'information, qui vise à aplanir cette difficulté, est offerte dans les langues suivantes : anglais, arabe, bengali, chinois simplifié, chinois traditionnel, espagnol, farsi, français, hindi, ourdou et tagalog.

Excellence Canada

Ingénieurs Canada a reçu l'agrément de niveau Or de la norme Excellence, innovation et mieux-être® d'Excellence Canada lors de l'événement annuel de remise des prix de l'organisme. Cette reconnaissance est l'aboutissement d'une progression de cinq ans et d'efforts concertés pour améliorer l'efficacité organisationnelle. Nous avons réalisé une vidéo pour immortaliser l'événement et publié un article dans Parlons

Briefing Note – Decision

C-546-2.8

ENGINEERS CANADA ANNUAL MEETING OF MEMBERS – DIRECTION FROM COUNCIL TO PEO'S MEMBER REPRESENTATIVE

Purpose: To provide direction to PEO's Member Representative regarding anticipated motions at the Engineers Canada Annual Meeting of Members on May 28, 2022.

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

1. That Council direct PEO's Member Representative at the 2022 Engineers Canada Annual Meeting of Members to support the approval of the Engineers Canada Bylaw amendment, as outlined in C-546-2.8, Appendix A and approved by the Engineers Canada Board on February 25, 2022.
2. That Council direct PEO's Member Representative at the 2022 Engineers Canada Annual Meeting of Members to support the approval of the 2024 Per Capita Assessment Fee reduction, as outlined in C-546-2.8, Appendix B and approved by the Engineers Canada Board on December 13, 2021.
3. That Council direct PEO's Member Representative to [vote in favour of or vote against or abstain on] the motion *"THAT the Engineers Canada Board of Directors be reduced in size to 16 members, in the manner proposed in the Governance Committee's May 2020 Report on Board Size, with the reduction taking effect by May 2025"* as outlined in C-546-2.8, Appendix C.
[NB Council also has the option of not directing the representative how to vote on a motion, in which case the representative would be free to vote or abstain based on the debate.]

Prepared by: Meg Feres, Supervisor, Council Operations

Moved by: Arjan Arenja, P.Eng.

1. Background

Bylaw Amendment Recommendation

At its February 25, 2022 meeting, the Engineers Canada Board voted in favour of recommending one item to the Members for their approval at the 2022 Annual Meeting of Members (AMM).

Members will be asked to vote on the following motion:

THAT section 1.1 of the Bylaw be amended as follows:

"Registrant" means an individual registered with a Member at December 31, with the exception of applicants, ~~and~~ students, and those registered solely as a geoscientist or geoscientist in training.

To see the material that the Engineers Canada Board considered in respect of this item, please see **Appendix A.**

Assessment Fee Recommendation

At its December 13, 2021 meeting, the Engineers Canada (EC) Board agreed to recommend to the Members that the **2024 Per Capita Assessment Fee would be reduced to \$8 per registrant**. As a result, this recommendation will be going to the EC's AMM for their approval on May 28, 2022.

To see the material that the Engineers Canada Board considered in respect of this item, please see **Appendix B**.

Board Size Recommendation

It is anticipated that at the May 28, 2022 EC AMM, Engineers Nova Scotia will seek to obtain Member support for the plan to reduce the size of the Engineers Canada Board from 23 directors to 16 directors over a three-year period, ending 2023, as presented in the EC Governance Committee's Report on Board Size from May 2020. For more information, please see **Appendix C** for the Briefing Note and the supporting material prepared by Engineers Nova Scotia.

Because the supporting material has only just been received, and because the issue is new to Council, Council is asked to decide whether to direct its representative to vote in favour, to oppose, or to abstain on this motion. Council also has the option of not directing the representative on how to vote on a motion, in which case the representative may vote based on the debate.

2. Need for PEO Action

PEO is a member organization of Engineers Canada. PEO's President is the Member representative at Engineers Canada and votes at the Engineers Canada AMM. The PEO representative should have direction from PEO Council as to how to vote. Engineers Canada has indicated that Members share information regarding the recommendations with their respective Councils so that PEO's member representative may receive instructions and be prepared to cast a vote on each matter at the 2022 AMM.

3. Proposed Action / Recommendation

To provide direction to PEO's Member Representative on upcoming votes on motions at the Engineers Canada Annual Meeting of Members on May 28, 2022.

4. Next Steps (if motion approved)

PEO's Member Representative will vote on at the Engineers Canada AMM on May 28, 2022 as per the directions approved by Council. If the Member Representative is not directed on one or more motions, they will vote based on the debate at the AMM.

5. Appendices

Appendix A – Briefing Note to Approve Amendment to Engineers Canada Bylaw (Excerpt from February 25, 2022 Agenda Book)

Appendix B – Briefing Note to Approve 2024 Per Capita Assessment Fee Reduction (Excerpt from December 13, 2021 Agenda Book)

Appendix C – Briefing Note to Approve Reduction in Board Size and associated Appendix 1 (For inclusion on the agenda for EC's May 28, 2022 AMM)

**BRIEFING NOTE:** For decision

Bylaw amendments		4.5
Purpose:	To approve amendments to the Engineers Canada Bylaw	
Link to the Strategic Plan / Purposes:	Board responsibility: Ensure the development and periodic review of Board policies	
Link to the Corporate Risk Profile:	Governance (strategic)	
Motion to consider:	<i>THAT the Board, on recommendation of the Governance Committee, recommend to the Members, for approval at the 2022 Annual Meeting of Members, the amendment to the definition of "Registrant" within Article 1.1 of the Bylaw.</i>	
Vote required to pass:	Two-thirds majority	
Transparency:	Open session	
Prepared by:	Evelyn Spence, General Counsel and Corporate Secretary	
Presented by:	Mike Wrinch, Chair of the Governance Committee	

Problem/issue definition

- Within Board Policy 6.8, *Governance Committee terms of reference*, the Governance Committee is tasked to "[r]eview and make recommendations on the currency and relevance of the Bylaws and Articles of Continuance."
- There have been no recent changes to the corporation's statement of purpose, restrictions on activities, classes of members or distribution of property so as to require any recommended updates to the Articles. It is, however, a good practice for corporations to regularly consider their Bylaws and determine whether they are correct and reflective of the corporation's practices.
- The existing definition of "Registrant," within Article 1.1 of the Bylaw, captures all "individuals registered with a Member at December 31, with the exception of applicants and students." The definition is important because it is used to determine the Per Capita Assessment Fee (PCAF) payable by each Member. The current definition's failure to exclude geoscientists and geoscientists in training is problematic, however, as it implies that, for those associations that regulate both engineers and geoscientists, they would be subject to pay a higher PCAF (since geoscientists are not expressly excluded from the count). That is not the intention of the provision, nor is it how Engineers Canada determines the number of Registrants for assessment purposes. Consequently, it makes sense that the definition be adjusted so that it can better reflect existing practice. At the same time, the revised definition must take into consideration that some registrants have two licenses: a P.Geo and P.Eng. As such, P.Geo.s who are also P.Eng.s should be included in the definition of "Registrants."

Proposed action/recommendation

- That the Board recommend to the Members the proposed amendment to the definition of "Registrant" within Article 1.1 of the Bylaw, for their approval at the AMM in May 2022.

Other options considered

- The Board could hold off recommending any changes to the Bylaw and wait to make improvements when more substantive changes are required.

Risks

- Operating under By-laws with errors or inconsistencies leads to confusion, inconsistent application of the rules, and in extreme cases, can invite legal challenges.

Financial implications

- The proposed Bylaw revision does not bring with it any financial implications, as Engineers Canada has always interpreted the definition in the way that it is now being proposed (i.e. by not including individuals registered only as geoscientists and geoscientists in training in the determination of the number of Registrants).

Benefits

- This presents an opportunity to correct an inconsistency/error that exists in the Bylaw.

Consultation

- The Governance Committee has considered the Bylaw amendment and agreed to bring it forward for Board approval. Furthermore, staff has consulted with the CEO of Geoscientists Canada to confirm that use of the term 'geoscientist' is broad enough to encompass all those licensed to practice all forms of geoscience, including geologists, geophysicists, environmental geoscientists, geochemists, etc.

Next steps

- If the Board passes the motion to recommend the Bylaw change to the Members, the proposed Bylaw amendment will be circulated to the Members (i.e. the Presidents, with copy to the Regulator CEOs) immediately following the Board meeting.
- Members will be asked to share the proposed Bylaw amendment with their respective Councils so that the presidents may receive instructions and be prepared to cast a vote at the 2022 Annual Meeting of Members, when the Members will be asked to approve the amendment. Thereafter, if approved, the revised Bylaw will take effect.

Attachments

- **Appendix 1:** Draft Bylaw, with proposed edits tracked into the document

ENGINEERS CANADA BYLAW

A Bylaw relating generally to the business and affairs of ENGINEERS CANADA

BE IT ENACTED as a Bylaw of Engineers Canada as follows:

1 INTERPRETATION**1.1 Definitions**

All terms contained herein and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or Regulations.

"Act" means the *Canada Not-For-Profit Corporations Act*, S.C. 2009, c.23, including Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time.

"Advisor" means a person appointed by Board policy to make recommendations and/or provide key information to the Board.

"Board" means the Board of Engineers Canada comprised of Directors and Advisors.

"Board members" means the Directors and Advisors elected or appointed in accordance with this Bylaw.

"Chief Executive Officers Group" means the group comprised of the chief staff officer of each of the Members.

"Major Capital Project" means a capital project with a value of more than 10% of the annual operating budget.

"Member" means a Member as further defined in Article 2.

"Per Capita Assessment" means the annual amount to be paid by each Member as determined by its number of Registrants, as further defined in Article 7.

"Registrant" means an individual registered with a Member at December 31, with the exception of applicants, and students, and those registered solely as a geoscientist or geoscientist in training.

"Secretary" is an office held by the Chief Executive Officer of Engineers Canada or such other person appointed by the Board.

"Special National Initiative" means any project or program which would require a special assessment of Members or an increase in Per Capita Assessment and any major capital project.

"Standards" means accreditation criteria.

"Strategic Plan" means the plan to achieve Engineers Canada's envisioned future.

"2/3-60% Majority" means a resolution passed by a minimum of two-thirds of the Members voting, who represent a minimum of sixty percent of represented Registrants.

1.2 Interpretation

In the interpretation of this Bylaw, words in the singular include the plural and *vice-versa*, words in one gender include both genders.

1.3 Language

Equal recognition shall be given to Canada's two official languages in the operation of Engineers Canada. In the event of any inconsistency between the English language text of a Bylaw or other document and the French language text of such Bylaw or other document, the English language text shall govern.

ENGINEERS CANADA BYLAW**2 MEMBERSHIP****2.1 Membership**

Each of the following shall be a Member until such time as its status as a Member is withdrawn or terminated as provided herein, namely:

- (a) Association of Professional Engineers and Geoscientists of Alberta (APEGA);
- (b) Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB);
- (c) Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS);
- (d) Association of Professional Engineers and Geoscientists of the Province of Manitoba (Engineers Geoscientists Manitoba);
- (e) Association of Professional Engineers of Nova Scotia (Engineers Nova Scotia);
- (f) Association of Professional Engineers of Ontario (PEO)
- (g) Association of Professional Engineers of Yukon (Engineers Yukon);
- (h) Northwest Territories Association of Professional Engineers and Geoscientists (NAPEG);
- (i) Ordre des ingénieurs du Québec (OIQ);
- (j) The Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL);
- (k) The Association of Professional Engineers and Geoscientists of the Province of British Columbia (Engineers and Geoscientists British Columbia);
- (l) The Association of Professional Engineers of the Province of Prince Edward Island (Engineers PEI); and
- (m) Other provincial or territorial entities established for the purpose of regulating the practice of engineering in any province or territory of Canada as may be approved by a 2/3-60% majority resolution of the Members.

2.2 Resignation of Membership

A Member may resign from membership by notice in writing to the Secretary not less than twelve (12) months prior to the next following Annual Meeting of Members.

2.3 Termination of Membership

- (1) Membership may be terminated if, at a special meeting of the Members called for such purpose, a resolution is passed terminating such membership, provided that the Member shall be granted the opportunity to be heard at such meeting.
- (2) Notwithstanding a resignation or termination of membership, a Member shall remain liable for payment of outstanding and due Per Capita Assessment up to and including the effective date of the resignation or termination.

3 MEETINGS OF THE MEMBERS**3.1 Notice of Meeting of Members**

- (1) Notice of the time and place of a Meeting of Members shall be given to each Member entitled to vote at the meeting and to each Director and the public accountant, if applicable, by telephonic, electronic, or other communication facility during a period of 21 to 35 days before the day on which the meeting is to be held. If a Member requests that the notice be given by non-electronic means, the notice will be sent by mail, courier, or personal delivery.
- (2) A special resolution of the Members is required to make any amendment to this Bylaw to change the manner of giving notice to Members entitled to vote at a Meeting of Members.

3.2 General and Special Meetings

Other meetings of the Members, whether special or general, may be convened at any time and place by order of the President or the President Elect or by the Board or on request by any Member.

ENGINEERS CANADA BYLAW**3.3 Error or Omission in Notice**

The non-receipt of any notice by any Member or Members shall not invalidate any resolution passed or any proceedings taken at any meeting of Members.

3.4 Votes to Govern at Members' Meetings

Each Member present at a meeting shall have the right to exercise one vote. This vote shall be exercised by the current Chair/President of a Member.

- (1) A Member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy.
- (2) All questions arising at a meeting of the Members shall require a resolution passed by at least a 2/3-60% Majority.
- (3) The Chair of any meeting of Members shall not have the right to vote thereat and, in case of an equality of votes the Chair of the meeting shall have no casting vote and such motion before the Members shall be deemed to be defeated.

3.5 Quorum

- (1) A quorum at any meeting of the Members shall be at least two-thirds of the total number of Members, representing at least sixty percent of the total number of Registrants.
- (2) If a quorum is present at the opening of any meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

3.6 Electronic Voting

Meetings of Members may be held entirely by means of a telephonic, electronic or other communication facility.

3.7 Chair

Meetings of the Members shall be chaired by the President of Engineers Canada or a person chosen by the Members.

4 DIRECTORS AND ADVISORS**4.1 Nomination of Directors**

- (1) Each Member shall deliver a list of nominees, who are engineers in good standing, to the Secretary for consideration at the Annual Meeting of Members.
- (2) Only individuals nominated in accordance with this nominations policy are eligible to be a Director.

4.2 Composition and Election of Directors

- (a) The number of Directors shall not exceed twenty three (23).
- (b) Directors shall be elected on the basis of nominations received as follows:
 - Four (4) from the Association of Professional Engineers and Geoscientists of Alberta (APEGA);
 - One (1) from the Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB);
 - One (1) from the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS);
 - One (1) from the Association of Professional Engineers and Geoscientists of the Province of Manitoba (Engineers Geoscientists Manitoba);
 - One (1) from the Association of Professional Engineers of Nova Scotia (Engineers Nova Scotia);
 - Five (5) from the Association of Professional Engineers of Ontario (PEO);

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One (1) from the Association of Professional Engineers of Yukon (Engineers Yukon);
 One (1) from the Northwest Territories Association of Professional Engineers and Geoscientists (NAPEG);
 Four (4) from l'Ordre des ingénieurs du Québec (OIQ);
 One (1) from the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL);
 Two (2) from the Association of Professional Engineers and Geoscientists of British Columbia (Engineers and Geoscientists British Columbia);
 One (1) from the Association of Professional Engineers of the Province of Prince Edward Island (Engineers PEI).

4.3 Advisors

- (1) The Board may establish policy to appoint persons as Advisors.
- (2) Advisors shall, upon invitation by the Board, be entitled to attend and participate in discussions at meetings of the Board, in whole or in part (as determined by the Board), but shall not have the right to vote thereat.
- (3) Advisors may perform such other duties as shall from time to time be requested by the Board.

4.4 Remuneration and Expenses

- (1) Board members shall serve without remuneration.
- (2) Board members shall not receive any financial gain by virtue of serving as a Board member.
- (3) Board members may be reimbursed for reasonable expenses incurred in the performance of duties.

4.5 Filling Vacancies

A vacancy occurring in the Board shall be filled by the Members from a list of nominees from the Member that nominated the Director who has left the Board and the Director appointed to fill the vacancy shall hold office for the remainder of the term of the Director who left the Board.

4.6 Term Limits

- (1) Directors shall be elected to the Board for a term of three (3) years.
- (2) No Director may be elected to the Board for more than two (2) terms, or a lifetime maximum of six (6) years.
- (3) The foregoing term limits shall not apply to a Director who is elected or confirmed, as applicable, to hold office as President-Elect, President, or Past President prior to the expiration of their second term, in which case they may continue on the Board until they have finished serving as Past President.
- (4) The Members shall have the authority to extend a Director's term beyond those described above, in extenuating circumstances, in order to ensure effective governance.

5 MEETINGS OF THE BOARD**5.1 Number of meetings**

The Board shall hold at least one meeting per fiscal year and as many additional meetings as are deemed necessary, for the purpose of transacting the business of Engineers Canada.

5.2 Notice

The President, the President-Elect, or any five (5) Directors may at any time convene a meeting of the Board.

ENGINEERS CANADA BYLAW**5.3 Open meetings**

- (1) Except as provided for in this section, all meetings shall be open to the Members, Advisors, and invited observers.
- (2) A meeting or part of a meeting may be closed to the Members, Advisors, or invited observers by the Chair of the meeting at his or her discretion if the subject matter being considered concerns:
 - (a) the security of Engineers Canada;
 - (b) personal matters about an identifiable individual;
 - (c) the proposed or pending acquisition of assets by Engineers Canada;
 - (d) litigation or potential litigation;
 - (e) the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and
 - (f) any other matter which the Board determines.

5.4 Quorum

- (1) At any meeting of the Board, a majority of the total number of Directors shall constitute a quorum. Provided a quorum is present at the beginning of a meeting, the meeting may continue or adjourn even though Directors leaving reduce the number to less than a quorum.
- (2) Directors who have declared a conflict of interest on a particular question shall be counted in determining a quorum. Notwithstanding any vacancy among the Directors, a quorum of the Board may exercise all the powers of the Board.

5.5 Voting

- (1) Each Director shall have one vote at meetings of the Board.
- (2) Any question arising at a meeting of the Board shall be decided in accordance with *Robert's Rules of Order*, unless otherwise provided in this Bylaw.

5.6 Absentee Directors

If a Director is absent from a meeting of the Board, the Member that nominated that Director may send an observer. Such observer may participate in discussions.

5.7 Approvals Requiring Two-thirds Majority

A Board resolution passed by a majority of not less than two-thirds of the votes cast on that resolution is required to make a decision in respect of the following matters:

- (a) Board Recommendations required in section 5.8;
- (b) Approval of the Budget or any amendments thereto;
- (c) Adoption, amendment, or repeal of any Board policies or procedures;
- (d) Adoption, amendment, or repeal of Standards; and
- (e) Board decisions in respect of any litigious or potentially litigious matters that may endanger the organization's public image, credibility, or its ability to fulfill the purposes.

5.8 Board Recommendations

The Board shall submit recommendations to the Members on the following matters, by a vote passed by a majority of not less than two-thirds of the votes cast, provided that no decision in respect thereof shall have any force or effect until approved by the Members in accordance with section 3.4 of this Bylaw:

- (a) Approval of the Strategic Plan;
- (b) The amount of the Per Capita Assessment;
- (c) Approval of Special National Initiatives; and

ENGINEERS CANADA BYLAW

- (d) Amendment or repeal of the Articles of Continuance (which includes changes to Engineers Canada's name and purposes) or Bylaw.

5.9 Minutes of Meetings

The minutes of all meetings of the Board shall be sent to all Board members and to all Members.

6 OFFICERS

- 6.1 The officers shall be the President, the President-Elect, the Past President, the Chief Executive Officer, the Secretary and such other officers as the Board may from time to time by resolution determine.
- 6.2 Any officer may be removed at any time by a two-thirds majority resolution of the Board.

7 PER CAPITA ASSESSMENT

- 7.1 Prior to January 31st of each year, each Member shall report the number of Registrants in its association.
- 7.2 No later than January 1st of each year, the Board shall recommend to the Members the amount of the Per Capita Assessment that will be in effect on the second following January 1st. The Members will consider the recommendation and finalize the amount of the Per Capita Assessment no later than July 1st of each year with the decision by the Members to take effect on the second following January 1st (18 months notice).
- 7.3 Each Member shall pay to Engineers Canada the Member-approved Per Capita Assessment per Registrant within two months of receipt of invoice for same or pursuant to payment schedule reflective of the Member's registrant payment schedule.
- 7.4 In the event that the Members are unable to finalize the amount of the Per Capita Assessment by July 1st, the Per Capita Assessment last determined by the Members shall remain in effect.

8 AUDITOR

- 8.1 The Members shall appoint a chartered professional accountant (CPA) licensed to practise public accounting in Ontario as auditor of Engineers Canada annually.
- 8.2 The auditor shall audit the accounts of Engineers Canada after the close of the fiscal year and make a report thereon, and on the financial statements of Engineers Canada, to the Members at the Annual Meeting of Members.

9 FISCAL YEAR

- 9.1 The financial year of Engineers Canada shall be the calendar year.

10 RULES OF ORDER

- 10.1 In all cases for which no specific provision is prescribed by law or made in the Bylaw, the rules and practice of the latest edition of *Robert's Rules of Order* shall govern as far as applicable, provided that no action shall be invalid by reason only of a failure to adhere to such rules.

11 AMENDMENT OF BYLAW

- 11.1 A proposal for the amendment or repeal of the Bylaw may be put forward by a Member.



BRIEFING NOTE: For decision

2022 budget and 2024 Per Capita Assessment		4.1
Purpose:	To approve the 2022 budget and recommend the amount of the 2024 Per Capita Assessment Fee to the Members	
Link to the Strategic Plan/Purposes:	Board responsibility 1: Hold itself and its Direct Reports accountable Board responsibility 3: Provide ongoing and appropriate strategic direction	
Link to the Corporate Risk Profile:	Financial compliance (operational risk) Long-term financial viability (strategic risk)	
Motions to consider:	<ol style="list-style-type: none"> 1. <i>THAT the Board, on recommendation of the FAR Committee, approve the 2022 budget, including an operational budget of \$11.5M</i> 2. <i>THAT the Board, on recommendation of the FAR Committee, recommend to the Members that the 2024 Per Capita Assessment Fee be set to \$8.00 per registrant.</i> 	
Vote required to pass:	Two-thirds majority, as per articles 5.7 b) and 5.8 b) of the Bylaw	
Transparency:	Open session	
Prepared by:	Derek Menard, Director, Finance	
Presented by:	Nancy Hill, Director from Ontario, and Chair of the FAR Committee	

Problem/issue definition

- The Board is required to ensure that an annual budget is developed that outlines the resources required to enable the Strategic Plan.
- As per article 7 of the [Bylaw](#), the Board is also required, by January 2022, to recommend to the Members the amount of the Per Capita Assessment Fee (PCAF) that will be in effect as of January 2024. The PCAF is a key source of revenue required to support the operational work of Engineers Canada and sustain the unrestricted net assets.

Proposed action/recommendation

- Approve the proposed 2022 budget and authorize the use of reserve funds.
- Recommend the 2024 PCAF to the Members, for their review and approval at the 2022 annual meeting of Members (AMM).

Other options considered

- None.

Risks

- The budget must align with the priorities established by the Board and Members, and address Regulator needs.
- The PCAF must support ongoing operations while being adjusted so as not to allow the unrestricted net assets of Engineers Canada to grow unconstrained and risk losing status as a not-for-profit.

Financial implications

- The proposed 2022 budget is a deficit budget of \$2,888,418 with revenues of \$11.0 million and total expenses at \$13.9 million. \$2,422,102 of total spending relates to significant projects, which are to be funded by drawing down unrestricted net assets (reserves).
 - With significant projects excluded, the operating budget is in a \$466,310 deficit position.

- Revenues are to see an increase of \$4,480 compared to the 2021 budget.
- The 2022 operating expenses are \$11.5 million, a 4% increase from 2021 (operating expenses of \$11.06 million).
 - At the October 1 Board meeting, the Board considered the level of reserves and discussed areas of organizational resource constraint that could benefit from additional spending. Thereafter, the Board directed the CEO to deliver options for additional spending in 2022, in an effort to address these concerns. The operational budget being presented today includes the costs of bringing on additional resources in three key areas (as more fully described in appendix 3).
- The reduction in the 2024 PCAF is estimated to reduce revenue by \$674,000.

Benefits

- The approved budget will assist in guiding resource allocation and measurement in achieving the priorities as outlined in the 2022-2024 Strategic Plan.
- The proposed 2024 PCAF will maintain unrestricted net assets above their \$1M limit and support operational spending in 2024.

Consultation

- The budget was developed by staff and validated by the CEAB and CEQB chairs, and the senior leadership team at Engineers Canada.
- The FAR Committee has reviewed the final proposed 2022 budget.
- The recommended 2024 PCAF is based on projected revenue and expenses for 2022, 2023, and 2024. The FAR Committee has reviewed and approved this recommendation.
- Both the 2022 budget and the recommended 2024 PCAF were presented to the Board at the October 1, 2021 meeting. Directors have had the opportunity to consult with their councils and provide feedback since then.

Next steps (if motion approved)

- The CEO will report on financial status of the overall budget and the projects funded from reserves at the regularly scheduled Board meetings in 2022.
- Members will be immediately informed of the proposed 2024 PCAF and this item will be placed on the May 2022 AMM agenda for approval.

Appendices

- **Appendix 1:** Budget memo
- **Appendix 2:** Revenue and portfolio detail analysis sheets
- **Appendix 3:** Business cases for additional resources

Engineers Canada budget 2022

This budget is presented for approval by the Engineers Canada Board of Directors on December 13, 2021.

Highlights

- a) The 2022 budget includes \$11.0 million in revenue and \$13.9 million in expenses.
- b) Capital expenditures for 2022 are estimated to be \$247,108.
- c) The significant projects to be funded from reserves are in three (3) categories:

Strategic priorities:

Investigate and validate accreditation
Strengthen collaboration and harmonization
Accelerate 30 by 30
Foster trust and the value of licensure

2019-2021 strategic priorities (carried-forward):

Accreditation improvement program

Other projects:

Regulatory research foresight workshop
National membership database improvements
Mobility register improvement project

This results in total project-related spending of \$2,422,102 in 2022.

- d) Based on the projected revenues and expenses, it is proposed that the Board recommend to the Members that the 2024 Per Capita Assessment fee be reduced from \$10.21 to \$8.00 per registrant.

2022 Budget summary

The proposed 2022 budget has a deficit of \$2,888,418. Note that \$2,422,108 of total spending relates to significant projects, which are to be funded by drawing down on reserves. With significant projects excluded, the operating budget is in a \$466,310 deficit position.

Expenditures have two (2) main components: operating expenses and expenditures related to significant projects. The 2022 operating expenses are \$11.5 million, a 4% increase from 2021 operating expenses of \$11.06 million. The forecasted rate of inflation for 2022 is currently 3.1% to 3.4%. Additional details for the operating expenses are included in the portfolio detail analysis sheets (appendix 2).

Revenues are expected to see an increase of \$4,480 compared to the 2021 budget. A detailed breakdown is included in the portfolio detail analysis sheets (appendix 2).

Process and estimates

Engineers Canada's annual budget preparation begins with the determination of the specific initiatives that will be carried out in the upcoming year. These initiatives are developed by the senior leadership team to ensure alignment with strategic and operational priorities. Once initiatives have been approved, cost estimates are prepared and reviewed. Once the review by the senior leadership team is completed, a draft is then presented for review to the Finance, Audit, and Risk (FAR) Committee.

The following estimates and assumptions have been used in the development of the budget:

- Annual dues are calculated based on membership projections provided by Regulators.
- TD Insurance home and auto insurance program revenues are calculated using estimates provided directly by TD Insurance.
- As per our contract with TD Insurance, affinity revenue received from TD Insurance that would have gone to APEGA had they continued to be an eligible Regulator will be used by TD Insurance to market the home and auto insurance program in Alberta.
- The human resources (HR) budget (part of the Corporate Services portfolio) includes:
 - 50 full time employees (FTEs).
 - salary adjustments based on a salary band review for some employees, with others receiving a 2.7% cost of living increase.
- The capital budget is developed based on a review of the organization's infrastructure needs including physical facilities and IT.

2022 Budget

The 2022 budget has been structured to show the planned allocation of resources to each of the operational imperatives and strategic priorities as defined in the [Engineers Canada 2022-2024 Strategic Plan](#). Additional detail on planned spending per portfolio is provided in appendix 2.

Table 1 – 2022 Budget

Category	2022 Budget	2021 Budget	2022 Budget vs 2021 Budget \$	2022 Budget vs 2021 Budget %	Notes
Revenues:					
Revenue - Corporate services (Per Capita Assessment)	3,633,153	3,580,619	52,535	1%	1
Revenue - National programs (Affinity)	7,383,145	7,373,800	9,345	0%	
Revenue – Outreach	17,600	75,000	(57,400)	-77%	2
Total revenues:	11,033,898	11,029,419	4,480	0%	
Operating Expenses:					
Accreditation	390,094	324,888	(65,206)	-20%	3
Fostering working relationships	154,892	144,969	(9,923)	-7%	
Services and tools	154,120	110,450	(43,670)	-40%	4
National programs	853,989	871,488	17,499	2%	
Advocating to the federal government	92,859	94,754	1,895	2%	
Research and regulatory changes	29,450	110,000	80,550	73%	5
International mobility	99,580	191,720	92,140	48%	6
Promotion and outreach	403,800	459,633	55,833	12%	7
Diversity and inclusion	195,940	246,450	50,510	20%	8
Protect official marks	135,808	146,808	11,000	7%	
Secretariat services	1,189,304	1,213,763	24,458	2%	
Corporate services	7,800,371	7,146,058	(654,314)	-9%	9
Total Operating Expenses	11,500,208	11,060,981	(439,227)	-4%	
Operating Surplus/(Deficit)	(466,310)	(31,562)	(434,748)		
Projects Spending:					
2022-2024 Strategic Plan					
Investigate and validate the purpose and scope of accreditation	759,791	-	(759,791)	n/a	10
Strengthen collaboration and harmonization	127,840	-	(127,840)	n/a	10
Accelerate 30 by 30	218,496	-	(218,496)	n/a	10
Reinforce trust and the value of licensure	513,860	-	(513,860)	n/a	10
	1,619,987	-	(1,619,987)	n/a	
2019-2021 Strategic Plan					
SP1: Accreditation Improvement Program	374,971	649,596	274,625	42%	11
SP4: Competency-Based Assessment Project	-	164,082	164,082	100%	
	374,971	813,678	438,707	54%	

Other Projects					
Regulatory Research – Envisioning workshop	121,750	-	(121,750)	na	12
Space Program	-	12,900	12,900	100%	
IIDD Improvement Project	-	53,690	53,690	100%	
Nat'l Membership Database Improvements	155,400	371,450	216,050	58%	13
Mobility Register Improvement Project	150,000	-	(150,000)	na	14
	427,150	438,040	10,890	2%	
Total Project Spending	2,422,108	1,251,718	(1,170,390)	-94%	
Surplus/(Deficit)	(2,888,418)	(1,283,280)	(1,605,138)	125%	

Notes on 2022 budget vs 2021 budget

1. The \$52,535 increase is mainly due to an increase in anticipated investment income due to the growth of our portfolio, offset by a slight decrease in annual dues.
2. The decrease of \$57,400 in outreach revenue is due to changes in flow-through funding. Last year we had revenue for the Canadian Engineering Education Challenge (CEEC) National Coordinator Contribution of \$75K. This initiative ended in 2021 and was offset by securing a Future City grant of \$17.5K.
3. The 2022/2023 accreditation visit cycle includes 70 programs at 23 higher education institutions (HEIs). This is exceptionally high and is responsible for the increase in costs (Engineers Canada pays for all costs for accreditation visit teams).
4. The CEQB budget is driven by its work plan and the status of the items under development. 2022 costs are higher due to additional guidelines proposed for the 2022 work plan. See the portfolio detail analysis sheet (appendix 2) for more information.
5. In 2021, the first year for the regulatory research portfolio, the work was budgeted to be completed with consultants but was in fact done in-house. In 2022, a consultant with subject expertise in the emerging areas research topic will support this one paper. In addition, the regulatory research portfolio will support an envisioning workshop project in 2022, which will be funded from reserves (see note 12). The use of a consultant will enable in-house resources to focus more attention on executing the envisioning workshop.
6. In 2021 the costs for the international mobility portfolio included the costs for a monitoring team from Turkey, the UK, and Japan to travel to Canada and observe our accreditation process as part of the Washington Accord's review process. This review only occurs once every six (6) years. In addition, the 2021 budget included preliminary work on the mobility register enhancements. This cost has now been moved to the projects section.
7. The decrease in promotion and outreach is a result of a change in flow-through funding. Last year we had the Canadian Engineering Education Challenge (CEEC) National Coordinator Contribution of \$75K. This initiative ended in 2021 and was offset by securing a Future City grant of \$17.5K.
8. The 2022 budget has decreased from 2021 because: research was completed on truth and reconciliation in engineering education in 2021; spending on 4 Seasons licenses is reduced because fewer licenses will be needed in 2022; and there is a smaller budget needed for consultants in 2022 due to the completion of an equity, diversity, and inclusion (EDI) training webinar in 2022. In 2021, EDI training was provided for the Board, and the CEO and Presidents Groups; there is a decrease because the training is not being offered again in 2022. Board training on EDI in 2022 is included in the Board training budget instead of the diversity and inclusion budget.
9. The increase is due to adding 3 new FTEs as detailed in the business cases included in appendix 3, salary increases based on a salary band review or cost of living, a contracted rent increase for our office premise, offset by \$50K of funding included in the 2021 budget for the upgrade of the risk register (removed from the 2021 budget), and a reduction in anticipated Journey to Excellence costs as there is no verification visit in 2022.

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10. These items are new strategic priorities under the 2022-2024 Strategic Plan. The costs are in-line with the information presented to the Board in late 2020, and the budget for these items comes from reserves. See the portfolio detail analysis sheets (appendix 2) for more information.
11. The Accreditation Improvement Project was not completed in 2021 due to delays on the developer's side for the new Tandem tool, and disruptions caused by COVID-19 and the introduction of virtual visits for the 2021/2022 visit cycle. As a result, work and budget are carried forward to 2022. Overall project spending remains within budget.
12. The envisioning workshop is a one-time initiative to discuss and develop the potential futures of engineering regulation and the profession as input to the next Strategic Plan and the regulatory research portfolio. See the portfolio detail analysis sheets (appendix 2) for more information.
13. The National Membership Database Improvement Project will continue in 2022. In 2021 the project was delayed due to protracted contract negotiations. As a result, budget from 2021 has been brought forward to 2022.
14. The Mobility Register Improvement project is designed to improve the back-end operations and administration of Engineers Canada's mobility register – a requirement of our continued participation in the APEC Engineers Agreement (APEC-EA) and the International Professional Engineers Agreement (IPEA).

2022 Budget – Total expenses by operational imperative, including staff costs

The following table is provided for analysis purposes. It shows the proposed 2022 spending by operational imperative, including projects, and the staff costs included in the human resources cost element that forms part of the corporate services budget. For additional details on the expenses for each category in the table, refer to the portfolio detail analysis sheets (appendix 2).

Table 2 – 2022 Budget with staff allocations

Category	Expenses	Staff costs	Total	Allocation	Weight ¹	Notes
OI 1 - Accreditation	1,524,856	963,907	2,488,763	19%	4	2
OI 2 - Fostering working relationships	282,732	115,674	398,406	3%	3	
OI 3 - Services & tools	309,520	422,428	731,948	6%	3	3
OI 4 - National programs	172,679	390,006	562,685	4%	1	4
OI 5 - Advocating to the fed. gov't.	92,859	294,576	387,435	3%	2	
OI 6 - Research	151,200	112,979	264,179	2%	2	
OI 7 - Int'l mobility	249,580	301,566	551,146	4%	1	
OI 8 - Promoting the profession	900,060	377,197	1,277,257	10%	2	5
OI 9 - Diversity & inclusion	414,436	341,945	756,381	6%	4	6
OI 10 - Protect official marks	135,808	25,569	161,377	1%	1	
Secretariat services	1,189,304	308,544	1,497,848	11%		
Corporate services	1,716,433	2,429,547	4,145,980	31%		
Total:	7,139,469	6,083,938	13,223,407	100%		

Notes

- 1 Weight reflects the importance of the portfolio assigned by the Board. 4 is highest (most important) and 1 is lowest.
- 2 Includes accreditation business and Strategic Priority 1.1 (Investigate and Validate the Purpose and Scope of Accreditation).
- 3 Includes CEQB work, the National Membership Database.
- 4 Net expense with adjustment for related revenues of \$681,310.
- 5 Includes Strategic Priority 2.2 (Foster Trust and the Value of Licensure).
- 6 Net expense with adjustment for related revenues of \$17,600.

2022 Capital budget

Table 3 – Capital budget

Asset Type	2022 Budget	2021 Budget
Office furniture and equipment	\$101,595	\$15,000
Computer hardware	\$41,000	\$13,000
Leasehold improvements	\$104,513	\$31,500
Total:	\$247,108	\$59,500

In 2022, \$41K of the capital budget will be used to replenish computer hardware, based on our 4-year evergreen cycle. In addition, office furniture and equipment and leasehold costs of \$206K will be invested in creating three (3) new meeting rooms and upgrading the audio visual in all meeting rooms to enable a hybrid work environment.

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Status of reserves

Board policy 7.12, *Net Assets* requires that the total of all reserve funds must not become so large as to threaten the not-for-profit status of Engineers Canada, nor to give the Regulators reason to question whether member assessments are excessive. The Board's net asset structure further defines the categories of reserves and target levels.

Table 4 - Reserves

Year	Net Assets	Legal contingency reserve	Strategic priorities reserve	Contingency reserve	Invested in tangible capital and intangible assets	Unrestricted reserve	Total	Notes
2021	2021 Opening balance	1,500,000	2,000,000	2,500,000	407,737	9,363,333	15,771,070	1
	Additions to capital assets				59,500	(59,500)		
	Amortization of capital assets				(149,839)	149,839		
	Amortization of leasehold inducements				42,684	(42,684)		
	Projected 2021 surplus/(deficit)					3,697,851		
	Projected 2021 closing balance	1,500,000	2,000,000	2,500,000	360,082	13,108,839	19,468,921	
2022	Additions to capital assets				247,108	(247,108)		
	Amortization of capital assets				(184,505)	184,505		
	Amortization of leasehold inducements				42,684	(42,684)		
	Projected 2022 surplus/(deficit)					(2,888,418)		
	Projected Sub-total at end of 2022	1,500,000	2,000,000	2,500,000	465,369	10,115,134	16,580,503	3
	Potential increase to unrestricted reserves - TD affinity program (PEO)					2,593,294		2
	Projected 2022 closing balance (Incl. potential increase from TD affinity program)	1,500,000	2,000,000	2,500,000	465,369	12,708,428	19,173,797	4
2023	Additions to capital assets				100,000	(100,000)		
	Amortization of capital assets				(188,195)	188,195		
	Amortization of leasehold inducements				42,684	(42,684)		
	Projected 2023 surplus/(deficit)					(4,005,090)		
	Projected Sub-total at end of 2023	1,500,000	2,000,000	2,500,000	419,858	6,155,555	12,575,413	3
	Potential increase to unrestricted reserves - TD affinity program (PEO)					2,657,670		5
	Projected 2023 closing balance (Incl. potential increase from TD affinity program)	1,500,000	2,000,000	2,500,000	419,858	11,406,519	17,826,377	4

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Year	Net Assets	Legal contingency reserve	Strategic priorities reserve	Contingency reserve	Invested in tangible capital and intangible assets	Unrestricted reserve	Total	Notes
2024	Additions to capital assets				100,000	(100,000)		
	Amortization of capital assets				(191,959)	191,959		
	Amortization of leasehold inducements				42,684	(42,684)		
	Projected 2024 surplus/(deficit)					(3,778,053)		
	Projected Sub-total at end of 2024	1,500,000	2,000,000	2,500,000	370,583	2,426,778	8,797,360	3
	Potential increase to unrestricted reserves - TD affinity program (PEO)					2,727,649		5
	Projected 2024 closing balance (Incl. potential increase from TD affinity program)	1,500,000	2,000,000	2,500,000	370,583	10,405,391	16,775,973	4

Note 1 - Agreed to 2020 audited financial statements

Note 2 - See paragraph below for additional information

Note 3 - Amount excludes potential increase to unrestricted reserves: PEO TD affinity program (2022, 2023 and 2024)

Note 4 - Amount includes potential increase to unrestricted reserves: PEO TD affinity program (2022, 2023 and 2024)

Note 5 - Estimate based on forecast provided by TD

At the end of 2021, it is expected that total net assets will amount to \$19.5 million, with the unrestricted reserves at \$13.1 million. By the end of 2022, total net assets will decrease to \$19.2 million and unrestricted reserves will be at \$12.7 million dollars. These numbers assume that PEO continues to **not** participate in the TD Insurance affinity program.

Three-year projection: 2022 -2024

The following table shows projections on future revenues and expenditures for the years 2022-2024.

Table 5 – Three-year projection

Category	2022	2023	2024	Notes
Revenues:				
Revenue - Corporate services	3,633	3,653	3,673	1
Revenue - National programs	7,383	7,420	7,489	2
Revenue – Outreach	18	18	18	
Total revenues:	11,034	11,091	11,181	
Operating Expenses:				
Accreditation	390	342	348	3
Fostering working relationships	155	158	161	
Services and tools	154	136	137	4
National programs	854	871	888	
Advocating to the federal government	93	95	97	
Research and regulatory changes	29	10	10	
International mobility	100	102	104	
Promotion and outreach	404	412	420	
Diversity and inclusion	196	214	227	5
Protect official marks	136	139	141	
Secretariat services	1,189	1,189	1,212	
Corporate services	7,800	7,869	8,039	
Total Operating Expenses	11,500	11,534	11,785	
Operating Surplus/(Deficit)	(466)	(443)	(604)	
Projects Spending:				
2022-2024 Strategic Plan				
SP 1.1 Investigate and validate the purpose and scope of accreditation	760	546	553	6
SP 1.2 Strengthen collaboration and harmonization	128	52	-	6
SP 2.1 Accelerate 30 by 30	218	208	212	6
SP 2.2 Foster trust and the value of licensure	514	2,757	2,409	6
	1,620	3,562	3,174	
2019-2021 Strategic Plan				
Accreditation Improvement Program	375	-	-	
	375	-	-	

Category	2022	2023	2024	Notes
Other Projects				
Regulatory research foresight exercise	122	-	-	
National Membership Database Improvements	155	-	-	
Mobility Register improvement project	150	-	-	
	427	-	-	
Total Project Spending	2,422	3,562	3,174	
Surplus/(Deficit)	(2,888)	(4,005)	(3,778)	

Notes on projections

1. Annual dues show a slight increase supported by slight growth projected by some Regulators (overall 0.3%), coupled with slight increases in investment income.
2. TD affinity revenues are based on the 5-year projections provided by TD, which call for a 0.8%, and 1.3% increase in 2023 and 2024, respectively, for Engineers Canada's portion. Revenue projections do not include any funds that would come to Engineers Canada as a result of PEO not joining the TD affinity program.
3. Costs are foreseen to decrease in 2023 and 2024 due to lower volume of accreditation visits.
4. Costs are foreseen to decrease in 2023 and future years due to the timing of consultant fees for the CEQB products.
5. This budget is based on the current and planned ongoing work to support and promote equity, diversity, and inclusion in the profession, including sponsorships, training, and research. Costs are foreseen to increase due to increasing research and support for face-to-face meetings and conferences in 2023/2024.
6. These budgets are based on the current high-level planning for the strategic priorities and will be adjusted as the projects progress.

Assumptions

These projections assume Engineers Canada maintaining a similar scope of work and strategic direction from 2022 through 2024.

A 2% inflation rate was assumed in preparing projection of operating expenses.

2023-2024 projections are based on the 2022-2024 strategic priorities and currently available information.

Unless differently instructed by the Board, Engineers Canada commits to developing operating budgets that will increase no more than the projected rate of inflation for each upcoming year through the annual budgeting process.

Proposed 2024 Per Capita Assessment Fee

As per section 7 of the Engineers Canada [Bylaw](#), the Board must provide a proposal for the 2024 Per Capita Assessment Fee (PCAF). Projections for the 2025 and 2026 PCAF are also provided, as per Regulators' request. The proposed PCAF has been established with due consideration of expenses (operating, project, and strategic) and revenue. The following assumptions were made in the calculation of the proposed PCAF:

1. The revenue received from the PCAF is based on the estimates from Regulators up until 2024 and is increased 2% year-over-year for 2025-2026.
2. The revenue received from affinity programs is based on projections from the program providers.
3. It is assumed that PEO will **not** avail itself of the approximately \$2.6M in affinity revenue that is available to them in 2022. In future years, it is assumed that PEO **will** avail itself of the affinity revenue.
4. Operating expenses will increase at a rate of 2% per year.
5. Spending in 2025 and 2026 on the new strategic priorities is \$2.0M per year.

Table 6 – Projected Unrestricted Reserve Balances

The following table shows projected unrestricted reserve balances by year based on the above assumptions. Scenario 1 assumes a \$9.00 PCAF from 2024-2026, and scenario 2 assumes \$8.00 PCAF.

Scenario 1	
PCAF =	\$ 9.00
PEO revenue	to EC only in 2022

Scenario 2	
PCAF =	\$ 8.00
PEO in 2022	to EC only in 2022

Unrestricted Reserve Balances:

Year	Amount
2022	12,708,428
2023	8,748,849
2024	4,650,864
2025	1,686,846
2026	(1,313,947)

Year	Amount
2022	12,708,428
2023	8,748,849
2024	4,345,733
2025	1,070,481
2026	(2,247,769)

Scenario 1B and 2B, below, are for illustration purposes, and display the projected reserve balances if PEO does **not** avail itself of any TD affinity revenue from 2022-2026, and all monies accrue to Engineers Canada.

Scenario 1B	
PCAF =	\$ 9.00
PEO revenue	to EC all years

Scenario 2B	
PCAF =	\$ 8.00
PEO revenue	to EC all years

Unrestricted Reserve Balances:

Year	Amount
2022	12,708,428
2023	11,406,519
2024	10,036,183
2025	9,875,616
2026	9,760,149

Year	Amount
2022	12,708,428
2023	11,406,519
2024	9,731,052
2025	9,259,251
2026	8,826,327

Based on the above, it is recommended that the PCAF be reduced by \$2.21 to \$8.00. This will result in a reduction of revenues of \$674K in 2024. This revenue will be offset by drawing down the equivalent amount from the unrestricted reserves in 2024, and subsequent years where the PCAF remains at this level. The result is a balance for the unrestricted reserves of \$4.3 million at the end of 2024, above the Board-mandated minimum of \$1.0 million.

For 2025 and 2026, it is expected that the PCAF will remain at the same level, unless the affinity situation with PEO changes.

**BRIEFING NOTE: For decision by the Members**

Engineers Canada Board size		8
Purpose:	To obtain Member support for the plan to reduce the size of the Engineers Canada Board, as presented in the Governance Committee's Report on Board Size from May 2020.	
Motion(s) to consider:	<i>THAT the Engineers Canada Board of Directors be reduced in size to 16 members, in the manner proposed in the Governance Committee's May 2020 Report on Board Size, with the reduction taking effect by May 2025.</i>	
Vote required to pass:	2/3-60% majority (the motion must be supported by a minimum of two-thirds of the Members voting, who represent a minimum of sixty per cent of represented Registrants)	
Prepared by:	Pal Mann, P.Eng., CEO & Registrar, Engineers Nova Scotia	
Presented by:	Darrin McLean, FEC, MBA, P.Eng., President, Engineers Nova Scotia	

Problem/issue definition**Background**

- At the May 26, 2018 annual meeting of members (AMM), the Engineers Canada Members passed two motions directing the Board's activities regarding the scope of the Governance, Strategic Planning, and Consultation (GSPC) project, then entering its final Governance 2.0 phase. In particular, Motion 5665 asked that the project consider the issue of Board size. Also at that meeting, the Members restricted further growth of the Board, through a Bylaw change, until the Governance 2.0 issues were addressed to the satisfaction of the Members ("Motion 5666").
- The final report of the GSPC project did not address the issue of Board size, and so, at its meeting on October 4, 2019, the Board of Engineers Canada "tasked the Governance Committee to develop a plan for a reduction in Board size pursuant to the Meeting of Members Motions 5665 and 5666, to be presented for decision at the May 2020 Board meeting".
- In answer to the above direction, the Governance Committee brought forward its "Report on Board Size" (the "Board Size Report") at the May 22, 2020 Board meeting. At the same time, it put forward the following two motions:
 - THAT the Board report out to the Members for their consideration ("Motion 1")*
 - THAT the Board recommends the plan to reduce the size of the Board through attrition to the Members ("Motion 2")*
- At the May 2020 Board meeting, the Board voted in favour of Motion 1 – to release the Board Size Report to the Members, but defeated Motion 2 – to affirm the plan to reduce the size of the Board.
- As a result of the Board's decision with respect to Motion 1, on August 5, 2020, Engineers Canada distributed the Board Size Report to Members, for their information. From Engineers Canada staff perspective, there was no resulting obligation for the Members to do anything with this report.

Discussion

- Engineers Nova Scotia feels that the request from the Members stated in Motion 5665 to study the issue of Board size has not been closed appropriately, in keeping with Engineers Canada's guiding principles, nor has it been closed appropriately with respect to Motion 5666, which states that the issue must be resolved to the satisfaction of the Members. The Members have not had the opportunity to declare their satisfaction or dissatisfaction with the Board's actions.
- Based on how this issue has been managed through the Governance Committee to the Board and then to the Members, it appears that the relationship between the Board and the Members has strayed from the initial governance intent of the Federation. While Engineers Nova Scotia knows the Board is dedicated to the

responsible stewardship of Engineers Canada, the Members are still the owners of Engineers Canada. Though the Board has reported to the Members on the Governance Committee recommendations, Engineers Nova Scotia maintains that the Members should be the final decision-makers on such a fundamental issue.

- As stated in the Engineers Canada Board Policy Manual:
 - The Regulators are the owners of Engineers Canada, referred to as the Members in the Bylaws.
 - The Board of Directors governs on behalf of the Regulators, and oversees Engineers Canada operations.
- While the Board recorded that it had exercised due diligence and examined the matter fully, the Board did not adopt the Board Size Report (per Motion 2). The reasons for defeating Motion 2 were not explained to the Members in any formal correspondence. The minutes of the May 22, 2020 Board meeting simply state that the “Board has done the requested diligence and examined this issue in full.” The 2020 Annual Report has one line on page 26 under BR4: Ensure the development and periodic review of Board policies: “Brought forward a plan to reduce the size of the Board through attrition, which was defeated by a motion of the Board in May 2020.” The Governance Committee report on Board size in the Meeting Summary slide package (slide 15) simply states, “The Board approved a motion to provide the Governance Committee’s Report on Board Size to the Members for their consideration. A second motion to recommend a plan to the Members to reduce the size of the Board through attrition was defeated.”
- In the Engineers Canada Governance model, Board size is within the purview of the Members, as it is mandated through the Bylaw. The role of the Board, in respect of Motion 5665, should have been to provide an option for a reduced Board size and a plan to achieve that reduction, or in the interest of transparency and defensibility, justify why a change in Board size was not warranted.
- Though the Board defeated the motion to recommend the Governance Committee’s plan to reduce the size of the Board through attrition, no justification or rationale was provided, and Engineers Nova Scotia believes that it is the place of the Members, and not the Engineers Canada Board, to vote on the plan. Since it was the Members who passed a motion to review the Board size as part of the governance review, the Members must be the ones to officially close it.

Proposed action/recommendation

- That the Members be the ones to determine the size of the Engineers Canada Board, by voting to approve or defeat the plan that was proposed by the Governance Committee in May 2020, through the Board Size Report, to reduce the size of the Engineers Canada Board of Directors to 16 members over a three-year period.
 - In voting to approve the plan, it should be understood that the Board Size Report was drafted in 2020, and it contemplates a reduction from 23 directors to 16 Directors over a three-year period, ending 2023. If Engineers Nova Scotia’s motion is passed by the Members, the Governance Committee would need to review the attrition schedule, contained at the bottom of page 2 and page 3 of the Board Size Report, and propose a new schedule to reduce the size of the Board to 16, giving effect to the recommendations within the Board Size Report that no Directors would be required to resign an existing appointment.
 - If the Members vote to approve the plan, it is expected that all required reductions can be achieved within three years, by May 2025, as outlined in the Board Size Report.

Other options considered

- N/A

Risks

- Not responding to a direct request from the Members to consider the issue of Board size would demonstrate a lack of accountability to the Engineers Canada “owners” as well as incomplete communication between them. Both these issues would put the Board in contravention of two of its established responsibilities.

- A possible conflict of interest may exist in that the Board is making a final decision regarding its own size. This should be a Members' decision.

Financial implications

- As detailed in the Board Size Report, a Board of 16 directors could result in annual savings of approximately \$81,900 (2020 dollars, which assumed 5 in-person meetings) as compared to the current 23-Director Board.

Benefits

- Allowing Members to close the motion it raised (e.g. Motion 5665) respects the governance model and governance intent of Engineers Canada.
- The requirements of Motion 5666 are fully satisfied and the issue of Board size will be addressed to the satisfaction of Members.

Consultation

- This matter has been discussed in past Presidents' Group meetings, but there has not been a formal discussion to determine if the Members want this added as an agenda item at the AMM.

Next steps (if motion approved)

- If the Members approve the plan to reduce the size of the Engineers Canada Board to 16 Directors, the Governance Committee and in turn, the Board, would be required to plan and implement the reduction. Since Board size is expressly set out in the Engineers Canada Bylaw, this work would include recommending a revision to the Bylaw, for Members' approval.

Appendix

- **Appendix 1:** Briefing Note and Board Size Report, as reproduced from May 2020 Engineers Canada Board Meeting Agenda Package

BRIEFING NOTE: For decision

Governance Committee Report on Board Size		4.4
Purpose:	To receive the <i>Governance Committee's Report on Board Size</i> and decide on next steps	
Link to the strategic plan:	Board Responsibility 1: Hold itself, its directors and its direct reports accountable. Board responsibility 2: Sustain a process to engage with regulators through regular communication that facilitates input, evaluation, and feedback	
Motion(s) to consider:	It is recommended that the Board consider the following two motions separately:	
	1. <i>THAT the Board report out to the Members for their consideration.</i>	
Vote required to pass:	Simple majority	
	2. <i>THAT the Board recommends the plan to reduce the size of the Board through attrition to the Members.</i>	
Vote required to pass:	As per bylaw 5.7 "A Board resolution passed by a majority of not less than two-thirds of the votes cast on that resolution is required to make a decision in respect of the following matter: (a) Board recommendations required in Section 5.8"	
Transparency:	Open session	
Prepared by:	Stephanie Price, Executive Vice President Regulatory Affairs	
Presented by:	Jeff Holm, Director from British Columbia and Chair of the Governance committee	

Problem/issue definition

- At the May 26, 2018 Annual Meeting of Members, the Members passed two motions directing the Board's activities regarding the scope of the Governance, Strategic Planning, and Consultation (GSPC) project, then entering its final Governance 2.0 phase. In particular motion 5666 asked that the project consider the issue of Board size.
- At the same meeting, the Members also restricted further growth of the Board, through a bylaw change, until the issue of Board size was addressed to the satisfaction of the Members (Motion 5666).
- The final report of the GSPC project did not address the issue of Board size, and so, on October 4, 2019, the Board of Engineers Canada "tasked the Governance Committee to develop a plan for a reduction in Board size pursuant to the Meeting of Members motions 5665 and 5666, to be presented for decision at the May 2020 Board meeting".
- In response, the Governance Committee brings forward this report with a plan to reduce the number of directors on the Engineers Canada Board from 23 to 16 over a three-year period.

Proposed action/recommendation

- Approve the report and forward it to the Members.

- Note that the Board is not the body that will decide the number of directors. This is the purview of the Members, as it is mandated through the Bylaw. The role of the Board in this activity is to consider the issue of Board size, to provide an option for a reduced Board size, and to provide a plan to achieve that reduction.

Other options considered:

- The Governance Committee discussed a reduction to 12 directors, but rejected this option based on input received from the regulators in the fall of 2017.
- At that time, 10 regulators supported a board with 12 directors. However, both OIQ and PEO indicated that they could not support this option, and that their first preference was for the status quo of 23 directors. However, all regulators indicated that a board with 16 directors was an option that they would be willing to consider.

Risks

- Not responding to a direct request from the Members to consider the issue of Board size would demonstrate a lack of accountability to our owners as well as very poor communication with them. Both these issues would put the Board in contravention of two of its established responsibilities.

Financial implications

- As detailed in the report, a Board of 16 directors could result in annual savings of approximately \$81,900 as compared to the current 23-director Board.

Benefits

- Providing a report to the Members shows that we are responsive to their requests.

Consultation

- The Governance Committee relied on input from staff and other directors, as well as the results of the face-to-face fall 2017 consultation conducted as part of the GSPC project.

Next steps (if motions approved)

- Members will receive the report.
- Members will decide whether and or not to consider the issue of Board size through a bylaw revision.

Appendices

- Governance Committee report on Board size

Governance Committee report on Board size

Executive summary

On October 4, 2019, the Board of Engineers Canada “tasked the Governance Committee to develop a plan for a reduction in Board size pursuant to the Meeting of Members motions 5665 and 5666, to be presented for decision at the May 2020 Board meeting”.

In response, the Governance Committee brings forward this plan to reduce the Board of Engineers Canada from 23 to 16 Board members over a three-year period.

This document has been prepared by the Governance Committee for Board discussion and resolution.

Background

At the May 26, 2018 Annual Meeting of Members, the following motions were passed directing the Board regarding the scope of the Governance, Strategic Planning, and Consultation project, then entering its final Governance 2.0 phase:

Motion 5665: *THAT the Engineers Canada Board be directed to ensure future governance review and planning ('Governance 2.0') include review of Board and Committee governance, adoption of best practice, and mechanisms to improve the efficiency and performance of the Board and committees. Specifically, members ask that ('Governance 2.0') consultation and reporting make reference to Board and committee size, work plans and deliverables, membership, performance management, adoption of best practice in nominations (i.e. skills, experience & attributes matrix), independence, and diversity.*

Motion 5666: *THAT the Members restrict further growth to the Board of Engineers Canada until the work associated with Motion 1 is addressed to the satisfaction of the Members.*

In response to this motion, the scope of the project was expanded and the final Governance 2.0 report addressed all issues except board size. Details of how the issues were addressed are included in Appendix A. Board size is the one remaining issue to be addressed.

If the Board resolves to recommend a change in board size, the Members of Engineers Canada (the twelve engineering regulators) have the authority to change the Board size through amendment of Engineers Canada's Bylaw.

Introduction

In fall 2017, the Board consulted with regulators on the issue of board size. Although opinions were wide-ranging, most regulators indicated their preference for a smaller board restricted to a maximum size. At that time, 10 regulators supported a board with 12 directors. However, both OIQ and PEO indicated that they could not support this option, and that their first preference was for the status quo of 23 directors.

However, all regulators indicated that a board with 16 directors was an option that they would be willing to consider. The Governance Committee resolved to use this as the basis for this report. This report provides a plan to reduce the Board size from 23 directors to 16 directors over a three-year period, using attrition only, and analyzes the impacts of change.

Information regarding the history of the issue of Board size is included in Appendix C.

Proposed Board size

The Governance Committee is proposing that the Board consist of 16 members, based on one member for each regulator plus an additional board member for each regulator at a 15% of membership total interval step function. Based on the current composition of the members, the Board of Engineers Canada would consist as follows:

<u>For those regulators representing:</u>	<u>The number of directors is:</u>
Less than 15% of all licences reported to Engineers Canada:	1 director
15-30% of all licences reported to Engineers Canada:	2 directors
More than 30% of licences reported to Engineers Canada:	3 directors

The resulting Board composition is:

3 directors:	Ontario	= 3
2 directors:	Quebec and Alberta	= 4
1 director:	all other jurisdictions	= 9
		= 16 total directors

Details of the number of registrants for each regulator, and their percentage of the overall number of registrants is provided in Appendix B.

Schedule to reduce to 16 directors

For most regulators (eight out of twelve), the change to 16 directors will not impact the number of directors that they nominate. They will continue with “business as usual”. For four regulators, the following reductions will be required:

- Engineers & Geoscientists British Columbia will reduce from two to one
- APEGA will reduce from four to two
- OIQ will reduce from four to two
- PEO will reduce from five to three

The plan starts with the number of known directors as at May 2020. If the Board approves this plan on May 23, 2020 and then puts a motion before the Members in the following year, the actions could start as early as at the May 2021 meeting of Members, with all required reductions being achieved by May 2023. Under this plan, no directors will be required to resign an existing appointment. Note that if the intent to reduce the board size is resolved, the schedule to achieve the outcome can be adjusted moving forward.

This current proposal does not preclude a future decision by the Board or the Members to further adjust Board size.

Director	Term Ends	Term length at that date	Action at 2021 AMM	Action at 2022 AMM	Action at 2023 AMM	Result
EGBC1	2021	6 years	Extend for two years or appoint new for two years	None required	Do not renew or re-appoint	Position eliminated
EGBC2	2022	3 years	None required	Business as usual (renew or re-appoint)	None required	Single director continues
APEGA1	2020/2023	3/6 years	Business as usual (renew or re-appoint)	None required	Do not renew or re-appoint	Position eliminated
APEGA2	2020/2023	3/6 years	Business as usual (renew or re-appoint)	None required	Do not renew or re-appoint	Position eliminated
APEGA3	2021	5 years	Appoint new member to 2023	None required	Business as usual (renew or re-appoint)	One of two directors to continue
APEGA4	2022	3 years	None required	Business as usual (renew or re-appoint)	None required	One of two directors to continue
PEO1	2020	6 years	Business as usual (appoint new to 2023)	None required	Do not renew or re-appoint	Position eliminated
PEO2	2020/2023	3/6 years	Business as usual (renew or re-appoint)	None required	Do not renew or re-appoint	Position eliminated
PEO3	2021	3 years	Business as usual (renew or re-appoint to 2023)	None required	Business as usual (renew or re-appoint)	One of three directors to continue
PEO4	2022	3 years	None required	Business as usual (renew or re-appoint)	None required	One of three directors to continue
PEO5	2022	3 years	None required	Business as usual (renew or re-appoint)	None required	One of three directors to continue
OIQ1	2020	9 years	Business as usual (appoint new to 2023)	None required	Do not renew	Position eliminated
OIQ2	2020/2023	3/6 years	Business as usual (renew or re-appoint)	None required	Do not renew	Position eliminated
OIQ3	2021	3 years	None required	Business as usual (renew or re-appoint)	None required	One of two directors to continue
OIQ4	2022	6 years	None required	None required	Business as usual (renew or re-appoint)	One of two directors to continue

Impacts of a smaller Board size

Impact on workload

The Board has three permanent committees and three appointments, with membership set in their terms of reference. Most committees meet bi-monthly, with monthly meetings sometimes required.

Committee	# of Directors
Accreditation Board appointments	2
Finance, Audit, and Risk Committee	5
Governance Committee	3
Human Resources Committee	5
Qualifications Board appointments	2
30 by 30 Champion	1
TOTAL	17

This means that only a single director would be required to serve on more than one committee. This will not overwhelm any director. In addition, some directors are required to participate on more than one committee due to their position (e.g. past-president sits on the Human Resources and Governance committees). It is important to note, however, that all directors will be required to sit on committees, including those in their first-term on the Board.

Since the workload varies between committees, strategic appointments can be made such that any double-appointed directors do not have the higher workload assignments (currently identified as higher workload assignments: Accreditation Board, Qualifications Board, and Finance, Audit and Risk Committee).

Impact on Board effectiveness

“In regards to whether the composition of the board of directors determines the performance of the firm the research is neither conclusive nor definitive.”¹

According to Deloitte², board effectiveness is influenced by eight key areas:

1. Board composition – The board has the right balance of skills, knowledge, and experience to govern the company effectively.
2. Board engagement – The board engages with its internal and external stakeholders on a timely basis.
3. Governance structure – The board’s committee structure is clear and provides members with assurance to discharge their duties effectively.
4. Board agenda and forward plan – The board’s meeting agenda and forward plan ensures that members are focusing on the right areas at the right time.
5. Board reporting – The information received by board members is comprehensive, accurate, easy to understand, timely, and appropriate.
6. Board dynamics – Board members operate effectively as a team, striking the right balance between trust and challenge.
7. Chair’s leadership – The chair is an effective leader of the board.
8. Performance evaluation – The board members are continually improving as a group and as individuals.

¹ C. José García Martín & Begoña Herrero (2018) Boards of directors: composition and effects on the performance of the firm, *Economic Research-Ekonomska Istraživanja*, 31:1, 1015-1041, DOI: [10.1080/1331677X.2018.1436454](https://doi.org/10.1080/1331677X.2018.1436454). Retrieved from: <https://www.tandfonline.com/doi/full/10.1080/1331677X.2018.1436454?src=recsys&>

²² “Corporate Governance: Board effectiveness review” published in 2017. Retrieved from: <https://www2.deloitte.com/content/dam/Deloitte/ru/Documents/risk/corporate-governance-board-effectiveness-reviews.pdf>

While some of these issues are directly impacted by the number of directors and their provenance, others are indirectly related as well.

Board composition is largely out of the control of the directors, as it is the Members who nominate and appoint directors. The Board can only influence composition by tracking its skills, competencies, and qualities and submitting a desired profile to the Members for their consideration during the nomination process.

Board engagement with the regulators could be positively or negatively impacted by the number of directors from each region. When there is only one director, it is clear who holds the responsibility to engage the regulator. When there are several directors, there is the potential that more engagement with the regulator occurs, but this may be hindered by a lack of clarity of roles and responsibilities of each director.

Board dynamics could be either negatively or positively impacted by the number of directors. More voices may lead to a greater diversity of viewpoints and a better end-solution, or it could lead to disengagement of some directors while others dominate the conversation at the Board table.

Performance evaluation requires more resources (time and effort) the higher the number of directors who are assessed and who engage in improvement activities, as does the *chair's performance* since managing the deliberations of a larger group is harder than managing those of a smaller group.

Governance structure, board agenda, and board reporting are largely unaffected by board size.

According to a 2011 report from the Council for Healthcare Regulatory Excellence³ on board size and effectiveness, the most effective size for a board is between eight and 12 members. They posit that larger boards can lead to communication and co-ordination problems, causing effectiveness and performance to suffer. They suggest that a reduction in board size will help ensure boards provide effective strategic decision making and oversight.

Impact on decision making

Board dynamics are a key factor that directly relates to the ability of a board to make good decisions. Good decisions are made by a reasonable number of independent directors. Too many directors can obfuscate discussion and may lead to poorer decisions. The optimal board size should be balanced to result in representative, robust, and engaged discussion from all members in a reasonable time frame.

It is important to note, that our Board operates with meeting rules that stipulate that each director shall speak once before any speaks for a second time, and that no director shall speak more than twice. If a question is being considered along regional lines, it is clear that a region with more directors on the Board will have more opportunity to voice their opinion and potential influence the outcome of any vote.

³ Council for Healthcare Regulatory Excellence (UK) "Board size and effectiveness: advice to the Department of Health regarding health professional regulators", published September 2011. Retrieved on January 8, 2020 from https://www.professionalstandards.org.uk/docs/default-source/publications/advice-to-ministers/board-size-and-effectiveness-2011.pdf?sfvrsn=d1c77f20_12

Condorcet was an intellectual leader during the French revolution.⁴ In 1785 he published *Essay on the Application of Analysis to the Probability of Majority Decisions*, outlining political mechanisms that rationalized the drafting of laws for the public good. He offered an argument for the wisdom of the multitude, known today as the “Condorcet Jury Theorem”. According to the argument, a group of people make the best decision when the following 3 conditions are met:

1. Individuals are fully informed by rational and reliable information
2. Everyone votes independently of others
3. Everyone votes in the best interest of the organization and not strategically for special interests.

To summarize, best decisions are made by the largest number of independent voters. However, adding more non-independent voters (already committed) decreases the probability of the correct decision.

Impact on the fairness of regulator representation

Engineers Canada is an incorporated Canada Not for Profit Corporation. Under 154 (5) of the act, each member is entitled to one vote at a meeting of members. This is consistent with a federated cooperative model of governance for a nonprofit that provides for one member, one vote.

Engineers Canada’s Bylaw provides for representation based on the size of the regulator at meetings of Members, regardless of the Board size. Per Bylaw section 3.4 (2) all questions raised at meetings of Members require a 2/3-60% Majority. For a motion to pass, a minimum of two-thirds of the Members voting (each Member having one vote) must vote in favour and those voting in favour must represent a minimum of sixty percent of represented registrants in Canada. The reduction in board size will have no impact on the number of members or the number of votes each one holds, and proportional representation would remain intact at a meeting of Members, as designed in the Bylaw.

The Members have the authority to approve the strategic plan and major projects, to amend the Per Capita Assessment, and the Bylaw or the Articles of Continuance. In this way, representative voting continues to apply to our highest-priority items, regardless of Board size.

At a Board meeting, each director may cast one vote. These votes are not meant to be representative of regulators or registrants and rely on each director’s independent fiduciary responsibility to Engineers Canada. Most Board votes require a simple majority, but those involving recommendations to the Members; approval of the budget; adoption, amendment, or repeal of policies, procedures, or standards; or regarding litigious matters, must be supported by a majority of two-thirds of the directors voting.

If Engineers Canada was to employ a purely representative democracy model at the board level, the Members would elect directors based on the size of each regulator to present their interests proportionally. Member regulators vary greatly in size, with the largest regulator (PEO) 126 times larger than the smallest (PEI). This level of representation is not achievable for Engineers Canada at the Board level, so we employ a cooperative board, responsible for voting in the best interest of Engineers Canada.

⁴ Information gleaned from Wikipedia article “Condorcet’s jury theorem”. Retrieved October 2019 from: https://en.wikipedia.org/wiki/Condorcet%27s_jury_theorem

Impact on diversity of the Board

Good board governance develops a needs and skills matrix to inform the members as to the desired attributes. The desired attributes may include diversity in genders, age, ethnicity or other factors. However, as the Board consists of appointees' from the various member regulators, it may be difficult to achieve a truly diverse board.

Alternatively, a stakeholder board may be considered where positions are reserved for token members to try and reflect the desired diversity make-up. These types of boards are often large.

While it may be argued that it could harder to achieve the Board's diversity goals with a smaller number of directors, since the Board does not determine its membership, this is never a factor that the board can control. Diversity on our Board may be improved by educating the Members to seriously consider the Board's competency profile and requested attributes when making individual appointments. This applies regardless of the size of the Board.

Impact on costs

The Board holds five face-to-face meetings per year, from one to three days in duration. While the overall meeting costs (e.g. room rental, audio visual set-up etc.) would be unaffected by a smaller Board size, the travel costs would be. Assuming 7 fewer directors, \$1200 per flight, and \$200 per room per night, the expected savings are:

	Feb	May *	June *	Sept	Dec
Flights	\$1200	\$1200	\$1200	\$1200	\$1200
Nights in the hotel	3	4	3	2	2
Cost / night	\$200	\$200	\$200	\$200	\$200
Incidentals	\$100	\$100	\$100	\$100	\$100
Cost per meeting, per person	\$1900	\$3300	\$3100	\$1700	\$1700
Annual savings per director	\$ 11,700				
Total savings (7 directors)	\$81,900				

* the cost of flights for these two meetings includes both the director and their spouse

Conclusion

The Governance Committee recommends that the Board of Engineers Canada be reduced from 23 to 16 directors over a three-year period. If the Board agrees, a motion should be passed, recommending this action to the Members, along with the proposed schedule for reduction. The Members could be asked to consider this issue at a single-issue, special meeting of Members in late 2020, so that the 2021 nominations process for new directors could reflect the requirements in the proposed schedule.

Appendix A – Governance, Strategic Planning, and Consultation Project improvements

Members' motion 5665 directed to Board to "ensure future governance review and planning ('Governance 2.0') include review of Board and committee governance, adoption of best practice, and mechanisms to improve the efficiency and performance of the Board and committees.

Specifically, members ask that ('Governance 2.0') consultation and reporting make reference to Board and committee size, work plans and deliverables, membership, performance management, adoption of best practice in nominations (i.e. skills, experience & attributes matrix), independence, and diversity."

All items except Board size were addressed through the Governance, Strategic Planning, and Consultation project. The following table explains the changes made to address each issue raised in Members motion 5665.

Members motion 5665 issue	Improvement
Review of Board governance	New board policy manual – 80 new or revised policies
Review of committee governance	New committee structure reduced number of committees from 5 to 3 (not including AB and QB)
Adoption of best practice	Governance benchmarking report Governance 2.0 report used 11 sources
Mechanisms to improve efficiency of Board	Board annual agenda established. Authority of committees and required board approvals delineated in Governance 2.0 report and terms of reference.
Mechanisms to improve efficiency of committees	Committee deliverables and meeting dates established annual.
Mechanism to improve performance of Board	Speaking rules at board meetings Competency profiles established and used as basis for assessment of directors and of board as a whole.
Mechanisms to improve performance of committees	Smaller committee size, defined purpose, authority and work plans.
Board size	-
Committee size	Set based on minimum required to accomplish the work.
Board work plans and deliverables	Performance assessment reports for all strategic priorities (4) and operational imperatives (10) at every board meeting.
Committee work plans and deliverables	Work plans (based on Governance 2.0 report, Board Responsibilities in the Strategic Plan, committee terms of reference and recommendations of former committee) approved and reported on annually.
Board membership	N/A - determined by the Members. Annual request for nominees is based on assessment of current and required board competencies
Committee membership	Set based on required competencies (in terms of reference) and representation

Members motion 5665 issue	Improvement
Board performance management	Competency profiles established and used as basis for assessment of directors and of board as a whole. Governance effectiveness survey (for Members to provide feedback to the Board) to be conducted regularly.
Committee performance management	Assessment of committee chairs required (to be implemented) Performance against work plan tracked.
Adoption of best practice in nominations	Nominations are the responsibility of the Members. Annual request for nominees is based on assessment of current and required board competencies.
Independence	Nominations are the responsibility of the Members.
Diversity	Nominations are the responsibility of the Members. Board diversity policy 8.2 established

Appendix B - Calculation of regulator representation

Regulator	Registrants (2018)	
Engineers Geoscientists BC	31,233	10.3%
Engineers Yukon	1,061	0.4%
APEGA	65,190	21.5%
NAPEG	1,947	0.6%
APEGS	12,618	4.2%
Engineers Geoscientists MB	8,101	2.7%
PEO	98,866	32.6%
OIQ	65,533	21.6%
Engineers Geoscientists NB	5,742	1.9%
Engineers Nova Scotia	6,937	2.3%
Engineers PEI	787	0.3%
PEGNL	4,861	1.6%
TOTAL	302,876	

Note: Under current bylaw 3.4(2); all questions arising at a meeting of the Members shall require a resolution passed by the members present of at least a two-thirds of the total number of Members and representing at least sixty percent of the total number of Registrants.

Under Roberts Rules, this bylaw may be changed by the Members in 3 ways:

1. By a simple majority vote of the members present at a regular meeting where proper notice has been given,
2. By a 2/3 majority vote of members present at any called meeting,
3. By an absolute majority of the total members (8/12) at any called meeting with quorum.

3.4 Votes to govern at Members' meetings

Each Member present at a meeting shall have the right to exercise one vote. This vote shall be exercised by the current chair/president of a Member.

- (1) A Member may, by means of a written proxy, appoint a proxy holder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy.
- (2) All questions arising at a meeting of the Members shall require a resolution passed by at least a 2/3-60% Majority.
- (3) The chair of any meeting of Members shall not have the right to vote thereat and, in case of an equality of votes, the chair of the meeting shall have no casting vote and such motion before the Members shall be deemed to be defeated.

3.5 Quorum

- (1) A quorum at any meeting of the Members shall be at least two-thirds of the total number of Members, representing at least sixty percent of the total number of registrants.
- (2) If a quorum is present at the opening of any meeting of Members, the Members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

Appendix C – History of the Board size

The number of directors is currently determined based on the bylaw section 4.2, which was enacted in the summer of 2019 to restrict further growth of the Board.

Previously, from 2010 to 2019, the size of the Board was set with the following system:

- a) Each Member appoints at least one (1) Director to the Board.
- b) Every Member that has more than 20,000 registrants, may (but is not required to) appoint an additional director for every 20,000 of its additional registrants, as per the following.

Number of registrants of the Member as at December 31 st	Total number of directors that may be appointed by the Member
1 to 20,000	1
20,001 to 40,000	2
40,001 to 60,000	3
60,001 to 80,000	4
80,001 to 100,000	5

This system was put in place in 2010 as part of the Synergy Task Force. The resulting size is **23** directors.

During 2017, significant work was undertaken to address the issue of Board size, including consultation with all regulators. At the time, Ontario and Quebec were not supportive of a small Board size, while all other jurisdictions supported a Board of 12 directors, one per region. All regions agreed, however, that a board of 16 was a second choice that they could live with.

In May 2018, Engineers Nova Scotia brought a motion to the Meeting of Members to reduce the Board size to 12. The motion was defeated. In May 2019, the Members requested further work on Board and committee size. Committee size was addressed through the GSPC project work, and Board size is addressed in this report.

From 2002 to 2010, the Board was constituted in the following manner:

The number of Directors was fixed at **18**, to be reviewed every five years, consisting of:

- 1 from PEGNL
- 1 from Engineers Nova Scotia
- 1 from Engineers PEI
- 1 from Engineers and Geoscientists New Brunswick
- 3 from OIQ
- 3 from PEO
- 1 from Engineers and Geoscientists Manitoba
- 1 from APEGS
- 2 from APEGA
- 2 from Engineers and Geoscientists British Columbia
- 1 from Engineers Yukon
- 1 from the NAPEG

Prior to 2002, the Board was constituted in the following manner:

All Members contributing less than 10% of the Assessment shall have one (1) Director; all Members contributing 10% or more but less than 20% of the Assessment shall have two (2) Directors; all Members contributing 20% or more of the Assessment shall have three (3) Directors

Today, this would result in a board size of **19** directors.

To review the implementation of the 2010 Synergy Task Force recommendations, Past-President Jim Beckett wrote a report in May 2015 which included his observations, five years later. The report was presented to the Board, and it was noted that the results of this mandatory review of Synergy would “feed into the work of the Linkages Task Force and possibly recommendations to the Governance Committee”:

Composition of the Board of Directors

Recommendations of the Synergy Task Force

- In order to ensure full and fair representation as well as to maintain a direct connection it is recommended that each Constituent Association appoints one director and an additional director for every 20,000 assessed engineers.*

<i>1 to 20,000</i>	<i>1 director</i>
<i>20,001 to 40,000</i>	<i>2 directors</i>
<i>40,001 to 60,000</i>	<i>3 directors</i>
<i>60,001 to 80,000</i>	<i>4 directors</i>
<i>80,001 to 100,000</i>	<i>5 directors</i>

The number of Directors is determined according to the previous years’ assessment number and sets the Board composition for the coming Board year. For example the 2009/2010 Board composition according to the December 31st 2008 assessment number.

- This proposal would add 1 Director from Ontario and 1 Director from Alberta.*

Observation: *Originally, the proposal of the Task Force was to add an additional director for every 25,000 assessed engineers. However, this would have required APEGBC to reduce their representation from 2 directors down to 1. The proposal was modified to an additional director for every 20, 000 assessed engineers to eliminate this problem, however it added two new directors, and in the longer term will increase the size of the Board of Directors fairly quickly.*

The result of this recommendation is a current Board of Directors with 22 voting members for the 2014-2015 term. It is this author’s view that this size of Board (along with the observing members to be discussed later) is much too large for the business needs of Engineers Canada. During my terms as President-Elect, President, and Past-President, I have noticed that Directors easily and quickly become disengaged from discussions when so many directors offer their points of view. It also appears that most directors would prefer to participate in serving the interests of the Constituent

Associations and other stakeholders, rather than the ongoing monitoring of the Chief Executive Officer under the governance approach used by Engineers Canada.

For serving the interests of the Constituent Associations and other stakeholders of Engineers Canada, a large and inclusive Board would appear to be a very good solution. For the ongoing monitoring of the effectiveness of the Chief Executive Officer in implementing the Ends of Engineers Canada, a smaller board (of perhaps 7-8 directors) would appear to be optimum. Without some significant changes to the structure of the Board, these two very different objectives will be difficult to achieve.

One suggestion would be to restructure Engineers Canada to have a Board which is similar to the current Executive Committee. This Board would focus mainly on governance issues. A larger assembly, with perhaps 12-15 members (which would include the Executive Committee members) and several observers would focus on serving the interests of the Constituent Associations and other stakeholders.

Briefing Note – Decision

ENGINEERS CANADA – CANDIDATE FOR PRESIDENT-ELECT

Purpose: To consider extending the nomination of Nancy Hill, P.Eng., to serve as a Director from Ontario on the board of Engineers Canada beyond the expiration of her current term in May 2023, to enable her to seek election as Engineers Canada's President-Elect in 2022-23, which would make her President in 2023-24 and Past-President in 2024-25.

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

That Council agrees to re-nominate Nancy Hill, P.Eng., to serve a further two-year term as an Engineers Canada director from Ontario commencing at the 2023 Engineers Canada Annual Meeting of Members, conditional on her being chosen as President-Elect at the May 2022 EC Board Meeting held in conjunction with the EC AMM.

Prepared by: Dan Abrahams, LL.B., Vice-President Policy & Governance and Chief Legal Office

Moved by: Arjan Arenja, P.Eng., Chair, Governance and Nominating Committee

1. Need for PEO Action

- PEO is a Member of Engineers Canada. As such it nominates individuals to serve on the Board of Directors of Engineers Canada. Nancy Hill, P.Eng., who was President of PEO in 2019-20, is currently serving as an Ontario Director on the Engineers Canada board. Her term expires at the EC Annual Meeting of Members in 2023.
- As one of the larger engineering regulators and contributors to the budget of Engineers Canada, PEO derives value from having a member of PEO serve from time to time as EC's President.
- At the May 2022 Engineers Canada Board of Directors Meeting, held in conjunction with the Annual Meeting of Members, an election will be held for the position of President-Elect of Engineers Canada. Ms Hill has indicated that she is interested in seeking the position for 2022-23. In order for her to be eligible, she must also be an Engineers Canada Director and hence eligible to serve as Engineers Canada's President in 2023-24 and Past President in 2024-25.

2. Proposed Action / Recommendation

- It is proposed that Council agree that it will nominate Ms Hill for a further two-year term as one of Ontario's five Directors after her current term expires at the 2023 Engineers Canada AMM, conditional on her being selected as President-Elect at the May 2022 EC Board Meeting held in conjunction with the EC AMM. This commitment on Council's part will allow Ms Hill to stand as a candidate in the upcoming election for the position of President-Elect of Engineers Canada. It is a requirement for the position.
- A similar "extension" was given to former PEO Engineers Canada Directors Catherine Karakatsanis when she sought the position of President-Elect in 2011 and Chris Roney when he sought the position in 2015.
- If Ms Hill is successful in the election for President-Elect, this would ensure that Ontario will continue to play an important leadership at Engineers Canada for the next three years, in particular as EC moves forward with its own important strategic planning initiatives, many of which also have a bearing on the work of PEO.

3. Next Steps (if motion approved)

- If the motion is approved, Ms Hill will file her consent to stand for the position of President-Elect with the Chair of the Engineers Canada Nominating Committee.
- Ms Hill will stand for election to the position of President-Elect at the May 2022 Board Meeting of Engineers Canada held in conjunction with the Annual Members' Meeting.
 - If successful, she will serve the balance of her current term, and will be President-Elect, until 2023, and then will be deemed to be re-nominated by PEO to serve a further two years on the EC Board as an Ontario Director, serving as President, then Past-President.
 - If not successful, Ms Hill's term as Director will end at the 2023 AMM as scheduled, although she will still be eligible to seek re-nomination as an Ontario Director in the usual course.

Briefing Note – Decision

Guideline – *Pre-Start Health and Safety Review*

Purpose: Council approval of the listed guideline is required to authorize its publication.

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

That Council:

1. Approve the publication of the *Pre-Start Health and Safety Review* guideline as presented to the meeting at C-546-2.10; and
2. Direct the Registrar to publish the guideline and notify members and the public of its publication through usual PEO communications; and
3. Stand down the subcommittee which prepared the *Pre-Start Health and Safety Review* guideline.

Prepared by: José Vera, P. Eng. – *Manager Practice Advisory* and Sherin Khalil, P.Eng., *Practice Advisor*

Moved by: Lisa MacCumber, P.Eng., FEC., – *Chair of the Regulatory Policy and Legislation Committee (RPLC)*

1. Need for PEO Action

Professional Standards Committee (PSC) was instructed by Council to revise the existing Pre-Start Health and Safety Review guideline as per the following motion:

528th Meeting of Council – June 20-21, 2019

That the Professional Standards Committee is instructed to form a Pre-Start Health and Safety Review subcommittee to complete the work described in the Terms of Reference as presented to the meeting at C-528-2.9, Appendix A.

2. Proposed Action / Recommendation

- The PSC recommends that Council approve the *Pre-Start Health and Safety Review* (PSR) for publication, since it meets the objectives laid out its approved Terms of Reference (Appendix B).

3. Next Steps (if motion approved)

- Manager, Practice Advisory will collaborate with PEO Communications Department to prepare the draft document for publication as a PEO Guideline;
- Practice Article will be published in the PEO Engineering Dimensions and notices posted on the website to notify PEO members about the publication of this document; and
- The PSR subcommittee will be stood down.

4. Policy or Program contribution to the Strategic Plan

- *“Regulations, standards and guidelines are produced through an evidence-based, integrated and streamlined policymaking process.” (Strategic Plan 2015-2017).*
- *“PEO should engage fully with setting standards as well as with guidance.” (Action Plan 2019)*

5. Financial Impact on PEO Budgets (for five years)

	Operating	Capital	Explanation
Current to Year End	\$	\$	Funded from existing PSC budget
2 nd	\$	\$	Not Applicable, since the guideline should be published this year.

6. Peer Review & Process Followed

Process Followed	<p>Outline the Policy Development Process followed.</p> <ul style="list-style-type: none"> The draft document was posted on the PEO website for member and stakeholder consultation (June 21, 2021, until August 20, 2021). The following stakeholders were directly invited to the public consultation: <ul style="list-style-type: none"> ➤ Ontario Society of Professional Engineers (OSPE) ➤ Consulting Engineers of Ontario (CEO) ➤ Ministry of Labour (MoL) ➤ Association of Consulting Engineering Companies (ACEC) The draft document was revised where warranted based on recommendations received from members and stakeholders during consultation. The draft document was reviewed and approved by PSC (January 31, 2021). Draft document was reviewed by the Regulatory Policy and Legislation Committee (RPLC) (March 7, 2022).
Council Identified Review	Not applicable
Actual Motion Review	Not applicable

7. Appendices

- Appendix A – *Pre-Start Health and Safety Review* guideline
- Appendix B – Terms of Reference Subcommittee - *Pre-Start Health and Safety Review*
- Appendix C – Gaps in previous guideline from subject matter experts

Pre-Start Health and Safety Review Guideline

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Notice:

Notice: The Professional Standards Committee periodically reviewing guidelines to determine if the guideline is still viable and adequate. However, practice bulletins may be issued from time to time to clarify statements made herein or to add information useful to those engineers engaged in this area of practice.

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For Final Approval

1. PEO MANDATE AND CRITERIA FOR GUIDELINES

For more information on the purpose of practice guidelines, the guideline development and maintenance processes, including the Professional Engineers Ontario (PEO) standard form for proposing revisions to guidelines, please read our document:

<https://www.peo.on.ca/sites/default/files/2019-08/GUIDELINE%20DEVELOPMENT%20AND%20MAINTENANCE%20PROCESSES%20terms%20of%20reference.pdf>

To view a list of the PEO guidelines, please visit the Publications section of the PEO website:

<https://peo.on.ca/index.php/knowledge-centre/practice-advice-resources-and-guidelines/practice-guidelines>

2. PREFACE

In June 2019, the Professional Standards Committee (PSC) formed a subcommittee of engineers experienced with providing services in Pre-Start Health and Safety Review to revise the previous Guideline for Professional Engineers Providing Reports for Pre-Start Health and Safety Reviews, published in 2001.

They were tasked to investigate the current statutory, ethical, and professional aspects of providing Pre-Start Health and Safety Reviews services. The subcommittee was instructed to revise best practices for practitioners undertaking this work and prepare a guideline describing these best practices.

The subcommittee met for the first time on June 16, 2020 and submitted a completed draft of the revised guideline to the PSC for approval on xx.

At various stages of the development process, drafts of this guideline were distributed to a network of reviewers. These reviewers were a valuable source of additional comments and questions. Following consultations with practitioners, co-regulators, and other stakeholders, the final draft was approved by Council at its meeting on _____

Notes:

1. References in this guideline to the word “practitioners” refer to engineers and firms holding a Certificate of Authorization to offer and provide engineering services to the public as defined in the *Professional Engineers Act*, henceforth referred to as the *Act*.
2. References in this guideline to the word “engineers” apply equally to professional engineer licence holders, temporary licence holders, provisional licence holders and limited licence holders issued under the *Act*.
3. For the purposes of this guideline the term “public interest” refers to the safeguarding of life, health, property, economic interests, the public welfare and the environment for the benefit of the general public.

3. PURPOSE AND SCOPE OF GUIDELINE

The purpose of this guideline is to provide practitioners undertaking a “pre-start health and safety review” (PSR) with guidance on the level of diligence, methods, and reporting acceptable to Professional Engineers Ontario.

For the purposes of this guideline, PSR means the review, assessment, and production of a report as required by O. Reg. 528/00 amending Section 7 of the *Regulations for Industrial Establishments of the Ontario Occupational Health and Safety Act* (hereafter referred to as O. Reg. 851).

To determine when a PSR is required, refer to regulations and guidelines issued by the Ministry of Labour, Training and Skills Development (MLTSD).

Clients may request reviews by practitioners for purposes other than to fulfill the requirements for a PSR. It is prudent to ascertain the client’s needs. (Refer to Section 12 Cautionary Advice).

For the purposes of this guideline, the client is the person or entity who owns or controls the equipment or process to be reviewed and who is primarily responsible for its safe operation. The practitioner is the person who undertakes to do the review. The relationship between the client and the engineer can be one of a specific contract, e.g., the engineer is an outside consultant or one of employer and employee.

Throughout this Guideline, the term “should” implies a “best practice” recommendation for practitioners. The term “shall” implies that the applicable action is mandatory because it is supported by regulations.

4. INTRODUCTION

Section 7 of O. Reg. 851 of the *Occupational Health and Safety Act (OHSA)* requires that in certain circumstances, an owner, lessee, or employer obtain a written report signed and sealed by a practitioner containing:

- a) details of the measures to be taken for compliance with the relevant provisions listed in the Table of Section 7 of O. Reg. 851 (the Table);
- b) if testing is required before the apparatus or structure can be operated or used, or before the process can be used, details of measures to protect the health and safety of workers that are to be taken before the testing is carried out; and
- c) if item 3 or 7 of the Table applies, details of the structural adequacy of the apparatus or structure.

4.1 THE PSR REPORT

This will be referred to herein as the Report.

The purpose of the Report is to ensure that a timely professional review identifies non-compliance, including non-compliance associated with exposure to mechanical/structural hazards, explosive environments, chemicals, and other designated substances, in those specific circumstances identified in the Table.

A PSR is required:

- a) because a new apparatus, structure, or protective element is to be constructed, added or installed or a new process used, as identified in the Table; or
- b) because there is to be a modification to an existing apparatus, structure, protective element, or process, as identified in the Table.

The Report shall identify the items of non-compliance and indicate what measures are necessary to bring the apparatus, structure, protective element, or reviewed process into compliance with applicable sections referenced in Section 7 of O. Reg. 851. Where no items of non-compliance are identified in the course of the PSR, the report shall indicate that the apparatus, structure, protective element, or process complies with the applicable sections referenced in Section 7 of O. Reg. 851.

4.2 PSR APPLICABILITY

PSRs are mandatory only in factories that are provincially regulated. A factory is broadly defined in the OHSA but does not include federally regulated workplaces or workplaces such as mines or mining plants, construction sites, logging operations, health care facilities, or educational facilities. (See Section 12 Cautionary Advice).

To obtain more information on the OHSA and O. Reg. 851, contact the local district office of MLTSD.

5. ROLES AND RESPONSIBILITIES

5.1 PROFESSIONAL RESPONSIBILITY

5.1.1 RESPONSIBILITIES OF THE PRACTITIONER

Practitioners shall be familiar with the *Ontario Occupational Health and Safety Act* and applicable regulations (O. Reg. 851) prior to providing PSRs. Refer also to PEO's *Guideline to Professional Engineering Practice (2020)* and the MLTSD's Guidelines for Pre-Start Health and Safety Reviews: How to Apply Section 7 of the Industrial Establishments Regulation.

PSRs are intended to identify potential hazards to workers in a factory and identify remedial measures to control or remove these potential hazards before a new apparatus, structure, protective element or process (or modification to an existing apparatus, structure, protective element or process) is operated or used in that factory.

"Control or removal" means that measures are identified to provide that the sections referenced in Section 7 (and, where applicable, the standards or codes approved by the MLTSD) are met. The practitioner should understand that the requirements for PSRs are limited to the circumstances defined in the Table.

Practitioners are reminded of their obligations under Section 31(2) of the OHSA, which specifies that a practitioner, as defined in the *Professional Engineers Act*, will have contravened the OHSA if a worker is endangered as a result of the professional engineer's negligent or incompetent advice or assessment.

Practitioners should educate their clients on the following requirements:

- A PSR is a legislative requirement of the OHSA - Section 7 of the O. Reg. 851 and is separate and distinct from other inspections that may be required. Other inspections could include but are not limited to those provided by CSA, ESA, TSSA, etc.
- A PSR is not an approval process. The practitioner is not approving or certifying the equipment, structure, or process for safe use. The PSR is a report stating the condition of the equipment at the time of inspection, which would include a statement as to whether the equipment, structure, or process is or is not compliant with the applicable standards and regulations. The PSR process should result in an objective report based upon applicable standards and regulations. Practitioners are advised not to use the words "safe" or "unsafe" when writing reports, but to use "compliant" or "non-compliant".
- There is no requirement for the practitioner to return and verify that the non-compliances have been adequately mitigated (i.e., a "sign-off" letter). The OHSA is based on the internal responsibility system (IRS), whereby the client is responsible for the protection of their employees. To this end, it is required that the client implement appropriate measures to rectify the areas of non-compliance so that the equipment, structure, or process meets the applicable standards and regulations. The client must document what they have done to achieve compliance.
- PSRs are limited to the circumstances and applicable provisions listed in the Table in Section 7 of O. Reg. 851. Although there are many machines and processes that do not require a PSR, the employer is still obligated to meet all other sections of O. Reg. 851.
- Practitioners conducting the PSR cannot be responsible for any administrative controls implemented by the client. Although it is outside the scope of the PSR, recommendations may be made with regard to these items, but responsibility for the implementation of these would rest with the client. Administrative controls and procedures could include (but are not limited to); emergency planning, training, preventative maintenance, teaching or set-up requirements, procedures for material feeding, safe operating procedures, safe loading and unloading procedures, risk assessment, safe work practices, lockout, permit-to-work systems, supervisory control, personal protective equipment (PPE), housekeeping, warning signs, awareness barriers, ergonomics assessments, etc.
- While practitioners who undertake PSRs are responsible for identifying and addressing issues of non-compliance with the applicable sections of O. Reg. 851, practitioners do not bear responsibility for implementing the report recommendations.

5.1.2 RESPONSIBILITIES OF THE CLIENT

The client remains responsible for ensuring that all requirements of the Occupational Health and Safety Act and Regulations are complied with within the workplace. Even where a PSR is not required, or an exemption from the requirements of Section 7 applies, the client is responsible for ensuring that all persons are protected before operating any apparatus, structure, protective element, or process in the workplace.

The client is required to:

- 1) Provide the practitioner with all applicable documentation and drawings such as electrical, mechanical, hydraulic, and pneumatic;

- 2) Ensure the new or modified apparatus, structure, protective element, or process is not operated or used until a review has been conducted;
- 3) (a) Ensure all measures identified in the PSR required for compliance have been implemented; or
(b) if some or all of the measures specified in clause (a) are not taken, the client shall provide a written notice to the JHSC or the HSR, if any, of what measures have been taken to comply with the relevant provisions of O. Reg. 851 that are listed in the Table.
- 4) Keep all PSR reports and exemption documentation in a readily accessible location in the workplace; and
- 5) Ensure that all documentation is provided to the JHSC or the HSR for review before the apparatus, structure, protective element, or process is operated or used.

5.2 SCOPE OF WORK

Practitioners under *O. Reg. 851* should:

- submit in writing to the client their proposed PSR and hazard analysis programs for the work, as outlined in Appendix 1; and
- confirm in writing that the PSR has been carried out in accordance with the requirements of this guideline and Section 7 of *O. Reg. 851 on completion of a PSR*.

Practitioners performing a PSR where the client is their employer may find other formats varying from Appendix 1 more appropriate.

Items beyond the scope of the PSR include:

- The ongoing maintenance of an apparatus, structure, protective element, or process.
- A follow-up visit to confirm correction of deficiencies or operating compliance with the applicable section(s) of O. Reg. 851 (it may be arranged as an additional assignment, refer to Section 6.5 – Enhanced Practice).

5.3 LIABILITY

A practitioner providing services to the public, such as a PSR, shall be a holder of a *Certificate of Authorization* and shall either carry professional liability insurance as stipulated in *O. Reg. 941*, Section 74 or disclose in writing to the client that the holder is not insured.

An employee doing work within the employer's facilities does not need a Certificate of Authorization but may require professional liability insurance coverage to cover his or her personal liabilities for the work.

Section 53 of O. Reg. 941 exempts engineering documents solely used for internal purposes from being sealed. All PSR reports are required to be available for review by MLTSD inspectors. Therefore, these documents are not solely for internal purposes so all PSR reports except Circumstance 8 PSR reports are required to be sealed in compliance with the Use of Seal requirements in Section 53.

A practitioner, as an employee undertaking a PSR, shall be aware that Section 31(2) of the OHSA sets out the personal liability incurred by an engineer who gives advice and provides reports required under the Act. These liabilities include personal responsibilities that apply to the engineer whose seal and signature are found on the report or drawings and not to the company that employs that engineer.

5.4 COMPETENCY AND DISCLOSURE

The Pre-Start Health and Safety Review Report shall include:

- a) details of the measures to be taken for compliance with applicable provisions of OHSA,
- b) details of measures necessary to protect the health and safety of workers before any testing can be conducted,
- c) details of the structural adequacy of the structure if Item 3 (Racking) or 7 (Lifting devices) of Table 1 applies,
- d) the seal and signature of the practitioner conducting the PSR, (only Circumstance 8 allows for PSR to be provided by non-practitioners).

Significantly more could be included in a Report, and examples of content are outlined in Sections 6.4 and 6.5 in this guideline. For further guidance, refer to MLTSD's *Guidelines for Pre-Start Health and Safety Reviews*.

Practitioners are also reminded of their obligations under the professional engineer's Code of Ethics; specifically, that the practitioner shall always act with,

- knowledge of developments in the area of professional engineering relevant to any services that are undertaken, and
- competence in the performance of any professional engineering services that are undertaken.

The practitioner may consider providing the client with a CV or examples of recent projects (respecting confidentiality issues) which they have worked on to demonstrate their knowledge and competence with regards to the work to be undertaken.

5.5 CONFLICT OF INTEREST

O. Reg. 941/90 made under the *Professional Engineers Act* describes the circumstances that create a conflict of interest. Specifically, one aspect of professional misconduct is Conflict of Interest.

Section 72(2)(i) states, "*Professional Misconduct*" means, *failure to make prompt, voluntary and complete disclosure of an interest, direct or indirect, that might in any way be, or be construed as, prejudicial to the professional judgment of the practitioner in rendering service to the public, to an employer or to a client, and in particular, without limiting the generality of the foregoing, carrying out any of the following acts without making such a prior disclosure:*

1. *Accepting compensation in any form for a particular service from more than one party.*
2. *Submitting a tender or acting as a contractor in respect of work upon which the practitioner may be performing as a professional engineer.*
3. *Participating in the supply of material or equipment to be used by the employer or client of the practitioner.*
4. *Contracting in the practitioner's own right to perform professional engineering services for other than the practitioner's employer; or*
5. *Expressing opinions or making statements concerning matters within the practice of professional engineering of public interest where the opinions or statements are inspired or paid for by other interests."*

To know when disclosure is appropriate, a clear understanding of what causes a conflict of interest is needed. One example of a conflict of interest may be when a practitioner is involved with the selection of equipment but also completes the PSR review.

Conflicts of interest may not be obvious to the practitioner, so before engaging in the work it is important to complete a conflict check. The conflict check should include other stakeholders in the practitioner's firm to ensure it is thorough and complete.

The simplest and most effective way to deal with potential conflicts of interest is to be forthright and communicate with the appropriate parties about any circumstances that could reasonably lead those parties to question the practitioner's judgment.

For more information on the "Conflict of Interest," refer to the "*Professional Engineering Practice*" guideline.

5.6 DUTY TO REPORT

The Duty to Report is an essential component of the professional engineer's Code of Ethics and commitment to professionalism. Section 77(2)(i) of the *Professional Engineers Act* states, "*A practitioner shall regard the practitioner's duty to public welfare as paramount.*"

Practitioners may feel pressure to 'quickly' identify issues of non-compliance and unsafe situations in light of their 'duty to report' and protect the public. However, they should remember that the PSR process already obligates the client not to operate or use the new or modified apparatus, structure, protective element, or process until a review has been conducted and until all measures required for compliance have been taken or the Joint Health and Safety Committee notified.

Section 72(2)(c) states, "*Professional Misconduct*" means, *failure to act to correct or report a situation that the practitioner believes may endanger the safety or the welfare of the public.*"

Similarly, Section 72(2)(f) states, "*Professional Misconduct*" means, *failure of a practitioner to present clearly to the practitioner's employer the consequences to be expected from a deviation proposed in work if the professional engineering judgment of the practitioner is overruled by non-technical authority in cases where the practitioner is responsible for the technical adequacy of professional engineering work.*"

For more information on the "Engineer's Duty to Report," please refer to the "*Professional Engineering Practice*" guideline.

6 PRE-START HEALTH AND SAFETY REVIEW PROGRAM

A Pre-Start Health and Safety Review involves four steps:

1. data collection;
2. review of information;
3. evaluation; and
4. reporting.

6.1 DATA COLLECTION

Practitioners should obtain sufficient information to permit an evaluation of compliance with the applicable sections of *O. Reg. 851* referenced in the Table in Section 7 for the apparatus, structure, protective element, or process to be reviewed. The client typically supplies the documentation. If sufficient documentation cannot be supplied, the practitioner should visit the site to obtain the necessary information to determine if there are items of non-compliance. A site visit is strongly recommended. However, if a site visit is not done, the report should include the reasons why a site visit was not needed to properly complete the PSR.

6.2 REVIEW OF INFORMATION

The review is typically based on final/as-built and design documentation supplied by the client, such as building plans, equipment specifications, and operating process manuals, which are in sufficient detail to permit the practitioner to identify compliance with the sections of *O. Reg. 851* identified in the applicable provisions of the Table in Section 7. Where they exist, the PSR may also be comprised of a review of design drawings, layout, and specifications of an apparatus, structure, protective element, or process.

6.3 EVALUATION

Practitioners shall evaluate the information reviewed in the context of the applicable sections of *O. Reg. 851* identified in the Table in Section 7. If applicable, the professional engineer may also refer to codes and standards of practice referred to in Appendix I of the MLTSD guidelines. The practitioner may be assisted in conducting the evaluation by other professionals, such as engineers in other disciplines, or other specialized experts such as industrial hygienists.

6.4 REPORT

The PSR shall be in writing and should identify the design drawings, layout, specifications, and procedures reviewed and the applicable codes and standards used in evaluating the apparatus, structure, protective element, or process.

The Report shall indicate items or areas of non-compliance identified during the PSR and recommend measures to make the apparatus, structure, protective element, or process compliant with the applicable sections of *O. Reg. 851* referenced in Section 7. Note, recommended measures are not required to include detailed design.

The Report shall be signed and sealed by the practitioner(s) taking responsibility for the review. Where the undertaking has involved a multidisciplinary team, it is recommended that the Report indicate the identities of the team members, their professional designations, the nature of their expertise, and the role played by each team member. It is also recommended that the report be signed (and sealed, where applicable) by all team members.

The Report should be a separate document from other work that may be required by the client. Refer to Appendix 2 for more content details.

6.5 ENHANCED PRACTICE

There is no requirement for the practitioner to return and verify that the non-compliances have been adequately mitigated.

Although, practitioners completing the PSR are not required to examine the as-installed equipment, practitioners are strongly encouraged to do so if adequate design drawings do not exist or if practitioners wish to ensure the installation is done according to the design. If during the PSR, some additional safety items beyond the scope of work are identified and recommended to be implemented, then it is suggested the same can be verified after implementation.

It is suggested that the client demonstrate that all awareness devices are functioning as planned and that any programmable safeguards have been validated.

It is recommended that the PSR report include evidence of the tests and confirmations with photos and videos as appropriate. If testing is not possible, the practitioner may suggest proof of validation as a compliance requirement.

7 RECOMMENDATION ON SAFETY CONTROL SYSTEMS

Where applicable, safety control system recommendations should be provided to the client unless expressly excluded from the scope of work.

Safety control systems refer to electrical, mechanical, pneumatic, and hydraulic control circuits on machines that have protective devices, whose failure could present a danger to personnel. A practitioner should understand common and uncommon failure modes for these circuits.

At the minimum, practitioners engaging in reviewing the safety control system should have a thorough understanding of how risk analysis is used (in the CSA Z432 Standard, for example) to determine the minimum safety control circuit requirements.

Note that various terms such as Performance Level (PL), Safety Integrity Level (SIL), and Category are used, but the popular reference is to PL as given by the ISO 13849-1 Standard. If a practitioner is asked to review safety circuit diagrams, safety component selection, and/or safety software programs, they should do so with an understanding of the requirements for Safety-Related Parts of Control Systems (SRP/CS).

Safety circuit design techniques may include redundancy, component diversification, positive guided contacts, mechanically linked auxiliary contacts for feedback, switches mounted in the positive mode, safe torque off, Output Signal Switching Device (OSSD) outputs, rising/falling edge signals, fault exclusion, anti-tiedown, fail-safe, prevention of fault-masking, emergency dump valves, pilot-operated check valves, etc.

For more information, refer to Standards CSA Z432 and ISO 13849-1&2.

Subject to the applicable provisions and circumstances found in the Table, the practitioner should consider all potential energy sources when reviewing the safety control system. These energy sources may include but are not limited to gravity, mechanical motion and momentum, potential energy, electrical, pneumatic and hydraulic pressure, temperature, and radiation.

8 LOCKOUT/TAG-OUT PROCEDURE

Compliance with lockout/tagout related requirements of O. Reg 851 S.42, 74, 75, 76 are referred to in applicable standards but relate to clauses of the Industrial Establishments Regulation that are not prescribed for review under the “safeguarding device that signals a stop” or any other PSR conditions identified in the Table and are therefore outside the prescribed scope of the PSR.

The reviewer may choose to broaden the scope of work to include the evaluation of lockout points and/or procedures. Reviewers may also consider clarifying that the presence of safeguarding devices does not remove the need to follow safe operating procedures and to lockout equipment or block it from moving, in compliance with O. Reg 851 Sections 42, 74, 75, and 76, where required for performing maintenance or other activities outside of a system’s normal operating state.

9 HAZARDOUS AREA CLASSIFICATION

Often practitioners are asked to identify hazardous locations where concentrations of flammable gas/vapour or combustible dust/fibres/flyings are present. This is referred to as hazardous location area classification.

Practitioners performing PSR involving these circumstances in the Table in S.7 of *O. Reg. 851*: 1 (‘flammable liquids’), 4 (‘process that involves risk of ignition or explosion’) and 5 (‘dust collectors’), often find themselves invited to include area classification in their scope of work.

Formal training and experience are necessary for engineers performing area classifications. CSA C22.1 Appendix L contains helpful recommendations on what level of training and experience those engineers should have. Practitioners are well-positioned to provide area classification services because of their education, willingness to research applicable Standards, Code of Ethics, and professionalism. No particular engineering field is a prerequisite for this service as noted in CSA C22.1 Appendix L(5), though an understanding of basic chemistry and thermodynamics is essential.

When performing area classification, either separately or together with a PSR involving one of the three circumstances noted earlier, a background in Fire Code reviews is essential because issues related to storage, dispensing, ventilation, bonding & grounding, explosion protection, and other control measures are almost always encountered by the practitioner performing the area classification. Indeed, the practitioner must be diligent in informing the client whether or not their scope of work (under area classification) will include a broader review against the Fire Code and fire/explosion prevention standards.

The practitioner performing the area classification should have a thorough understanding of the relevant Standards, such as but not limited to:

- CSA C22.1 (Canadian Electrical Code) sections 18, 20 and appendices F, H, and J,
- IEC 60079-10-1&2,
- NFPA 497,
- NFPA 499,
- API RP505,

- FM Global Data Sheet 5-1,
- Ontario Fire Code,
- National Fire Code

Practitioners should be cautious to ensure that the client understands that the practitioner is not authorized to approve an electrical installation in accordance with the Electrical Code. A relationship has developed over time and will likely remain in effect, where electrical inspection agencies call on a company to provide their own hazardous location area classification drawings by commissioning a professional engineer. The practitioner, in turn, advises the company to seek an electrical inspection based on those drawings.

It is often necessary to clarify one or more of the following points with the client:

- While Canada and the U.S. still recognize the Division system for hazardous area classification on existing installations (i.e., Class I, II, III / 'Division 1 or 2'), this has largely been replaced by the Zone system (i.e., Class I / 'Zone 0, 1 or 2' and Class II or III / 'Zone 20, 21 and 22'). This was done to harmonize CSA Standards with the IECEx system. The gas and dust 'groups' have also been changed. Refer to CSA C22.1 sections 18 and 20 for more information.
- A field inspection by an electrical inspector in accordance with CSA SPE1000 and the Ontario Electrical Code, in general, is not intended to be an inspection of electrical installations in hazardous locations. CSA SPE-1000 excludes several items including hazardous area inspections, from its scope. Clause 1.7(c) states that the Model Code does not apply to the field evaluation of equipment for use in hazardous locations. Therefore, companies should be advised that electrical equipment in hazardous locations requires certification by a Certification Body that has been accredited by the Standards Council of Canada for this type of work. In fact, the review is referred to as 'product certification,' which is an evaluation and approval process that is conducted to determine compliance with a specific CSA Standard for products in hazardous locations. Part 2 of the Canadian Electrical Code (CSA C22.2) contains a number of those unique product standards.
- A field inspection label on a panel or a CSA label on an enclosure or piece of equipment, has often been the source of confusion as it relates to overall machine safety. Companies often mistake that type of label as a mark that 'the machine is safe' from a machine guarding perspective when they should recognize that only the risks of electrocution and fire are considered, and only under normal/expected environments (not necessarily hazardous locations).
- The term 'electrical' area classification can be misleading. Flammable liquids and dust can ignite upon contact with any hot surface (in excess of the 'auto-ignition temperature') and not from electrical energy alone. As such, steam lines, gas-fired equipment, and hot materials, in general, should be scrutinized in a hazardous location.

10 RISK ASSESSMENT

While risk assessments are not specifically legislated as part of a PSR, a risk assessment may be needed to properly complete a PSR especially in relation to functional safety for Circumstance 2 PSRs. Risk assessment methods may vary depending on the nature of the work and the types of hazards under consideration. At the minimum, practitioners participating in Risk Assessment should understand how the assessment is performed according to relevant standards including CSA Z432 and such standards referenced within that standard.

A practitioner may recommend that the client completes a risk assessment, and/or may facilitate the process. A comprehensive risk assessment will normally be done by a multi-disciplinary team with all of the requisite expertise (e.g., mechanical, electrical, chemical, ergonomic, etc.) to address all possible workplace hazards and include representation from various stakeholders, including operators, maintenance, engineering, H&S, and management.

11 EQUIVALENCY

The OHSA and *O. Reg. 851* permit meeting the safety performance objectives by alternative or equivalent means. The equivalency section in *O. Reg. 851* (Section 2) allows for workplaces to change how a standard is met, as long as the proposed alternative provides a level of safety that is equal to, or greater than, that required by the relevant section of the regulation.

See also subsections 32.1 to 32.4 of the (1990) OHSA, as amended, which permit the approval of all or part of a code or standard of practice by the MLTSD. These subsections may provide a defense to someone accused under the Regulation by proving that what was done afforded protection for the health and safety of workers at least equal to the protection they would have been afforded had the approved code or standard of practice been applied.

If equivalency is used in the design being reviewed, an analysis should be made to ensure that the alternative provides a level of safety that is equal to, or greater than, that required by the regulation or the approved code or standard of practice.

The results of such an analysis should be provided in the Report. The analysis and rationale on which the equivalency was determined should be clearly documented and retained on file by the client. It should be noted that the MLTSD guideline qualifies equivalency.

12 CAUTIONARY ADVICE

A client may ask for a review of an apparatus, structure, protective element, or process to ensure compliance with the OHSA or regulations for a variety of reasons, such as, but not limited to:

- a) a PSR as required by Section 7 of *O. Reg. 851* as set out herein;
- b) a request or order by MLTSD for the client to have a safety review performed by a practitioner;
- c) a requirement for a practitioner's report following an accident; or
- d) an order by an MLTSD inspector with respect to the load units of a floor, roof, or temporary work or part of a building.

This guideline deals **only** with the reason in point a). The client's needs and expectations may differ from what is required herein if the review is the result of the reasons in points b), c), and/or d). Therefore, before proceeding with a review, it is prudent to ascertain the client's motives for requesting such services.

Review of an apparatus, structure, protective element, or process for PSR may, in some circumstances, require review of the environment in which the equipment or device will operate.

Clients, however, may simply ask for a review of documentary details on the apparatus, structure, protective element, or process.

Practitioners involved in such situations should:

- a) determine if the environment or installation should be reviewed as part of the PSR; or
- b) state that a PSR cannot be completed without this determination and arrange with the client to expand the work to include whatever other aspects of the client's situation may need to be reviewed as the work progresses, outside the scope of a PSR; or
- c) advise the client that if the equipment environment cannot be determined, it will be noted in the Report.

In situations where the client expects more than a PSR, the practitioner should attempt to provide for the client's actual needs and the safety of the public while at the same time accepting liability for only the work that has been provided.

Careful drafting of contractual arrangements between the client and practitioner is paramount in clarifying the client's expectations, and the practitioner's deliverables.

As in other aspects of engineering, clearly describing the scope of work before entering into an agreement will help to eliminate confusion in this area.

PSRs are intended to identify areas of non-compliance that the client must address. This may require redesign or a new design. The client's desired end result is a system that complies with the regulatory requirements.

This may involve much more than a PSR. Clarifying in contractual arrangements, prior to conducting the PSR, how non-compliance will be dealt with can help to prevent problems and misunderstandings. In all cases, the Report shall accurately reflect the results of the PSR.

In situations involving safety, clients, especially small organizations, may place reliance on practitioners beyond what is normally considered the responsibility of the engineering profession.

Practitioners and their clients are advised to consult with appropriate MLTSD personnel, or appropriate professionals, in situations where compliance requirements are unclear.

12.1 EVALUATION AS TO WHETHER A PSR IS REQUIRED

A client may ask a practitioner for advice as to whether a PSR is needed in a particular situation. In this case, the practitioner should refer to the latest version of the MLTSD's *Guidelines for Pre-Start Health and Safety Reviews*. An evaluation may require an assessment

of some or all of the information necessary to perform a full PSR. Practitioners should consider liability issues prior to undertaking this activity and doing so under contractual arrangements.

12.1.1 Exemptions

A PSR may not be required if certain exemption criteria are met.

The MLTSD guidelines provide details of what documents are considered acceptable to establish an exemption for each Table circumstance. Note that current MLTSD guidelines include requirements that certain exemption documents be issued by an accredited organization and/or bear the seal and signature of a professional engineer.

The table below summarizes the opportunities for exemptions and associated applicable Circumstances of the Table in S. 7 of O. Reg. 851 under OHSA:

Item	Circumstances	Applicable provisions of this Regulation	Exemptions
1.	Either of the following applies with respect to flammable liquids: 1. More than 235 litres of flammable liquids are located in a building or room. 2. Flammable liquids are dispensed in a building, room or area.	Subsections 22 (1), (2) and (4)	All of the following requirements are met: 1. No more than 235 litres of flammable liquids are stored per adequate cabinet. 2. No more than three cabinets containing flammable liquids are in a group of cabinets. 3. There is a minimum distance of 30 metres between groups of cabinets containing flammable liquids.
2.	Any of the following are used as protective elements in connection with an apparatus: 1. Safeguarding devices that signal the apparatus to stop, including but not limited to safety light curtains and screens, area scanning safeguarding systems, radio frequency systems and capacitance safeguarding systems, safety mat systems, two-hand control systems, two-hand tripping systems and single or multiple beam systems. 2. Barrier guards that use interlocking mechanical or electrical safeguarding devices.	Sections 24, 25, 26, 28, 31 and 32	1. The protective element was installed at the time the apparatus was manufactured, and, i. the apparatus and the protective element were manufactured in accordance with, or have been modified to meet, current applicable standards; and ii. the apparatus has been installed in accordance with current applicable standards, if any, and the manufacturer's instructions. 2. The protective element was not installed at the time the apparatus was manufactured, and, i. the apparatus and the protective element were manufactured in accordance with, or have been modified to meet, current applicable standards; and ii. the apparatus and the protective element have been installed in accordance with current applicable standards, if any, and the manufacturer's instructions.

3.	Material, articles or things are placed or stored on a structure that is a rack or stacking structure.	Clause 45 (b)	The rack or stacking structure is designed and tested for use in accordance with current applicable standards.
4.	A process involves a risk of ignition or explosion that creates a condition of imminent hazard to a person's health or safety.	Section 63	The process is conducted inside a spray booth that has been manufactured and installed in accordance with current applicable standards.
5.	The use of a dust collector involves a risk of ignition or explosion that creates a condition of imminent hazard to a person's health or safety.	Section 65	None.
6.	A factory produces aluminum or steel or is a foundry that melts material or handles molten material.	Sections 87.3, 87.4, 87.5 and 88, subsections 90 (1), (2) and (3), and sections 91, 92, 94, 95, 96, 99, 101 and 102	None.
7.	Any of the following are used: 1. A travelling crane, overhead crane, monorail crane, gantry crane, jib crane or other lifting device suspended from or supported by a structure. 2. A vehicle lift or hoist.	Sections 51 and 53	1. The supporting structure was originally designed for the travelling crane, overhead crane, monorail crane, gantry crane, jib crane or other lifting device that is being installed or used. 2. The vehicle lift or hoist has been certified as meeting current applicable standards.
8.	A process uses or produces a hazardous biological or chemical agent and uses a ventilation system to limit the exposure of a worker in accordance with any exposure limit set out in Regulation 833 of the Revised Regulations of Ontario, 1990 (Control of Exposure to Biological or Chemical Agents) made under the Act.	Sections 127 and 128	A portable device that extracts smoke, fumes or other substances and that does not exhaust to the outdoors is used.

12.2 OTHER COMPLIANCE ISSUES

A PSR in a particular situation may require compliance with more than a single provision of the Table in Section 7. A practitioner should ensure that the client is aware of all the provisions that may apply.

Further, the practitioner should be aware that there may be other associated regulations, standards, or requirements that may apply in conducting the review of compliance with the regulatory sections referred to in the Table. Refer to the MLTSD guideline for guidance in this regard.

When doing work such as a PSR, practitioners may become aware of other compliance issues. The practitioners should consider broadening their scope of work to include other areas of non-compliance. For more information, refer to the MLTSD guideline.

13 REFERENCES

- Occupational Health and Safety Act and Regulations for Industrial Establishments, R.R.O. 1990, Reg. 851 as amended by O. Reg. 528/00, Toronto: Queen's Printer.
- PEO Professional Engineering Practice, 2020.
- Guidelines for Pre-Start Health and Safety Reviews: How to Apply Section 7 of the Regulation for Industrial Establishments, Toronto: Ministry of Labour,
<https://www.labour.gov.on.ca/english/hs/pubs/psr/>
- Electrical Safety Authority: Bulletin 18-1-18 / "Classification of hazardous locations" / May 2016
- CSA C22.1-2015: Appendix L / "Engineering guidelines for determining hazardous area classifications"
- A listing of local district offices is maintained on the MLTSD website at:
https://www.labour.gov.on.ca/english/about/reg_offices.php
- Ontario Fire Code
- National Fire Code

14 DEFINITIONS AND ABBREVIATIONS

Where such definitions conflict or differ from what is in applicable legislation, the regulatory definition replaces the one used in this guide. For the purposes of this guideline:

Apparatus – equipment or machine or device or structure.

Client – person or entity who owns or controls the apparatus to be reviewed and who is primarily responsible for the safe operation of the apparatus and the safety of operators (aka Property Owner, Asset Owner, Lessee, Employer, OEM Manufacturer, etc.).

Compliance – in accordance with and minimizing safety hazards – this is the term practitioners should use rather than describing an apparatus, process or element as "safe" or "safety" when writing reports.

Consultant – a person who provides expert advice professionally.

CSA – the Canadian Standards Association, is accredited by the Standards Council of Canada (SCC) as a standards development organization.

Employee – a person employed for wages or salary, especially at a non-executive level.

Employer - a person or organization that employs people.

Equivalency - coequality, parity or sameness of quality, content, or performance

ESA – Electrical Safety Authority

HSR – Health and Safety Representative

IEC – International Electrotechnical Commission

IECEX – International Electrotechnical Commission System for Certification to Standards Relating to Equipment for Use in Explosive Atmospheres (IECEX System)

IRS – Internal Responsibility System

ISO – International Organization for Standardization

JHSC – Joint Health and Safety Committee

MLTSD – Ministry of Labour, Training and Skills Development (aka former MOL)

Modifications – activities or work on an apparatus, protective element, or process that changes any original design, operation, or installation parameters used in the PSR.

OHSA – Ontario Occupational Health and Safety Act

O. Reg. – Ontario Regulation that states what each employer is obligated to provide in the workplace. Regulations are made by the Ontario government ministry that is responsible for administering a statute.

PLC – Programmable Logic Controller

PPE – Personal Protective Equipment

Process - for purposes of this guideline are those processes listed and identified in the table found in Section 7 of the Industrial Establishments Regulation

Protective Element - shield, guard, control element, locking device, or other device preventing access and/or operation of an apparatus

PSC – Professional Standards Committee within PEO

PSR – Pre-start Health and Safety Review which includes a written report that outlines areas of non-compliance and the measures necessary to achieve compliance with the Industrial Establishments Regulation and the OHSA.

Risk assessment – a scientific process used to evaluate the potential for adverse impact on human health or on property.

TSSA – Technical Standards and Safety Authority

APPENDIX

Appendix 1 – SCOPE OF WORK FOR PRE-START HEALTH AND SAFETY REVIEWS

A practitioner offering to provide a PSR report should provide the client with a scope of work for a pre-start health and safety review that includes, as applicable:

- an opening sentence indicating the work is related to a pre-start health and safety review;
- a reference to the client and what they do or make;
- the location of the client's facility that will be involved;

- a description of the apparatus, structure(s), protective element(s) or process(es) being reviewed;
- a notation as to whether the apparatus, structure(s), protective element(s), or process(es) are new or modified;
- the item or items in the Section 7 Table that may apply to each item of apparatus, structure, protective element, or process;
- a list of other professionals who may be involved, with their scope of responsibility;
- a list of the materials, manuals, design documents, and other reference materials that it may be necessary for the client to provide;
- a list of reference materials that may be needed that the practitioner or others will provide;
- the time frame in which the review and report will be developed, together with a schedule that outlines dates by which the client or others will provide review materials, documents, and design drawings;
- A two-phase approach is highly recommended consisting of a document review followed by a site visit inspection with testing of the energized equipment before issuing formal PSR report.
- a list of activities to be carried out by the practitioner or others working on the project;
- a list of items that may require review but are not included in the scope of work for a PSR; and for which separate report(s) may be issued.
- a clear/explicit statement indicating that the design of remedial measures is outside the scope of a PSR;
- where remedial design is carried out by others, an indication as to whether a further review is included or excluded from the scope;
- the standards or specifications, if any, that the client may specify to be used;
- a notation as to whether a site visit (or visits) are to be part of the scope;
- where appropriate, a notation as to whether the client wishes to correct non-compliant items before a PSR report is issued;
- the level of detail that can be expected in the report recommendations;
- the format of the report and associated documents that are to be provided to the client;
- the terms and conditions for the contract of professional services being provided.

Appendix 2 – PRE-START HEALTH AND SAFETY REVIEW REPORT

- ❖ A pre-start health and safety review report should include, where appropriate, an opening statement indicating:
 - what in general terms was carried out,
 - the client and the basic client activities involved,
 - the apparatus, structure(s), protective element(s) or process(es) involved and their general relationship to the operations,
 - the location of the client's facility;
- ❖ A statement of the review of documents containing:
 - the list of documents reviewed (including drawings, specifications, manuals, and manufacturers' instructions), referenced to the individual items in the scope of work),

- standards to which the designs, procedures, measures, apparatus, structure, protective element or process were evaluated, referenced to the individual items in the scope of work,
 - the sections in O. *Reg. 851* that were applied or used in the review by items in accordance with the Table in Section 7 and applicable associated sections,
 - documentation of site visits if part of the scope,
 - why a site visit was not done, if that was the case.
- ❖ a statement containing:
- details of the measures to be taken to achieve compliance with relevant provisions of O. *Reg. 851* by item of review and by item in the Table of Section 7, if any,
 - where testing is to be carried out, details of measures to protect the health and safety of workers that are to be taken before testing is carried out, by items reviewed and by item in the Table in Section 7, if any,
 - where items 3 or 7 of the Table in Section 7 applies, details of the structural adequacy of the apparatus or structure, if any,
 - an indication, where more than one person is involved, of who has reported on the individual items,
 - items, if any, that were in the original scope but could not be adequately reviewed because the client provided insufficient documentation within the time frame for the work to be completed,
 - where no additional measures are identified as necessary to achieve compliance with O. *Reg. 851*, the report should indicate that the apparatus, structure, protective element, or process complies with the applicable sections of the *Regulation for Industrial Establishments* referenced in Section 7; and
- ❖ a concluding statement indicating that the scope of work has been completely carried out per the original agreement.



Professional Engineers
Ontario

Terms of Reference

Subcommittee – Pre-Start Health and Safety Review guideline

(June 1, 2019)

OBJECTIVES

The Guideline for Pre-Start Health and Safety Reviews subcommittee is directed by the Professional Standards Committee (PSC) to review the existing guideline “*Professional Engineers Providing Reports for Pre-Start Health and Safety Reviews*” and, in consideration of changes to legislation affecting the industry and professional engineering, revise that document to better reflect current best practices and requirements.

BACKGROUND

The current practice guideline for “*Professional Engineers Providing Reports for Pre-Start Health and Safety Reviews*” was published in 2001 and has not been revised since then. There have been numerous changes to relevant Canadian Standards Association (CSA) standards and Ministry of Labour (MOL) guidelines for the *Pre-Start Health and Safety Reviews: How to Apply Section 7 of the Industrial Establishments Regulation*.

MANDATE (Specific Tasks)

- a) The Pre-Start Health and Safety Review subcommittee is expected to obtain and provide information that aid engineers in performing their engineering role in accordance with best practices and requirements defined by legislation including the *Professional Engineers Act* and its regulations;
- b) The subcommittee will review current legislation and identify the regulatory and ethical requirements for engineers providing services in this area of practice;
- c) PEO staff will provide the subcommittee with both legal cases and discipline cases that are relevant to the Pre-Start Health and Safety Review. These cases will be reviewed and used by the subcommittee as part of an evidence-based approach for revising the guideline;
- d) The current practice guideline will be revised to reflect current best

practices, and per Appendix C, input received from subject matter experts;

- e) Provide best practices for content and format of reports and the types of tasks required to be carried out for the various aspects of review to ensure accurate reports;
- f) Draft documents will be circulated for comments to the Ministry of Labour, consulting engineers, manufacturing facilities, clients who hire engineers to carry out these reviews and any relevant stakeholders;
- g) The subcommittee may choose to create a Review Network to review the draft guideline if it were to add value;
- h) The subcommittee should consult the MOL, insurance providers and legal to develop a position on in-house engineers conducting Pre-Start Health and Safety Reviews.

MEMBERSHIP

- The subcommittee shall consist of a member of PSC who will act as chair and a minimum of 3-5 engineers. The engineers should be from consulting firms with different sizes and manufacturing companies. Engineers should have experience in preparing Pre-Start Health and Safety Reviews and should be currently providing Pre-Start Health and Safety Reviews;
- An observer from the Ministry of Labour attending the subcommittee meetings, to ensure the consistency with O. Regulation 851.

DELIVERABLES

The Subcommittee will present the draft guideline to the PSC no later than December 2020.

Meeting Schedule: At discretion of the Chair

Completion Date: December 2021

C-546-2.10
Appendix C

PRE-START HEALTH AND SAFETY REVIEW

PSC MEETING

FEBRUARY 5, 2019

INTRODUCTION

- PEO staff reviewed the existing guideline and in consultation with subject matter experts, staff provided the practice concerns involving the PSRs and outlined information that is missing from the existing guideline.

Responsibilities of Engineers vs. Clients

Responsibilities of Engineers

The existing guideline provides the responsibilities of the engineer. However, there is insufficient information on following:

- *Review the drawings and documents prepared by others in connection to the project for safety including **existing guarding and protective safety devices** to ensure the compliance with relevant codes and safety standards.*
- *Provide the specifications of the existing protective devices in the PSRs.*

Responsibilities of Clients

The existing guideline doesn't provide any information on the responsibilities of the client such as:

- Provide the relevant documentations such as design documentations, manuals, materials, etc.;
- Provide safe environment for the engineer's site visit and observation;
- Since some clients acquire new equipment or make changes to their facilities and afterwards contact an engineer to do a PSR, perhaps propose some information in the guideline to advise clients that by delaying the PSR, they often miss out on the opportunity save on costs by making design changes rather than adding costly engineering controls to bring the equipment into compliance with the relevant sections of Occupational Health and Safety regulations

DATA COLLECTION

- The existing guideline states that *engineers should obtain sufficient information to develop a PSR*. However, the guideline doesn't provide examples of the data that should be collected.

Perhaps some examples can be provided in the guideline such as:

- Electrical, Mechanical, Pneumatic, hydraulic drawings, etc., depending on the type of the machinery.
- Manufacture's limit of warranty of the installed safety devices to inform the client if there is any need to replace the existing safety devices.

SITE INSPECTION

The existing guideline doesn't provide sufficient information on the following:

- Site inspection and its requirements,
- Recommendation for testing during the site inspection to ensure the existing safety devices are working properly,
- Monitoring the operation of the equipment to provide safety requirements that don't interfere with the operating procedure, and
- Taking pictures during the inspection for the equipment that need PSR to verify the existing safeguards and to include in the reports.

REPORT REQUIREMENTS

The guideline may need to provide some information on the following:

- The PSR should include photographs to the equipment(s) to clarify the existing guarding, any hazards and the non-compliance issues.
- The PSR should include Risk Assessment and hazards evaluation for equipment(s) that require PSRs.
- The PSR should list any exclusion such as:
 - Setup, Lock-out/Tag-out, Safe work and troubleshooting procedures.
 - ESA (Ontario Electrical Safety Authority) approvals.
 - TSSA (Technical Standards and Safety Authority) approvals.

RECOMMENDATION FOR SAFETY DEVICES

- The existing guideline doesn't provide examples of safety devices that engineers can recommend in their PSRs such as interlocking switches, light curtains, safety mats, two hands control, etc.

ETHICAL OBLIGATIONS

- Since employee engineers can provide PSRs to their facilities, it would be helpful to remind engineers of their obligations to disclose any perceived conflict of interest.
- Furthermore, the guideline doesn't provide any information on the engineer's required competency in this area of engineering.

DEFINITIONS

- The existing guideline doesn't include a section for "definitions"

REFERENCES

- This section should be updated and perhaps adding other references such as CSA, ANSI, etc., which may be helpful for engineers.

OTHER COMPLIANCE ISSUES

- In June 2004, PEO Staff received the following comment:

...having done a fair number presentations on PSRs, I would suggest that the PEO guideline be amended so that there a stronger reflection on the need to have inspections performed. In more than one session the issue was brought up that unapproved components are within the machine and unless a physical inspection is performed these will go unnoticed. A final inspection by the respective authorities would help alleviate non-compliance components on machinery.

I realize that this is be embedded within the PEO guideline but I sincerely do feel that somewhat stronger wording could and ought to be used. Even though these inspections are mandatory in Ontario I have noticed a real lack of awareness that these inspections are required such as , ESA and TSSA.

This matter could fit into section 8.3 Other Compliance Issues...

CLARIFICATION REQUESTED AND FAQ SECTION

- The existing guideline is missing a FAQ section, please note the following comment that was received On January 2002:

...Overall, we are pleased that the PEO has developed a guideline to assist ts members with understanding the PSR requirements. Your acknowledgment that this in fact is a new area for the PEO and that questions and answers will need to be developed and even the possibly a revision to the guideline is encouraging.

*Late last year, we took the liberty and shared the draft guideline with our engineers in the field. One of the concerns that **has consistently surfaced is that the PSR is an “as installed review” which is quite different from the Ministry of Labour`s intent of the review being undertaken at the design stage.** we urge the PEO to be clear in the guideline in this regard.*

...

FEEDBACK FROM EXPERTS

- *The guideline is silent on the subject of risk assessment. This is one of the most important as well as one of the most challenging parts of any safety review.*
- *The perception is that the guideline is a dated document, even the PEO address is ten years out-of-date. In the interval since it was published, the Canadian Electrical Code has been updated several times. Other safety standards are updated or at least reviewed every four years. Any guideline published by PEO should be subject to review, if only to reflect changing priorities and interpretations of Standards and Regulations.*
- From my experience, health and safety review projects fall into one of four broad categories
 - a The PSHSR which may be performed on a new machine or installation
 - b The similar review for a used machine which may have been moved from another location, often from outside Ontario
 - c A safety review conducted following an order by the ministry of labour or by the choice of the equipment owner
 - d A decision whether equipment requires a PSHSR, where the owner requires a documented opinion.

I have differentiated between a and b to reflect differences of emphasis in some standards. The existing guideline recognises these categories but is rather dismissive of anything that is not a 'real' PSHSR. My view is that the standard could usefully be expanded to, say, "professional engineers providing reports for pre-start and other required health and safety reviews".

- *One significant concern is maintaining professional competence in the area of functional safety, recently updated CSA safety standards and ever-evolving safety technology. It may be time for a professional practice guideline concerning the design and evaluation of safety control systems, but unfortunately most safety systems out there are not designed by engineers. If it were not for PSR's I am confident that many systems would be implemented improperly.*

Briefing Note – Decision

ANTI-RACISM & ANTI-DISCRIMINATION EXPLORATORY WORKING GROUP (AREWG)

Purpose: To fulfil tasks that Council assigned to the AREWG in November 2021 in order to assist PEO in performing its public interest duties regarding racial equity and other human rights, such as gender equity.

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

1. That Council approves the **Anti-racism & Equity (ARE) Code v.1.1.1.** – included in the Council package – and commits PEO to abide by it and ensure that: (i) its final form is prominently posted as an official PEO policy on PEO's website, and easily accessible by the public and PEO's licence holders; and (ii) PEO prominently announces to the public before the 2022 AGM that Council has approved the ARE Code.
2. That Council tasks the AREWG to: (i) collaborate with PEO's staff, committees, initiatives, and/or people resources to deal appropriately with the supplementary feedback obtained in the February-March 2022 consultations; and (ii) ensure that it focuses on public policy in Ontario, with a prioritized focus on viewing policy through racial context lenses, and a subsequent focus on viewing policy through gender lenses.
3. That Council tasks the AREWG, with the allocation of appropriate people and financial resources, to complete the remaining AREWG Phase 3 steps that Council approved in November 2021 and report the related progress and any recommendations to Council.
4. That Council – recognizing Indigenous populations' constitutionally protected right of self-determination – tasks the AREWG, with the allocation of appropriate people and financial resources, to work towards developing policy approaches through Indigenous lenses, through meaningful consultations with a cross-section of Indigenous perspectives in Ontario, and update Council on its progress by the 2023 AGM.

Moved by: Lisa MacCumber, P.Eng..

The importance of the motions

The above motions follow from work that Council tasked the AREWG to complete. The proposed ARE Code is a monumental step for PEO. As the Fairness Commissioner has noted:

“We very much support the mandate of PEO's ...(AREWG) and the contents of the ARE Code. We believe that the principles and commentary outlined in this document are **appropriate for use by a professional regulator**, such as the PEO, and **align well with** the general duties of transparency, objectivity, impartiality, and fairness ... in [FARPACTA]...

We further believe that the adoption by PEO of the ARE Code would represent **a watershed decision for the organization** and **confirm PEO's role as a leader** amongst Ontario's regulators in promoting a diverse and inclusive profession. It has been a pleasure to engage with PEO's leadership... and **we look forward to receiving further updates on the progress of this important work.**” (emphasis added)

Briefing Note – Decision

The proposed ARE Code v.1.1. is substantially similar to the consultation version. Version 1.1. reflects enhancements that key public interest bodies and umbrella organizations suggested. Notably, the consultation version was reviewed by three leading expert agencies/organizations regarding human rights, equity, and fairness laws and policies in Ontario. They all commented that it is consistent with applicable expectations. While such comments are not legal advice and do not in any way bind or limit these organizations in exercising their functions, the comments signal that it is appropriate to promptly adopt this ARE Code. See [Appendix A](#) regarding comments from: the Office of the Fairness Commissioner (**OFC**); the Ontario Human Rights Commission (**OHRC**); and the Canadian Centre for Diversity and Inclusion (**CCDI**). These organizations, as well as the Attorney General, are awaiting an update on PEO's progress regarding its ARE Code. (Also see the **Feedback Compilation** document in the Council package for the full comments.)

The consultations also revealed strong support from key umbrella organizations interested in Ontario's engineering profession. Notably, **Engineers Canada**, **OSPE** (Ontario Society of Professional Engineers), and **ACEC-Ontario** (Association of Consulting Engineering Companies of Ontario) are awaiting an update on PEO's progress with its ARE Code. See [Appendix B](#) regarding their comments.

The consultations attracted 125 participants, the vast majority of whom expressed that they are eagerly awaiting an update on PEO's progress with its ARE Code. See [Appendix C](#). Many participants also urged PEO to expressly articulate more language that: (i) particularizes PEO's commitments; (ii) articulates the commitments through other equity lenses in addition to racial lenses; and (iii) provides more context, definitions, and foundational information to enable readers to better understand the commitments. Version 1.1. incorporates such feedback in alignment with the AREWG's work to date. Motion #2 above aims to address supplementary comments that are of public interest and will assist the AREWG to recommend broader solutions to risks identified within its scope.

A relatively small number of participants objected to an ARE Code (see [Appendix C](#)). However, the AREWG opines that, unfortunately, their reasons do not align with PEO's public interest duties, or with engineers' obligations under the *Human Rights Code* and existing PEO guidelines.

APPENDIX A – Public interest bodies await

A. The Attorney General awaits.

On November 22, 2021, PEO's President, CEO/Registrar, and select staff met with Ontario's Attorney General (AG) – Doug Downey – regarding the AREWG's assignment, as the AG has statutory responsibility to oversee PEO in its capacity as a professional regulator. The AG expressed support for the AREWG's overall work as a major PEO strategic initiative and he awaits an update on PEO's progress regarding establishing an ARE Code.

Briefing Note – Decision

B. Oversight bodies and experts await.

*The three organizations below opined that the ARE Code is consistent with relevant expectations. They also provided suggestions to strengthen the draft, which v.1.1. reflects. Highlights are noted below. It is important to review their full comments – see **Feedback Compilation** document.*

1) The Fairness Commissioner awaits.

As noted above, the OFC awaits an update on PEO’s progress regarding its ARE Code and next steps in relation to the recently enacted [Working for Workers Act, 2021](#).

2) Chief Commissioner | Ontario Human Rights Commission (OHRC).

The OHRC’s Chief Commissioner was one of the consultants selected by the AREWG as an external expert prior to her recent OHRC appointment. She has since expressed interest in the progress of the AREWG initiative.

Separate from its Chief Commissioner, the OHRC commented as follows:

“We are **pleased** with the [AREWG’s] initiative... and generally find that the draft ARE Code reflects a commitment to anti-racism and equity. **The ARE Code is consistent with the OHRC’s [guidelines]** [A policy primer: Guide to developing human rights policies and procedures ...](#)”

3) The Canadian Centre for Diversity and Inclusion (CCDI) also awaits an update.

CCDI is a leading organization regarding workplace diversity, equity, and inclusion. CCDI’s Executive Director opined that the ARE Code: “**is well researched and thought out**” and that “**the principles are sound**”. She is very interested in the outcome of the AREWG’s work here.

APPENDIX B – Select comments from key umbrella organizations

*The three organizations below support the ARE Code and provided suggestions to strengthen the draft, which v.1.1. reflects. Highlights are noted below. It is important to review their full comments – see **Feedback Compilation** document.*

1) Engineers Canada awaits an update.

In supporting the ARE Code, Engineers Canada also recommends that PEO: (i) takes up the federal government’s [50 – 30 Challenge](#); and (ii) dedicates ample resources to fulfil the ARE Code commitments.

2) Ontario Society of Professional Engineers (OSPE) awaits an update.

In supporting the ARE Code, OSPE: (i) notes that Principle 2 (re equitable regulatory processes) is of high priority; (ii) recommends including anti-racism and equity training within PEO’s formal professional development offerings; (iii) emphasizes the importance of engaging “credible resources”, avoiding “tokenization”, and building “sustainable trust” with equity-seeking populations; and (iv) notes that PEO becoming a leader in anti-racism and equity will “help engineering and the broader engineering community elevate its reputation.”

Briefing Note – Decision

3) Association of Consulting Engineering Companies of Ontario (ACEC-Ontario)

In supporting the ARE Code, ACEC-Ontario stated that “PEO needs to take action on the risks identified in the AREWG Phase 1 report... The ARE Code is a good first step.” ACEC-Ontario also stressed its own views regarding PEO’s scope. The AREWG makes no comment at this time regarding the maximum scope of PEO’s reach.

APPENDIX C – Consultation scope and thematic feedback

The consultation process was open for comments from the public, PEO personnel, and the profession from February 14 to March 14, 2022. Except where participants consented otherwise, all comments are anonymized. The consultations occurred at arms length from PEO.

To invite comments, PEO published the consultation materials: (i) prominently on its website; (ii) via email to its mailing list; and (iii) on LinkedIn. In addition, the AREWG sent the materials directly to PEO’s Councillors and encouraged all to provide comments to the AREWG’s consultant.

The consultant also emailed the consultation materials to nineteen (19) organizations that the AREWG and/or she identified as being among key stakeholder categories (the “Directly Invited Stakeholders”). The 19 Directly Invited Stakeholders included: four umbrella engineering organizations, representing engineers in general or engineering firms; unions; bridging programs; organizations focusing through Black and Indigenous lenses; and professional and/or student associations representing women, Muslim, Jewish, Chinese, Iranian, and 2SLGBTQ+ perspectives, particularly in the engineering context. Of the 19 Directly Invited Stakeholders, eight (8) responded or confirmed receipt. Seven (7) provided substantive comments, all of which supported the ARE Code.

In total, there were 125 participants, of whom: 89 support the ARE Code; 19 oppose it; and 17 were not (yet) clear. While PEO must be careful not to base its equity approaches on “majority” opinions, it is noteworthy that there is broad-based support for the ARE Code.

Although the process lacked scope to collect identity-based data, participants sometimes volunteered to share on an anonymized basis how they self-identify. From this information, it appears that the 89 include: men, women, and transgender persons; White, Indigenous, Black, Jewish, Middle Eastern, West Asian, Southwest Asian, East Asian, South Asian, and Latino, in terms of race/religion/origin; persons from the 2SLGBTQ+ community; and neurodivergent and disabled persons.

Many in favour suggested details that they hope to see in PEO’s future policies – see **Table 1**.

Briefing Note – Decision

Table 1 – additions suggested by participants in favour of the ARE Code

Thematic presentation of requested additions
articulate annual audit, reporting, and accountability measures - ensure not just words on paper
make clear that data collection will be voluntary and respect privacy
ensure competency training at PEO for leaders, staff and volunteers
articulate the reason Black and Indigenous and racialized are named in a focused way
explain Anti-Black racism; explain systemic racism; define other key terms
need to consult Indigenous populations adequately because of distinct status
make equity for internationally trained professionals a high priority - remove Canadian experience
make gender equity a high priority given the deep underrepresentation of women in engineering;
address two-spirit, non-binary, transgender needs
name each racialized group; name each equity-seeking group; use consistent language
consider “equity deserving” as the preferred language
state how often PEO will consult; state targets for its representation goals; embed anti-racism training in PEAK; take up the 50-30 Challenge
insert links to all relevant OHRC guidelines that address the other protected grounds; reference AODA and related legislation.

Regarding the 19 participants objecting to the ARE Code: their objections are presented thematically in **Table 2** below. In the AREWG’s view, unfortunately these opinions do not align with applicable human rights, public policy, and public interest guidance from authoritative sources.¹

Table 2 – Stated objections. These objections do not align with authoritative guidance.

Thematic presentation of responses by the 19 objecting participants (some gave 1 or more of the reasons below)	# of the 19 who expressed these themes
ARE is out of scope for PEO/Engineering, or existing policies and processes suffice	8
ARE is a waste of money (fees/dues paid by members) or time	6
ARE is political activism, political, or communist, and is inappropriate for a regulator	8
Racism does not exist within Canada/Ontario/PEO, or hard data must prove it first	6
ARE means giving unqualified people "a break"; it undermines merit, quality or public safety	7
Demographic data collection is wrong or should not occur	4
The ARE Code promulgates tribalism / racism / witch hunts	3
Promoting equity or consulting equity seeking groups is wrong or a bad idea	2
Uncivil responses (e.g. coarse language; sharp language; slights against consultant personally)	4
No legal foundation for discipline for misconduct based on violations of the human rights code	1
Threat to sue if data is requested even on a voluntary basis	1

Regarding the last objection listed in Table 2 above: the OHRC has made clear that it is not only legal, but also expected and encouraged for public organizations and others to seek and report identity-based data in a manner as noted in the ARE Code. (See the OHRC’s [Count me in! Collecting human rights-based data](#))

¹ Incidentally, one of the 19 participants who objected to the ARE Code is keen for their views to be shared with Council and PEO leaders; they proposed the following step: “...should the anti-racism be the way, **and the majority of the PEO members vote for it**, then how about an **open debate with consultants** representing different proposed solutions, **followed by a vote from all members**. How difficult that sounds?” (emphasis added). In the AREWG’s view, such steps would not align with proper governance for a professional regulator.

Briefing Note – Decision

Given the comments noted in Table 2, the AREWG believes that there is a need for PEO to adequately provide education aimed at avoiding or correcting misinformation. Version 1.1. of the ARE Code includes further details to meet this need.

Overall, the consultations helped to position PEO on solid ground going forward vis-à-vis oversight bodies and interested stakeholders. They also helped PEO to know where focus is needed for next steps. They confirmed the rich value of stakeholder engagement. This is underscored by comments from former PEO Councillor and current President of the Black Engineers of Canada (BEC) - being her personal views, offered on behalf of five BEC board members:

"I think it is a respectable start and am happy to see that this will be a living policy adjusting to feedback, [and] internal and external developments. I acknowledge the training, investigative and whistleblower/ombudsman aspect [and I am particularly interested regarding the] pre-licensees that are having a difficult time getting the opportunity to attain their licenses[.] Will they be treated with the same consideration and "protections" as licensees? The other consideration I'd like to know more about is what are the concrete consequences for licensees and engineering organizations that are found to resist anti-racism and are shown to participate in discrimination? All in all, the commitment to change and metrics is welcome!"

546 Council Meeting – April 8, 2022

C-546-2.11
Appendix A2

ARE Code – Feedback Compilation

Contents

1. Office of Fairness Commissioner (OFC) comments
2. Ontario Human Rights Commission (OHRC) comments
3. Canadian Centre for Diversity and Inclusion (CCDI) comments
4. Engineers Canada comments
5. Ontario Society of Professional Engineers (OSPE) comments
6. Association of Consulting Engineering Companies of Ontario (ACEC-Ontario)



March 22, 2022

Shashu Clacken
Transformation Strategist
CN Consulting
King West, Toronto
60 Atlantic Avenue, Suite 200
Ontario M6K 1X9

Via email at: sclacken@cnconsulting.ca

Dear Shashu:

RE: OFC's Comments Regarding PEO's Draft Anti-Racism and Equity Code

Thank you for inviting the Office of the Fairness Commissioner (OFC) to provide comments on Professional Engineers of Ontario's (PEO) draft Anti-racism and Equity Code (the ARE Code).

As our office has signaled to PEO leadership in the past, we very much support the mandate of PEO's Anti-racism & Anti-discrimination Exploratory Working Group (AREWG) and the contents of the ARE Code. We believe that the principles and commentary outlined in this document are appropriate for use by a professional regulator, such as the PEO, and align well with the general duties of transparency, objectivity, impartiality, and fairness identified in the *Fair Access to Regulated Professions and Compulsory Trades Act, 2006 (FARPACTA)*.

We also note that the ARE Code makes specific reference to the provision in the recently enacted *Working for Workers Act, 2021*, which prohibits a regulated profession from retaining a Canadian experience requirement unless the Minister of Labour, Training and Skills Development grants an exemption to this prohibition for the purposes of public health and safety.



In our view, the ARE Code could be further strengthened by addressing the following issues:

1. As part of Principle 1, we agree that PEO should track, and publicly report on, identity-based data (including disaggregated race-based data) in relation to the experience of applicants at each stage of the licensing process. This approach should be designed to pinpoint where applicants are encountering barriers with their applications and to better enable PEO to address any obstacles that it identifies.
2. As part of Principle 2, we believe that PEO should play a leadership role in promoting anti-racism and anti-discrimination principles throughout the engineering ecosystem (including employers and practicing professionals) as a way of encouraging more internationally trained professionals to be hired.
3. As part of Principle 2, we agree that PEO should review its internet site to ensure that it provides prospective applicants with information that is adequate, easy to understand (in language(s), formats, and flow of information), and that accurately conveys information on the probability that internationally trained applicants will succeed in becoming registered and the time that this process will realistically take.
4. We also believe that PEO should identify champions at all levels of the profession to guide its ambitious anti-racism and discrimination agenda. In addition, PEO should continue to allocate sufficient budgetary resources to maintain momentum for this important work.

In terms of a quotation that you may wish to use, we suggest the following:

“PEO undertakes its registration work as part of an ecosystem that includes educational institutions, immigration and settlement groups, bridging programs and organizations that employ professional engineers. We believe that PEO’s adoption of the ARE Code will allow it to positively influence this entire ecosystem

We further believe that the adoption by PEO of the ARE Code would represent a watershed decision for the organization and confirm PEO’s role as a leader amongst Ontario’s regulators in promoting a diverse and inclusive profession”.

OFFICE OF THE FAIRNESS COMMISSIONER



It has been a pleasure to engage with PEO's leadership and yourself to date and we look forward to receiving further updates on the progress of this important work. In support of PEO's current endeavor, please accept this letter as consent to share the comments provided by the OFC with PEO, as well as consent for the AREWG to use the quote that I have identified.

Sincerely,

[Original signed by]

Irwin Glasberg
Fairness Commissioner for the Province of Ontario

Ontario Human Rights Commission comments

Shashu Clacken
Managing Director
Carpe Novo Consulting

Dear Shashu,

Chief Commissioner Patricia DeGuire has forwarded your correspondence to me dated February 18, 2022, given her conflict on this matter.

In your letter, you provide a link to a copy of the Professional Engineers Ontario's (PEO) draft Anti-Racism and Equity (ARE) Code which is currently available for public comment.

We are pleased with the Anti-racism & Anti-discrimination Working Group's initiative on behalf of PEO and generally find that the draft ARE Code reflects a commitment to anti-racism and equity. The ARE Code is consistent with the OHRC's [A policy primer: Guide to developing human rights policies and procedures](#) and identifies the importance of collecting and reporting race-based and other identity-based data, reviewing human rights obligations as service provider and employer, establishing complaints processes, providing training, engaging stakeholders, identifying and removing barriers, addressing discrimination and achieving equity and inclusion through governance practices, accountability and leadership.

We also appreciate that the ARE Code makes reference to Ontario's *Human Rights Code* and the Ontario Human Rights Commission's (OHRC) *Policy and guidelines on racism and racial discrimination*.

You might also wish to consider and rely on guidance from the following OHRC publications:

[Policy on removing the "Canadian experience" barrier](#)

[Removing the "Canadian experience" barrier – A guide for employers and regulatory bodies](#)

[Count me in! Collecting human rights-based data](#)

I hope this information is helpful. Please keep in mind this response should not be viewed as legal opinion or advice and does not bind the OHRC in any way in the exercise of its functions and powers under Ontario's *Human Rights Code*.

Canadian Centre for Diversity and Inclusion comments

- Overall the document is well researched and thought out. The principles are sound, but the challenge will be in how those principles will be carried out, and whether it is done with a spirit of equity, mutual respect, engagement and access to influence and decision-making.
- I think it would be important to highlight in the ARE code the importance of acknowledging and measuring intersectionality and the realization that racialized people may experience racism and discrimination in compounding ways based on their intersecting identities (e.g. race and disability, race and religion, race and gender, race and age, or race and a multitude of other factors).
- RE: Principle 1 on measurement: disaggregated demographic data is very important. You suggest to break it down into “Black, South Asian, East/Southeast Asian, Latino, Middle Eastern, White, etc.” I would suggest further analysis. For example within the East/SouthEast Asian category Statistics Canada demographic data shows clear patterns of educational and income attainment differences between Asian groups (e.g. China, Japan, India, Cambodia, Vietnam, Laos have clear differences, therefore not all Asian people face similar systemic challenges). While it may be difficult to do a full breakdown, please consider going a bit deeper than the categories you mentioned. Cross-tabulation of race against other diversity dimensions can prove very useful to better understand how one experiences inclusion and equity in the PEO environment through an intersectional lens.
- RE: Principle 4 on training and influence. Please ensure that training and support can be accessed during regular hours and that employees and other participants are not expected to do it during their free time and that racialized people are not using their emotional labour in educating others without proper compensation, furthering the oppression of racialized minorities. Please make every effort to have individuals with lived experience review and contribute to the training and learning, so it is relevant to the realities of PEO.
- RE: Principle 8: Equitable organization. In general, please consider creating committees or groups made of diverse individuals to be part of the decision-making process, not just to ‘consult’ without power. Make sincere accommodation to provide access to providing input and engage in solutions.



Anne-Marie Pham, MPA, SHRM-SCP
Executive Director CCDI | Directrice exécutive CCDI
Pronouns | pronoms: She, Her | Elle, lui

Engineers Canada comments

Comments on PEO's Anti-racism and Equity (ARE) Code

Engineers Canada

Deadline: March 14th, 2022

[ARE-Code-consultation.pdf \(peo.on.ca\)](#)

OVERALL COMMENTS

- How will the ARE Code interact with PEO's Guideline on Human Rights in Professional Practice (2009) and are there plans to update the Guideline?
- What are the resource and capacity commitments? Council will need to allocate resources for all the 8 principles to be achieved. Adding staff to PEO with EDI subject matter expertise and accountability within PEO's leadership/executive structure is also required.
- How are people with disabilities, both visible and invisible, and 2SLGBTQ+ included here? Intersectionality will need to be added to adequately address equity and anti-racism.
- The tone/rationale of the document is heavily dependent on "business case" framings. Adding some language stating that all people deserve to be treated equitably in all cases (not just because PEO is a regulator and must fairly regulate the profession) would create better solidarity with the people this code is meant to serve.

DETAILED COMMENTS

Principle 1:

- Disaggregated data should include Indigenous identity, sex and gender diversity, persons with disabilities, as well as racial identity.
- This is a great recommendation on diversity demographics, especially tracking areas for continuous improvement on who is seeking entry, and who is delayed in the licensing process. However, it would be helpful to add that the data collection and analysis must remain separate from the evaluation of applicants and perhaps suggest ways to distinguish the role of the regulator as licensing body and as tracking the demographics of the profession. Anonymizing the data could be added to point 1.1 (iv).
- For 1.1 (iii), the components of the "racialized" category should be flexible and fluid to capture multiple and mixed racial categories.

Principle 2:

- Regulatory processes will need to be assessed from an EDI lens.
- A possible addition to this Commentary is that, in order for the engineering profession to protect the public interest and effectively understand the diversity of perspectives in the Canadian population, it must itself be an inclusive profession. The engineering profession needs to more closely represent the population that it serves and, to do that, it needs to address the culture of exclusion within its ranks in order to fulfill its ethical obligations.

Principle 3:

- Perhaps add capacity building activities for the discipline and enforcement department at PEO on addressing EDI related complaints. One of the challenges is that some engineering clients or communities do not know that they can file complaints with the regulators on the behaviour of engineers. Is it possible to explore how to increase the accessibility of the complaints process? Accountability is a crucial part of EDI work and principles.

Principle 4:

- Training on EDI should be mandatory for registrants.
- Overall, the capacity of the regulator needs to increase to be able to address ARE Code principles. This includes *sustained and meaningful training* and engagement of PEO staff on: anti-racism principles, sex and gender diversity, ableism, 2SLGBTQ+ rights and communities, Indigenous histories and reconciliation principles, microaggressions, unconscious bias, positionality/power/privilege, and provincial and federal laws around harassment, discrimination and human rights. In order to support the goals of the ARE Code, staff need to understand the intersections of racial identity and other identities and lived experiences. For example, a Black transgender woman will face different levels of discrimination than a Black cis-gender man. Understanding that the experience of a two-spirit engineer might be different from their heterosexual cis-gender client or colleagues is important in addressing anti-racism principles. In addition, different people face different types of racism that are intertwined by different systems, and to be truly anti-racist, we must make space and work against all of them, simultaneously. Understanding different forms of systemic discrimination and the experience of a broad range of marginalized groups will create a strong foundation for PEO to embed anti-racism and equity within its organizational culture.

Principle 5:

- Consider signing on to the 50-30 Challenge to support diversity goals amongst leadership and Council; although it is a federal, challenge, many provincial organizations have signed on.
- Evaluate the succession plans of the organization from an EDI perspective. Are BIPOC and other marginalized groups represented in management and leadership roles? How are they supported to move up in the organization?
- Institute training on unconscious bias, anti-racism, and Indigenous history/awareness for staff but especially managers. Executive coaching on EDI should be considered.
- It is also important to maintain a culture of safety and belonging in those leadership positions. Ensuring that opportunities to join leadership are equitable is only the first step. Ensuring that the culture is one that enables welcoming and retention of these leaders, and that those new leaders can show up as their authentic selves for the entirety of their time should be a continuous practice.
- The term, “sponsorship”, is not as well-known as the term, “mentorship”; some confuse the two terms. Consider including a definition of sponsorship and describing how sponsorship is different from mentorship.

Principle 6:

- Taking an intersectional approach is necessary, as mentioned in the comment on Principle 4 above. Stakeholder engagement must be informed by an intersectional approach that includes voices from BIPOC and 2SLGBTQ+ communities, and persons with disabilities.

Principle 8:

- In Principle 8, PEO makes a leadership commitment, an essential step that every employer would need to take in order to make change, according to Engineers Canada's guidance (see <https://engineerscanada.ca/diversity/women-in-engineering/engineering-employers> for additional guidance).

OSPE comments



March 14, 2022

Consultation for Professional Engineers Ontario's Anti-Racism & Equity Code: Ontario Society of Professional Engineers Response

The Ontario Society of Professional Engineers (OSPE) is the advocacy body and voice of the engineering profession. Ontario currently has over 85,000 professional engineers, 250,000 engineering graduates, 6,600 engineering post-graduate students and 37,000 engineering undergraduate students. We operate with the needs and responsibilities of the engineering community at our core, advocating in professional and policy capacities.

We are pleased to respond to the call for consultation for the Anti-Racism & Equity Code (ARE Code). Professional Engineers Canada has a responsibility to help facilitate an equitable industry as the regulatory body and this collaborative process is a great starting point. OSPE is also glad to see PEO is committed to articulating and maintaining policy, direction, and control in alignment with human rights laws and Ontario's public policy directions.

Comments

Principle 1: Measurement

Measurement is an essential component of an effective DEI strategy. OSPE is glad to see PEO will fulfil Principle 1 in keeping with guidance from the Ontario Human Rights Commission (OHRC). However, before beginning to measure progress, it is important to first gather information for an accurate starting point, keeping in mind respectful words and answers are key for full participation. Disaggregated demographic data is key for measuring this progress. Breakdown of statistics to show representation based on equity-seeking subgroups is required to fully understand how policies affect societal groups different. Without accurate data, PEO cannot measure its progress in this field.

In addition to accurate measurement, it is important to create measurement tools that track progress rather than just setting a determined quota for equity-seeking groups. Quotas can seem disingenuous and can set a counterproductive precedent to firms and professionals.

Principle 2: Regulatory Processes

The engineering profession deserves high-quality and accountable regulation. This principle is of high priority and should be a pillar, not only for the ARE Code, but for all aspects of the organization. Direct language that names the actions and bias brought onto marginalized identities is one example of how trusted regulation processes can look like. PEO should carefully analyze its 2019 Regulatory Review performance and address all issues brought

forward. This should include establishing new mechanisms that ensure a fair licensing process for equity-seeking groups. Applying effective and accountable regulation to Ontario engineers means being a leader in not only inclusive and equitable practices, but in active anti-racist approaches.

Principle 3: Professional Obligations

Reforming rules, licensee reporting and regulatory oversight processes and practices to ensure commitment to DEI practices is extremely important. As part of this duty, PEO is responsible in promoting respect for human rights laws and equity principles within the profession. As stated, PEO should work towards eliminating all inequalities within its processes. Recently, OSPE wrote a follow-up letter to PEO referencing a gross oversight in its application process, where an applicant was discouraged from applying because the forms only provided CIS-gendered options. This was OSPE's second letter to PEO for the same complaint. PEO should correct this immediately, since it is a violation of Human Rights Laws in Ontario.

Principle 4: Training and Influence

In this principle, PEO commits to embedding anti-racist culture throughout the profession, including competency requirements. In order to guide the profession in a more efficient manner, transparency is key. For example, the PEO organization should commit to undergo continuous anti-racism training for its staff and volunteers. In addition, PEO should be encouraging that engineering firms and professionals take this type of training by qualified providers, by making it eligible as part of the PEAK program, when mandatory CPD comes into effect on January, 2023. This will reaffirm PEO's commitment to being an anti-racism and equitable leader in the profession.

Principle 5: Leadership and Sponsorship

Applying inclusion and equitable practices within an organization works best from a top-down approach. Making sure that there is leadership buy-in is essential but introducing accountable leadership training materials that is separate from the rest of the organization acknowledges that the responsibilities fall on management. Management sets the tone for the entire organization, making sure adequate training for that responsibility is effective in building an anti-racist leadership competency.

Leadership structures and opportunities should also be assessed, to ensure that everyone has equal opportunities of growth within PEO. The organization must work towards reflecting the composition of the community it serves, and this includes PEO Council composition.

Principle 6: Stakeholder Engagement and Talent Pipeline

Engaging stakeholders of diverse identities, including Black, Indigenous, Persons of Colour, LGBTQ2S+, and other communities, is vital when learning how to break barriers, filling gaps and becoming allies. However, it is important to approach this carefully to avoid tokenizing individuals. Consulting credible resources on the best way to approach this principle to make sure genuine intention is conveyed through respectful action.

OSPE is always happy to engage with PEO to work towards making the engineering profession as inclusive and equitable as possible, where every current and future engineer is able to feel welcomed, respected and heard.

Principle 7: Safeguards and Accountability

Installing safeguards and protections to engineers across Ontario in terms of EDI is critical. In addition to continuously consulting the Ontario Human Rights Commission, consulting community leaders and members of equity-seeking identities to collaborate on protection should not be overlooked. Finally, approaching the communities before setting up a process for them to approach PEO is a more effective way to establish sustainable trust.

Principle 8: Equitable Organization

An equitable organization for PEO means a future of equitable engineering. This principle is an ultimate pillar when transforming PEO into an anti-racist regulatory body. Becoming a leader in this space will help engineering and the broader engineering community elevate its reputation in the diversity and inclusion space. PEO must lead by example, so its members truly understand the importance of inclusivity.

The Ontario Society of Professional Engineers holds itself to a high standard of accountability in terms of diversity and inclusion. As the advocacy body for engineers in Ontario, we have a responsibility to our members and the broader engineering community to provide tangible solutions for society's biggest challenges. We thank you for the opportunity to be a part of the consultation process for the Anti-Racism & Equity Code for PEO. We look forward to the results and following the recommendations provided.

2022007

ACEC-Ontario comments

On behalf of ACEC-Ontario, I would like to thank you and PEO for this opportunity to comment on the draft ARE Code. I forwarded the document to our 13-member Board of Directors, who represent senior management at a broad cross-section of our member companies. Their consolidated feedback is provided herein, and I can advise that in all cases the responding Directors consulted with the HR or Legal departments in their organization so that a fulsome response could be given.

I am pleased to note that there was consensus among the responses, so it is fair to say that the feedback provided below represents a true industry position on the issues raised.

The feedback is as follows:

General Comments

- 1) ACEC-Ontario agrees that PEO needs to take action on the risks identified in the AREWG Phase 1 report. Only PEO controls the pool of who has a P.Eng. licence in Ontario. If PEO has systemic barriers to licensure that are racist or otherwise discriminatory in nature, only PEO can make the changes to ensure the pool of P.Eng. licence holders reflects the population of those seeking to be licensed. The ARE Code is a good first step.
- 2) That being said, there needs to be more clarity as to the exact “audience” of the document and hence the Code. PEO’s recent AREWG efforts were inward-looking – focused on PEO’s activities and processes. The Phase 1 report rightly identified deficiencies within PEO as a regulator. Portions of the ARE Code and the interpretation document, however, appear to infer that ARE obligations will be placed on individual practitioners and engineering firms. This is neither necessary nor appropriate as employers are already obligated to comply with the Ontario Human Rights Code and with the federal Employment Equity Act. It is not PEO’s role to enforce those pieces of legislation nor should it be setting standards higher than those found in the existing legislation. The ARE Code needs a clearer scoping statement under its “Purpose”.
- 3) In addition to including its “Purpose”, the ARE Code document would benefit from some background to explain why the Code is necessary. Reference should be made to the issues identified in the Phase 1 report. This would help focus the ARE Code as being a solution to a PEO problem, not a problem amongst engineering employers.
- 4) Should PEO wish, at a later time, to extend the ARE Code principles to engineering employers (specifically to Certificate of Authorization holders), then much more consultation will be required. Extending the principles could adversely impact DEI efforts already underway within employers. Resources for such efforts are limited, and anything PEO does would need to be positioned as complimenting work that is already underway, not being added on top of it. Any time PEO seeks to expand its regulatory authority, it must clearly articulate the public interest problem it is trying to solve.

Specific Comments

- Principle 1 (Commentary 1.2) – It should be stated clearly that information will be sought from individual practitioners, not from engineering employers.
- Principle 3 (Commentary 3.4(i)) – PEO needs to use caution in setting “rules” that relate to the promotion of anti-racism and DEI principles. There is a risk of crossing into “compelled speech”, which was a major problem for the Law Society of Ontario a few years ago in relation to their proposed “Statement of Principles”. ACEC-Ontario will vigorously oppose any initiative by PEO that is tantamount to compelled speech.
- Principle 4 (Commentary 4) – PEO cannot, and should not endeavour to, change the culture of any organization but its own. It is a serious overreach for PEO to attempt to influence organizational culture at firms that employ professional engineers. It is fine to set competency requirements for individual engineers in relation to awareness of DEI issues, but PEO has no authority over an employer’s corporate culture. In as much as “compelled speech” is a problem as noted above, “compelled culture” is equally problematic. We have no problem with PEO leading by example in this area and offering opportunities for employers to learn more, but it cannot make a regulation stating what a corporate culture should be.
- Principle 6 (Commentary 6.2) – Remove the reference to George Floyd. There is a huge difference between the issues related to the police and the BIPOC population, and the issues PEO has as a regulator of the engineering profession. The problems at PEO are in no way analogous to the problems within the police. That being said, it is important that PEO create a safe environment to allow people to come forward and break their silence about what they see as discriminatory processes.
- Page 15 – Quote from Ursula Burns – While this quote is powerful and from a well-regarded leader, it may not reflect the sentiment of an anti-racist position. Marginalized groups have been proven to be kept out of top education systems (due to systemic barriers) and even when they show a strong work ethic and the courage to lean in, research has shown they are still held back.

Thank you again for the opportunity to provide industry feedback. Regards,
Bruce



Bruce G. Matthews, P.Eng.
Executive Director



C-546-2.11
Appendix D

PROFESSIONAL ENGINEERS ONTARIO

ANTI-RACISM & EQUITY CODE

Version 1.1. | Issued April 2022

Prepared for PEO by CN Consulting



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PEO's Anti-racism & Equity Code v.1.1.

A. Purpose, scope, and foundation

1. Purpose, origin, and approach

1.1 Professional Engineers Ontario (PEO) establishes this Anti-racism & Equity (ARE) Code to codify certain commitments to advance its fairness, human rights, and public interest obligations under the law. The eight (8) Principles and related commentary articulated in this ARE Code serve as a foundation and a framework to inform PEO's more particularized strategies and actions.

1.2 This ARE Code emerged from PEO's inaugural anti-racism initiative that was launched in November 2020 in the context of an unprecedented global reckoning regarding anti-Black racism. PEO's Anti-racism and Anti-Discrimination Exploratory Working Group (AREWG) was first tasked to scope PEO's vulnerabilities to systemic racism and make recommendations to address any risks. This culminated in the [AREWG's Phase 1 Report](#) and the AREWG engaged PEO's Council towards next steps. In November 2021, Council approved an expanded [AREWG Mandate](#) to reach "other equity and human rights affairs" in addition to racism. This is a vast scope and much more work remains to adequately perform this mandate.

1.3 Leveraging the AREWG's groundwork to date, this ARE Code was drafted primarily through a racial equity lens as a crucial start. The AREWG believes this is consistent with public policy in Ontario, which recognizes that "Black, Indigenous, and racialized populations" face the "most extreme forms of marginalization" and the "most critical forms of systemic racism and inequitable [consequences]", as **"confirmed by numerous reports and years of research and consultation."** These are continuing legacies – over centuries in Canada – from (cultural) Indigenous genocide, colonial atrocities, anti-Black chattel slavery, segregation, and continuing barriers that were actively constructed and are systemically reproduced today. Public policy in Ontario recognizes that a "targeted approach is urgently needed in order to change these consequences."¹ The AREWG has therefore centred this foundational document through the lens of "the most marginalized," with the intention that solutions designed accordingly will reach persons in between the most marginalized and the least marginalized. Starting in any other direction will rarely reach the most marginalized.

1.4 This ARE Code is drafted to align with the Ontario Human Rights Commission's [A policy primer: Guide to developing human rights policies and procedures](#) and its [Policy and Guidelines on Racism and Racial Discrimination](#). This ARE Code articulates PEO's commitments to various actions that the [AREWG's Phase 1 Report](#) recommended. It also responds to equity-related findings in PEO's [2019 External Regulatory Performance Review](#). (Pages 67 – 70 of the [AREWG's Phase 1 Report](#) provide a compilation of such findings.) Among other things, the external reviews identified a need to enhance PEO's policies in this area. PEO will perform more work to enhance all related policies and guidelines.

1.5 This said, until any PEO notice stating otherwise, all of PEO's existing guidelines and policy documents that help to promote equity and protect the public interest continue in effect. All professional engineers shall observe all obligations and expectations under all applicable laws and policies.

1.6 This ARE Code will also undergo enhancements over time as a living document. The AREWG will recommend appropriate enhancements, leveraging diverse stakeholder input, to advance

¹ See example: <https://www.ontario.ca/page/annual-progress-report-2020-ontarios-anti-racism-strategic-plan> and https://files.ontario.ca/ar-2001_ar_report_tagged_final-s.pdf

diversity, equity, and inclusion (“DEI”) objectives in keeping with public policy in Ontario. More generally, the AREWG will continue to advance its [mandate](#), which includes recommendations regarding: policy; consultations; strategy development; public reporting; accountability mechanisms; periodic reassessments; and collaboration with PEO’s people resources to further progress.

1.7 While it is a practical necessity for the AREWG to take an incremental approach to advancing its mandate, it is noteworthy that gender equity initiatives must also be among prioritized work. In Ontario (and Canada), approximately 80% of newly licensed engineers are men, whereas less than half the total population are men. This means a deep underrepresentation of women, for example. It is widely recognized that women face systemic barriers that inequitably impact their access to engineering and/or success within the profession. PEO must prioritize strategies to counter any systemic discrimination impacting persons based on gender identity – including female, two-spirit, intersex, transgender, and gender variant persons.

2. Application and influence

2.1 **At present, this ARE Code applies to PEO in its roles as a regulator, service provider, employer, and organization.** This ARE Code therefore applies to all persons employed or otherwise engaged by PEO to help to perform any of PEO’s activities, and it applies to the full scope of their PEO duties or activities. These persons include PEO’s: (i) staff at all levels; (ii) Councillors; (iii) volunteers; (iv) appointees; and (v) other agents, as PEO authorizes. The covered activities include, without limitation, all of PEO’s activities regarding: licensing and registration; complaints, discipline, compliance, and enforcement; professional standards, professional development, education, and guidance; engagement with PEO’s stakeholders; governance, transformation, and strategic activities; and staff functions, chapter functions, and other PEO activities.

2.2 As the regulator for Ontario’s engineering profession, PEO also intends that the commitments in this ARE Code also serve to encourage and inform the strategies, actions, and behaviours of all persons who are governed by PEO pursuant to the *Professional Engineers Act* (the “*Act*”). Such categories of persons listed in the *Act* are PEO’s: “members, holders of certificates of authorization, holders of temporary licences, holders of provisional licences and holders of limited licences” (“**PEO Governed Persons**”). Readers should also note that PEO’s own commitments as a regulator necessarily have implications for all PEO Governed Persons.

2.3 The ARE Code also serves to provide transparency to Ontario’s public. Engineering in Ontario is self-regulated and so the public interest must always be of paramount concern to PEO and the profession. Under a self-regulation model, the self-regulating profession is required to “**set aside their self-interest in favour of... the public interest**, and rel[y] on **an ethos** of professionalism **that includes a commitment to public service**.”² (emphasis added)

2.4 By knowing PEO’s commitments, members of the public are better positioned to engage meaningfully with PEO to help to ensure accountability in the public interest.

2.5 The AREWG also acknowledges that Indigenous peoples have a constitutionally protected right of self-determination and that Canadian governments in turn have a duty to consult Indigenous peoples before taking any steps that could potentially diminish their rights.³ **This ARE Code shall not apply in any way that could negatively affect the rights of Indigenous peoples.** PEO commits to undertaking adequate consultations with Indigenous communities in Ontario regarding: this ARE Code; PEO’s duties in relation to recommendations from the [Truth and Reconciliation Commission’s Calls to Action](#); and any related future actions by PEO. Concurrently and continuously,

² [Professional Governance | Office of Professional Governance \(professionalgovernancebc.ca\)](#)

³ See Peter W. Hogg’s, *Constitutional Law of Canada* 5th ed., at pages 776 – 788.

PEO commits to equitable treatment of Indigenous persons and communities, ensuring that they have equitable access to all services and opportunities that PEO offers. This commitment includes ensuring freedom from all forms of discrimination or harassment – based on Indigenous identity – throughout PEO’s organization, practices, actions, and inactions.

3. Foundational information

1.1 To properly understand this ARE Code, it is essential to read the [Policy and Guidelines on Racism and Racial Discrimination](#) issued by the Ontario Human Rights Commission (OHRC). [Appendix 4](#) also sets out links to several key OHRC policies and guidelines – for example regarding discrimination based on gender identity – which everyone in Ontario should read, as Ontario’s *Human Rights Code* obligations apply to everyone.

1.2 Human rights terms used in this ARE Code are defined and/or explained in the noted OHRC documents. [Appendix 4](#) below also includes links to glossaries, plus information about free legal support regarding human rights matters in Ontario.

1.3 To orient readers upfront, PEO notes the following foundational OHRC information:

- i. “Racial discrimination exists not just in individual behaviour but can also be systemic or institutionalized. **Systemic or institutional discrimination** is one of the more complex ways in which racial discrimination occurs. Organizations and institutions have a positive obligation to ensure that they are not engaging in systemic or institutional racial discrimination. Systemic or institutional discrimination consists of **patterns of behaviour, policies or practices that are part of the social or administrative structures of an organization**, and which **create or perpetuate a position of relative disadvantage** for racialized persons. These **appear neutral on the surface but, nevertheless, have an exclusionary impact** on racialized persons. However, systemic discrimination can overlap with other types of discrimination that are not neutral. For example, a discriminatory policy can be compounded by the discriminatory attitudes of the person who is administering it.”
- ii. systemic discrimination – including systemic racism – can be proven even if there was no *intent* to discriminate. Systemic discrimination manifests through the above noted patterns that have the effect of privileging some groups and disadvantaging others.
- iii. aside from inferences from numerical data, inferences from anecdotes and circumstantial evidence are often successfully used towards proving discrimination in Canadian courts and tribunals, because of the very nature of how discrimination manifests.
- iv. **“all organizations, institutions and levels of government should take steps to address historical disadvantage. This expectation is even higher for public bodies** as they are more likely to have contributed to the causes of historical disadvantage in the first place and because government has an enhanced responsibility to ensure that everyone can benefit equally from its services.”
- v. “we all have a shared responsibility for addressing historical disadvantage.”
- vi. “organizations and institutions have an obligation to be aware of whether their practices, policies and programs are having an adverse impact or resulting in systemic discrimination vis-à-vis racialized persons or groups. It is not acceptable from a human rights perspective to choose to remain unaware of the potential existence of discrimination or harassment, to ignore or to fail to act to address human rights matters, whether or not a complaint has been made.”

- vii. an “organization violates the [Human Rights Code](#) where it directly **or indirectly**, intentionally **or unintentionally** infringes the *Human Rights Code* or ... authorizes, **condones**, adopts or ratifies behaviour that is contrary to the *Human Rights Code*.”
- viii. organizations “have a **responsibility to take proactive steps to ensure that they are not** engaging in, **condoning or allowing** racial discrimination or harassment to occur. **Obligations... range from collecting numerical data** in appropriate circumstances, accounting for historical disadvantage, **reviewing policies, practices and decision-making processes** for adverse impact and **having in place and enforcing anti-discrimination and anti-harassment policies and education programs**, to name just a few.”

See OHRC’s [Policy and Guidelines on Racism and Racial Discrimination](#) at pages 6, 37, 38, 40 (emphasis added).

1.4 To further orient readers, PEO notes the following regarding persons whose disadvantage this ARE Code aims to help address:

- i. **“Equity seeking”** persons. For purposes of this ARE Code, this category refers to persons who self-identify as belonging to a “racialized” group, or another group recognized in human rights literature as facing systemic discrimination based on personal characteristics protected under the *Human Rights Code*. These protected characteristics include race, gender identity, creed, citizenship, place of origin, sexual orientation, disability, among others. (See [Appendix 4](#) for relevant OHRC policies).
- ii. **“Racialized”** persons. This category is a subset of “equity seeking” persons. The OHRC’s [Policy and Guidelines on Racism and Racial Discrimination](#) (pages 5 – 12): provides authoritative examples of groups that have been “racialized”; provides examples of their oppression throughout Canada’s history; and explains how “race” was socially constructed as a tool to justify and perpetuate exploitative systems such as anti-Black chattel slavery.
 - Racialized groups in Canada include: Black, Indigenous, Jewish, Muslim, Middle Eastern, South-Asian, East-Asian, Southeast Asian, and Latino populations. These descriptions represent a relatively high level of aggregation. Within each group, there are sub-groupings that may more closely reflect how individuals self-identify.

As the [OHRC’s policy](#) notes at its page 11:

- racialization is “the process by which societies construct races as real, different and unequal in ways that matter to economic, political and social life;” and
- racialization “extends to people in general but also to specific traits and attributes, which are connected in some way to racialized people and are deemed to be “abnormal” and of less worth. Individuals may have prejudices related to various racialized characteristics. In addition to physical features, characteristics of people that are commonly racialized include: accent or manner of speech; name; clothing and grooming; diet; beliefs and practices; leisure preferences; places of origin; citizenship.” Racism can manifest as discrimination based someone’s accent or diet associated with their “race”, for example.

B. Listing of the ARE Code Principles

The Principles enshrined in this ARE Code are listed below. Commentary to aid understanding is provided in the subsequent section.

Principle 1: Measurement. For purposes consistent with the *Human Rights Code*, PEO commits to gathering and publicly reporting disaggregated race-based data, other identity-based data, and DEI metrics, on the basis of voluntary express consent that is freely given, and in conformity with legally acceptable data collection and storage techniques, privacy laws, and other applicable laws. Throughout such activities, PEO will protect as paramount the anonymity of individuals to whom the data relates. PEO will also ensure that requested demographic data is securely kept completely separate from and has no bearing on PEO's licensing or discipline evaluations or decisions.

Principle 2: Regulatory processes. PEO commits to steadfast and continuous improvements that achieve equity and foster inclusivity in all its regulatory processes, with priority focus on licensing, complaints, and discipline processes.

Principle 3: Professional obligations. PEO commits to reforming rules, licence-holder reporting, and regulatory oversight processes and practices to reinforce the professional obligations of all licence holders to uphold human rights laws, and to encourage them to respect DEI principles.

Principle 4: Training and influence. PEO commits to continuously embedding a human rights culture throughout its organization and all its functions, and reinforcing similar expectations as part of the profession's ethos of professionalism. Among other things, this includes: ongoing anti-racism and equity training and competency tracking regarding PEO's staff, volunteers, and appointees; ensuring wider competency requirements; making appropriate trainings available to license holders and certificate holders; and making publicly available and easily accessible all relevant regulations, policies, and procedures.

Principle 5: Leadership and sponsorship. PEO commits to steadfast and continuous improvements and adequate resourcing that promote and achieve equity, and foster inclusivity, across all leadership endeavours, leadership levels, opportunities, plans, and processes including: PEO's elections processes; committee selection processes; and other opportunities. PEO further commits to annually investing adequate people and financial resources necessary to sponsor, champion, lead, and drive delivery of all commitments in this ARE Code.

Principle 6: Stakeholder engagement | talent pipeline. PEO commits to continuously and appropriately engaging with engineering organizations; bridging programs; educational institutions; equity-seeking populations; industry participants; licence holders; public bodies; government representatives; and others. This stakeholder engagement will include, among other things, exploring the barriers and gaps preventing an equitable talent pipeline into the profession, and continuously taking all steps appropriate for a regulator to help to address the problem.

Principle 7: Safeguards | accountability. PEO commits to embedding and continuously improving measures that directly address racism and discrimination complaints, such as specialized and dedicated teams, with sufficient protections for parties involved. More generally, PEO commits to adequate accountability measures to fortify all Principles in this ARE Code, including periodic reassessments regarding systemic inequities, and performance appraisal measures.

Principle 8: Equitable organization. As the primary steward of Ontario's engineering profession, PEO commits to leading by example and ensuring equitable hiring and representation of persons from all equity-seeking backgrounds, with first focus on Indigenous, Black, and racialized groups, and high focus towards gender equity. PEO commits to achieving such representation at all levels in the organization, and fostering retention, inclusion, advancement, belonging and equity regarding equity-seeking persons and everyone, at all levels in the organization.

C. Interpretation of the ARE Code Principles

To inform the interpretation, application, and fulfilment of the ARE Code Principles in practice, PEO provides important commentary in this Section C.

Principle 1: Measurement. For purposes consistent with the *Human Rights Code*, PEO commits to gathering and publicly reporting disaggregated race-based data, other identity-based data, and DEI metrics, on the basis of voluntary express consent that is freely given, and in conformity with legally acceptable data collection and storage techniques, privacy laws, and other applicable laws. Throughout such activities, PEO will protect as paramount the anonymity of individuals to whom the data relates. PEO will also ensure that requested demographic data is securely kept completely separate from and has no bearing on PEO's licensing or discipline evaluations or decisions.

Commentary 1

Notable objectives

1.1 PEO will fulfil Principle 1 in order to, among other things:

- (i) know and be transparent to the public about the inclusion levels achieved in the organization and profession, and where focus may be needed for PEO to identify and take steps appropriate for a regulator, employer, organization, and service provider towards removing barriers within its control or influence.
- (ii) leverage data to continuously identify priority areas, set goals, tailor appropriate initiatives, and annually report to the public regarding measurable progress relevant to this ARE Code.
- (iii) leverage data to inform equitable and adequate allocation of people and financial resources annually, as being vital to drive needed improvements.

This also involves leveraging data to inform: (i) the setting and sequencing of priorities; (ii) the determination of the nature, timing, and amount of resources allocated, in proportion to the relative extents of the gaps and problems that the data identifies; and (iii) the kinds, degrees, and sequencing of stakeholder engagement needed to co-create solutions with impacted populations.

- (iv) measure and report on progress in areas prioritized for continuous improvement. For example, reporting statistics that breakdown by key identities: who are governed and managed; who are seeking entry; who are unsuccessful or delayed in the licensing process; who are the subjects of complaints; who are the recipients of disciplinary sanctions; and who are the recipients of key opportunities.
- (v) pay recognition to and learn from areas where representation numbers closely reflect Ontario's demographic diversity.
- (vi) leverage data for strategic planning and activities to further PEO's public interest purpose. For example, planning and communication related to the distribution of expertise that may be leveraged or bolstered within different communities and for unique community needs.

Public policy expectations, standards and safeguards

1.2 PEO will fulfil Principle 1 in keeping with guidance from the Ontario Human Rights Commission (OHRC) and other established best practices in Ontario. These include: (i) the OHRC's [Policy and Guidelines on Racism and Racial Discrimination](#); (ii) the OHRC's [Count me in! Collecting human rights-based data](#); (iii) the [Anti-Racism Data Standards](#) (ARDS) issued by the Government of Ontario; and (iv) guidance from the Canadian Centre for Diversity and Inclusion.

1.3 The OHRC's [Policy and Guidelines on Racism and Racial Discrimination](#) makes clear that:

- (i) **“Numerical data that demonstrates that members of racialized groups are disproportionately represented may be an indicator of systemic or institutional racism.** Numerical data can be evidence of the consequences of a discriminatory system in the following ways: • Under-representation in an organization relative to the availability of qualified individuals in the population or in the applicant pool suggests systemic discrimination in hiring practices or may be indicative of on-the-job discrimination resulting in a failure to retain racialized persons. • Unequal distribution of racialized persons in an organization (for example, high concentration in entry-level positions and low representation in managerial positions) may demonstrate inequitable training and promotion practices.”
- (ii) “appropriate data collection is **necessary** for effectively monitoring discrimination, identifying and removing systemic barriers, ameliorating historical disadvantage and promoting substantive equality.”

1.4 In heeding the OHRC's guidance, PEO will utilize data to pinpoint where systemic barriers may exist and to ensure that it counters any identified barriers that are within its control or influence.

1.5 Using PEO's licensing process as an example: PEO should not, and does not intend to, grant licenses where applicants do not meet fair licensure requirements. However, PEO takes seriously the findings and recommendations of its [2019 External Regulatory Performance Review](#) which identified areas for improvement to deliver fair treatment of applicants (for example, various internationally trained professionals). While PEO will not inappropriately license persons to artificially achieve representation numbers that reflect society's diversity, PEO recognizes that there may be many adequately trained applicants who experience undue difficulty to obtain a license. Disaggregated identity-based data showing applicants' credentials compared to their experience at each stage of the licensing process, for example, can reveal insights regarding where, how, in relation to which subgroups, and to what comparative degrees, systemic barriers may be manifesting and inequitably impeding progress. PEO will generate such insights and in turn take appropriate corrective actions. A similar approach will be applied to areas other than licensing.

1.6 As safeguards in fulfilling Principle 1, PEO will follow the OHRC's guidance and ensure that all data collection occurs “in a way that follows accepted data collection techniques, privacy and other applicable legislation, and is [done] for purposes that are consistent with the *Human Rights Code*.”

1.7 Observing the [ARDS](#) and other best practices, PEO will also ensure that:

- (i) it tells individuals *why* it is requesting personal information from them and *how* it will use and protect the information. In particular, PEO will tell the individuals:

- about its reasons, methods, practices, and uses regarding such data collection as being consistent with relieving disadvantage / discrimination and advancing equitable opportunity; and
 - that the identity-based data it requests and collects through the said process (the “Collected Data”) will be securely kept completely separate from and **have no bearing on the evaluation of individuals for licensure or for discipline.**
- (ii) any Collected Data is collected directly from the individual to whom it relates and is based on **voluntary express consent that is freely given.**
- (iii) the coding of identities is based on how individuals voluntarily self-identify using coding options listed in PEO’s data requests, and that such coding options are inclusive.
- For example, when asking individuals to self-identify which race categories best describe them, PEO will use category descriptions that, at a minimum, reflect those in the [ARDS](#) and are otherwise consistent with language deemed inclusive within authoritative or credible DEI or human rights literature in Canada.
 - PEO’s coding options will also enable individuals to: select multiple categories (recognizing that mixed race, or multiple races, or multiple identity descriptions may apply); select “another” (recognizing that individuals may feel that none of the listed categories best describes them); or not select a response (recognizing the voluntary nature of the request).
 - Regarding coding options for gender identity descriptions: PEO will meaningfully consult with 2SLGBTQ+ populations to ensure an inclusive listing of gender identity descriptions.
- (iv) no program, service, or benefit is withheld because an individual does not provide, or refuses to provide, the personal information that PEO requests.
- (v) it makes any data requests in a manner that does not pressure recipients of the request.
- (vi) it deidentifies data sets before making any Collected Data statistics public, so that no individual is identified or identifiable, and privacy laws are fully respected.
- (vii) it implements robust processes for quality assurance and the security of personal information.
- (viii) it maintains and promotes secure systems and processes for retaining, storing, and disposing of personal information.
- (ix) it restricts access to and use of the Collected Data on a need to know basis and purely to fulfil purposes that are consistent with the *Human Rights Code*.

1.8 Regarding PEO’s commitment to protecting privacy as paramount, PEO will take a very robust approach to anonymizing any Collected Data statistics it discloses. PEO will ensure that readers will not be able to deduce the individual(s) to whom the information relates. For example, PEO will not disclose granular levels of analysis by locations or categories where the total count of individuals described is such that persons familiar with the area could narrow down the possibilities to specific persons.

Scope, uses, and approaches

1.9 Complying with the foregoing standards, PEO will request, analyse, and/or publicly report disaggregated race-based data, and other identity-based data and DEI metrics, in respect of persons and activities it governs, manages and/or services as a regulator, employer, and/or

service provider. PEO will prioritize data analyses and reporting regarding: (i) its licensing applicants and their experience throughout the licensing process; (ii) its staff and leadership composition at all levels; and (iii) measurements that convey its progress on commitments in this ARE Code. Once PEO also has adequate identity-based data regarding PEO Governed Persons, it will also prioritize data analyses and reporting regarding its complaints and discipline processes, in keeping with appropriate standards.

1.10 For example, regarding licensing applicants, PEO will:

- (i) conduct analyses and annually report to the public disaggregated statistics regarding applicants' experience at each stage of the licensing process;
- (ii) continuously strive to pinpoint where in the licensing process applicants are encountering barriers, and continuously leverage such data appropriately to address any obstacles that it identifies;
- (iii) analyse not only applicants' experience and outcomes, but also their credentials. For example, Statistics Canada data⁴ released in 2021 shows that Black populations in the labour market core age group (25 to 54 years old) are "more likely to hold a bachelor's degree or higher" than populations that are not racialized. "However, Black Canadians with a university degree had a lower employment rate" and lower levels of remuneration. And Black populations are "deeply underrepresented" on corporate boards, and so forth. PEO will perform, publicly report, and take appropriate ameliorative actions based on similar kinds of analyses.
- (iv) cross-tabulate the data, recognizing the importance of intersectionality. That is, PEO will also analyse applicants' data based on combined identities (e.g. race and gender identity; race and disability; gender identity and disability; and a multitude of other intersections). This will enable insights regarding any heightened barriers that individuals face in compounding ways based on their intersecting identities. (See the OHRC's [Policy and Guidelines on Racism and Racial Discrimination](#) at pages 16 – 17.)
- (v) prioritize focused ameliorative actions – leveraging the data insights – to advance equitable access, treatment, and opportunities. In delivering solutions, PEO will ensure first focus through lenses tailored to the identities that the data suggests are facing the greatest barriers in PEO's processes and practices.

1.11 PEO will take similar approaches with analyses, and appropriate ameliorative actions, relating to staff and other categories of persons and opportunities within PEO's scope.

1.12 The foregoing analyses will involve breaking down statistics to show representation based on equity-seeking subgroups.

1.13 Regarding the breakdown of race-based statistics, the [ARDS](#) uses the following definition:

"Disaggregated data is broken down into component parts or smaller units of data for statistical analysis. In the context of race-based data, this means breaking down the composite (aggregate) "racialized" category into its component parts such as Black, South Asian, East/Southeast Asian, Latino, Middle Eastern, White, etc."

⁴ See example: [The Daily — Study: A labour market snapshot of Black Canadians during the pandemic \(statcan.gc.ca\)](#) and <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2021005-eng.htm>

1.14 PEO will also continuously develop analyses at more granular levels of disaggregation to identify any differential patterns within the larger groupings above. This will better enable PEO to identify and address systemic barriers that prevent equitable access and opportunities. For example, some [Statistics Canada data](#) shows that Filipino populations – along with Black and Indigenous populations – are the least represented among Canada’s industry executives. It is therefore insightful to also analyse at more granular levels than “Asian” or “Southeast Asian”, for example. To enable such analyses, PEO will continuously enhance its data collection questions to gather data at a sufficiently granular level to enable various levels of aggregation and cross-tabulation.

1.15 PEO will also follow the OHRC’s guidance outlined below to “proactively reduce perceptions of “reverse-discrimination””:

“clearly communicate the purpose, goals and methodology for collecting data, explain how [the licensing,] recruitment, hiring and promotion process[es] will be transparent, fair and based on merit, and highlight how collecting data can benefit all staff and the organization as a whole.”

“invit[e] questions and incorporat[e] feedback from key internal and external stakeholders ... to encourage broad-based support for and participation in a data collection project.”

develop training for personnel, particularly those involved in “[licensing], recruiting, hiring and promoting, to support a clearer understanding of the positive role equity-enhancing programs can play in fostering an inclusive, respectful [organization] that complies with human rights legislation.” (See OHRC’s [Count me in! Collecting human rights-based data](#) at page 16).

Principle 2: Regulatory processes. PEO commits to steadfast and continuous improvements that achieve equity and foster inclusivity in all its regulatory processes, with priority focus on licensing, complaints, and discipline processes.

Commentary 2

2.1 PEO will fulfil Principle 2 in keeping with: (i) fundamental human rights obligations and principles (see above); (ii) the recommendations from PEO’s [2019 External Regulatory Performance Review](#); (iii) the guidance PEO has received from Ontario’s Office of the Fairness Commissioner (OFC); and (iv) the evolving legal and policy environment in Ontario.

2.2 While this commentary to Principle 2 does not repeat the human rights dimension, PEO urges readers to review all foregoing sections (especially [Section A.3](#)) above and understand that all human rights considerations apply equally to this Principle 2 and to all Principles in this ARE Code. Readers should also be sure to read the OHRC policies and guidelines mentioned in [Section A.3](#) above.

2.3 With this human rights foundation noted, PEO commits to assessing its regulatory performance through all applicable DEI and human rights lenses, with first focus areas as noted in [Section A.1](#) above. In turn, PEO commits to appropriate ameliorative actions.

2.4 PEO also encourages readers to review the [2019 External Regulatory Performance Review](#). The recommendations from that review are incorporated by reference into this ARE Code. PEO commits to continuing steadfast endeavours to deliver on those recommendations.

PEO has been undergoing significant transformation since accepting the 2019 review's recommendations. PEO will continue this transformation to realize its vision to be and remain a trusted leader in professional regulation.

2.5 With respect to the evolving legal and public policy environment in Ontario, PEO notes that the [Working for Workers Act, 2021](#) was enacted in December 2021 and it prohibits a regulated profession from retaining a Canadian experience requirement unless the Minister of Labour, Training and Skills Development grants an exemption for the purposes of public health and safety.

2.6 PEO also respects the following comments from the Office of the Fairness Commissioner (OFC) in relation to Principle 2. The OFC oversees PEO's performance under the [Fair Access to Regulated Professions and Compulsory Trades Act, 2006](#) ("FARPACTA") and has opined that it is appropriate for PEO as a professional regulator to play a leadership role in helping to embed anti-racism and anti-discrimination principles throughout the "engineering ecosystem," as a way to enable increased employment of internationally trained professionals. Regarding PEO's role in the engineering ecosystem, the OFC stated as follows:

"PEO undertakes its registration work as part of an ecosystem that includes educational institutions, immigration and settlement groups, bridging programs and organizations that employ professional engineers. We believe that PEO's adoption of the ARE Code will allow it to positively influence this entire ecosystem. We further believe that the adoption by PEO of the ARE Code would represent a watershed decision for the organization..."

2.7 PEO commits to doing its part as a leader in Ontario's engineering ecosystem. In particular, PEO commits to:

- (i) promptly taking all steps to come into compliance with new laws in this area;
- (ii) publicly reporting annually regarding its performance under *FARPACTA*, and regarding any public comments that the OFC has provided to PEO;
- (iii) publicly reporting annually on its progress as against the [2019 External Regulatory Performance Review](#) recommendations; and
- (iv) conducting an independent external assessment of its performance under *FARPACTA* every 3 to 5 years, or more frequently, and making the external report prominently available and easily accessible by the public.

2.8 As one example of the commitments noted above, PEO will continuously review its internet site to ensure that it continuously provides prospective applicants with information that: (i) is up to date, (ii) is adequate, (iii) is easy to understand (in language(s), formats, and flow of information), and (iv) accurately conveys the probability that internationally trained applicants will succeed in becoming registered, and the time that this process will realistically take.

2.9 It bears repeating under Principle 2 that all improvements to PEO's licensing process will be made towards achieving and maintaining a *fair* and *merit-based* process. PEO commits to reforming the licensing process to simultaneously enhance fairness and ensure that only candidates who meet the fair requirements for licensure are licensed. (See also: commentary to [Principle 1](#))

2.10 Although the above focuses largely on the licensing process, PEO commits to achieving equity in all its regulatory processes and practices, with priority attention to complaints and discipline areas, in addition to licensing. (See also: commentary to [Principle 1](#); [Principle 3](#); and [Principle 7](#))

Principle 3: Professional obligations. PEO commits to reforming rules, licence-holder reporting, and regulatory oversight processes and practices to reinforce the professional obligations of all licence holders to uphold human rights laws, and to encourage them to respect DEI principles.

Commentary 3

It is illegal and a breach of professional conduct requirements to discriminate

2.6 As the [Professional Engineers Act](#) mandates, PEO's "principal object" as a regulator is:

"to **regulate** the practice of professional engineering and **to govern** its members, holders of certificates of authorization, holders of temporary licences, holders of provisional licences and holders of limited licences in accordance with this Act, the regulations and the by-laws **in order that the public interest may be served and protected.**" (Section 2 of the Act; emphasis added)

3.1 As part of this duty, PEO is responsible to oversee the profession to instill respect for human rights laws and equity principles, and to address discrimination and inequities. (Also see [Section A.2](#) and [Section A.3](#) above)

3.2 Notably, everyone in Ontario – including individuals – is bound by the *Human Rights Code* and must observe the related OHRC policies and guidance. The OHRC's [Policy and Guidelines on Racism and Racial Discrimination](#) makes clear that, in noted social areas, it is illegal for anyone in Ontario to harass or discriminate against any individual based on any personal characteristic protected under the *Human Rights Code*, such as race, gender identity, and other grounds, as discussed above. The social areas are "employment, services, goods, facilities, housing accommodation, contracts and membership in trade and vocational associations." This means, for example, that it is illegal to "harass" or "discriminate" against anyone within a workplace context (based on personal characteristics protected under the *Human Rights Code*).

3.3 It necessarily follows that any PEO Governed Persons (that is, "practitioners" as defined in Regulation 941/90 – including license holders and certificate holders) who breach the *Human Rights Code* thereby also breach PEO's professional conduct requirements. This is because:

- (i) PEO's regulations prohibit conduct that would "reasonably be regarded...as disgraceful, dishonourable or unprofessional". This is core to the definition of "professional misconduct" (Section 72(2)(j) of Regulation 941/90).
- (ii) illegal conduct as noted above is "disgraceful, dishonourable or unprofessional".

3.4 Therefore, any engineering "practitioners" who breach the *Human Rights Code* thereby breach the professional misconduct provisions of Regulation 941/90 and are potentially subject to prosecution for disciplinary action per section 28 of the *Professional Engineers Act*.

3.5 Illegal conduct as noted above also goes against the "ethos of professionalism that includes a commitment to public service", which applies to Ontario's engineers under the current model of self-regulation. (See [Section A.2](#) above.)

3.6 Such illegal conduct also contravenes PEO's code of ethics enshrined in section 77 of [Regulation 941/90](#) and in particular the following subsections:

“It is the duty of a practitioner **to the public**, to the practitioner’s employer, to the practitioner’s **clients**, to other **members of the practitioner’s profession**, and to the practitioner to **act at all times** with, (i) **fairness** ...to the practitioner’s **associates**, ...**clients, subordinates and employees**, (ii) **fidelity to public needs**, (iii) **devotion to high ideals of personal honour and professional integrity**... 2. A practitioner shall, (i) **regard the practitioner’s duty to public welfare as paramount.**” (Subsections 77(1)(i),(ii),(iii) and 77(2)(i) of the Regulation; emphasis added)

3.7 Engineering firms should also note the OHRC’s explanation that “a corporation, trade union or occupational association, unincorporated association or employers’ organization will be held responsible for any act or omission done in the course of his or her employment by an officer, official, employee or agent... Simply put, it is the OHRC’s position that vicarious liability automatically attributes responsibility for discrimination to an organization for the acts of its employees or agents, done in the normal course, whether or not it had any knowledge of, participation in or control over these actions.” (Pages 39 to 40, [OHRC policy](#))

3.8 It therefore behooves employers to strive to ensure that all employees abide by the *Human Rights Code*. Also, the OHRC makes clear that “all organizations, institutions and levels of government should take steps to address historical disadvantage.” (Page 6, [OHRC policy](#))

PEO has legal duties to act, which are separate from the roles of the courts and tribunals

3.9 Following from the *Human Rights Code*, PEO has notable responsibilities as a regulator, service provider, and employer. (See [AREWG’s Phase 1 Report](#) at its pages 42 to 45 for a detailed explanation, which relies on the [OHRC policy](#) above).

3.10 The OHRC lists the following factors as considerations for determining whether an organization met its responsibilities: procedures in place at the time to deal with discrimination and harassment; the promptness of the institutional response; the seriousness with which the matter was treated; resources made available; whether the organization provided a healthy work environment; and the degree to which the action taken was communicated to complainants. (Pages 37 to 39, [OHRC policy](#))

3.11 Notably, the possibility of remedies from human rights tribunals and courts does not remove an organization’s own human rights responsibilities. Put simply, PEO must have its own measures in place to “address historical disadvantage” and discrimination. It is properly within PEO’s scope to do so, and legally required.

3.12 Readers must also note that differential treatment does *not* constitute illegal discrimination if it qualifies as a program that counters historical disadvantage. The OHRC explains that the “[*Human Rights*] Code recognizes the importance of addressing pre-existing hardship and disadvantage in the section dealing with special programs. Section 14 of the [*Human Rights*] Code allows for programs to alleviate hardship or economic disadvantage or to assist disadvantaged persons or groups to achieve, or attempt to achieve, equal opportunity.” It is well established in Canada that such ameliorative measures further equity (that is, “substantive equality”).

3.13 Readers should also note that PEO’s authorizing statute mandates PEO:

1. To establish, maintain and develop standards of knowledge and skill among its members.
2. To establish, maintain and develop standards of qualification and standards of practice for the practice of professional engineering.

3. To **establish, maintain and develop standards of professional ethics** among its members.
4. To **promote public awareness of the role of [PEO]**.
5. To **perform such other duties and exercise such other powers** as are imposed or conferred on [PEO] by or under any Act. (Section 2(4) of the Act; emphasis added)

PEO's commitments to meet its duties

3.14 With this human rights foundation noted, PEO commits to assessing its regulatory performance through all applicable human rights lenses, with first focus areas as noted in [Section A.1](#) above. In turn, PEO commits to appropriate ameliorative actions.

3.15 In fulfilling Principle 3, PEO will perform actions that will include, among other things:

- (i) clarifying language in regulations, rules, policies, and procedures to articulate PEO's commitments, expectations of the profession, and consequences for non-compliance;
- (ii) undertaking a comprehensive review and achieving adequate improvements regarding all existing PEO policies and guidelines that aim to protect against discrimination or harassment, and/or that relate to the conduct of PEO's: (i) staff at all levels; (ii) Councillors; (iii) volunteers; (iv) appointees; and/or (v) other agents, as PEO authorizes. PEO accepts the recommendations noted in its [2019 External Regulatory Performance Review](#) and in the [AREWG's Phase 1 Report](#) regarding its policies.
- (iii) clearly articulating, prominently announcing, and making easily accessible all channels and processes by which licence holders can report and participate in addressing instances of non-compliance;
- (iv) fortifying mechanisms that address breaches of professional conduct requirements;
- (v) improving data collection and reporting vis-à-vis licence holders and workplaces to further Principle 1; and
- (vi) improving competency requirements.

3.16 More generally, PEO expects all licence holders to know and carefully observe PEO's [Guideline on Human Rights in Professional Practice \(2009\)](#) which continues in effect. In all aspects of their professional dealings, professional engineers shall:

- (i) be proactive in recognizing, understanding, and respecting principles of anti-racism, equity, diversity, and inclusion, consistent with the requirements under human rights laws and society's expectations regarding members of a noble profession;
- (ii) be familiar with applicable laws and policies, such as the Ontario [Human Rights Code](#) and this ARE Code;
- (iii) "avoid collusion in acts of harassment or discrimination – not only active collusion, but also collusion through silence or denial" (see page 13 of the [2009 document](#)); and
- (iv) follow appropriate complaint procedures when reporting claims of harassment or discrimination.

Principle 4: Training and influence. PEO commits to continuously embedding a human rights culture throughout its organization and all its functions, and reinforcing similar expectations as part of

the profession's ethos of professionalism. Among other things, this includes: ongoing anti-racism and equity training and competency tracking regarding PEO's staff, volunteers, and appointees; ensuring wider competency requirements; making appropriate trainings available to license holders and certificate holders; and making publicly available and easily accessible all relevant regulations, policies, and procedures.

Commentary 4

Obligations

4.1 As a corollary to Principle 3, PEO commits to playing a leadership role – appropriate for a professional regulator – by directly offering substantial information, training, and influential measures that help to build a human rights culture throughout its organization and reinforce similar expectations among PEO Governed Persons as part of the profession's ethos of professionalism. (See also: commentary to [Principle 3](#))

4.2 Principle 4 is based on PEO's human rights duties. As the OHRC makes clear:

“Human rights education is essential to developing a “human rights culture” within the organization, one that supports the values and principles that underlie the *[Human Rights] Code*. Without an understanding of human rights issues, and support for a human rights culture, human rights policies and procedures are unlikely to succeed...

Beyond knowledge of the legal rights and responsibilities set out in the Code, it is important to understand discrimination and harassment related to the various *[Human Rights] Code* grounds, and how they manifest themselves. For example, **it will be very difficult for an organization to address and prevent systemic racial discrimination without educating its members** about what racism is, how it operates, common manifestations of racism and racial discrimination, and the legacy of racism in Canada...

All members of the organization should know the principles of the *[Human Rights] Code*, and their legal rights and responsibilities related to human rights. **People responsible for developing organizational strategy, policies and procedures on human rights issues will need more in-depth training** on human rights laws, **and regular updates** on new issues, policies and legal developments...

Organizations should make sure that all members are aware of internal human rights policies and procedures. Everyone should know what the standards are, what their rights and responsibilities are under the policies and procedures, and how they can get advice or assistance on human rights issues. Provide everyone with policies and procedures, together with training, when they are introduced. Share them with newcomers when they join the organization, and provide everyone with regular reminders and refreshers.

Persons who will be responsible for implementing human rights policies and procedures will need more extensive training and information. This includes managers and supervisors, as well as staff who may receive, investigate, mediate or decide on complaints or accommodation requests”.

(See [Education and training programs | OHRC](#); emphasis added)

4.3 PEO respects the [OHRC policy](#), which indicates that culture is one of the three key considerations for identifying and addressing systemic discrimination. The OHRC policy describes organizational culture as “shared patterns of informal social behaviour, such as

communication, decision-making, and interpersonal relationships, that are the evidence of deeply held and largely unconscious values, assumptions and behavioural norms. An organizational culture that is not inclusive can marginalize or exclude racialized persons.” (Page 34, [OHRC policy](#))

4.4 The OHRC has made clear that all organizations, especially public bodies, have “an obligation to be aware of whether their [patterns] are having an adverse impact ... It is not acceptable... to choose to remain unaware ... or to fail to act to address human rights matters, whether or not a complaint has been made.” (Page 37, [OHRC policy](#))

4.5 The OHRC also notes the following obligations, which PEO commits to meeting:

“Education and training are ... central to any effort to build a “human rights culture” within an organization... [E]very member of the organization should have a solid understanding of their rights and responsibilities under the [Human Rights] Code, and of the organization’s policies, programs and procedures for preventing and addressing human rights issues...

On an ongoing basis, **organizations should monitor human rights issues** that affect them, and provide their members with human rights education that is timely and appropriate. An effective human rights education program will include training on:

- Organizational policies and procedures related to human rights
- The principles and specific provisions of the *[Human Rights] Code*
- General human rights issues such as racism, ableism, sexism, homophobia, ageism, etc...

Training must be **tailored to the specific needs** of the various members of the organization.. As well, specific education is required for the people responsible for:

- Complying with policies (everyone)
- Implementing policies (managers, supervisors)
- Providing expert advice, ensuring compliance (for example, HR)
- Overall human rights strategy (for example, the CEO)...

Organizations should **ensure that those who carry out human rights training have expertise in the specific subject area...**

Training should emphasize that human rights policies and programs are in harmony with the organization’s objectives, and have the **full support of senior management...**

Human rights education should not be a one-time event. **Ongoing training** should be provided to **address developing issues, and regular refreshers** provided to all staff. The **effectiveness of training should be monitored**, and **any identified gaps should be promptly addressed.**”

(See [Education and training programs | OHRC](#); emphasis added)

Audience / Delivery

4.6 To adequately fulfil Principle 4, PEO commits to:

- (i) prioritizing annual human rights training for PEO’s leaders at all levels: Councillors, Committee chairs, senior management, volunteer leaders, and other appointed leaders (“PEO Leaders”).

- (i) prioritizing annual training for PEO Leaders related specifically to this ARE Code and the role that PEO Leaders play in helping to fulfil PEO's obligations.
- (ii) ensuring that trainings for staff occur during regular business hours and that staff are not expected to dedicate any personal time accordingly.
- (iii) ensuring adequate people and financial resources to fulfil Principle 4, and engaging appropriately with stakeholders, including partners and service providers where applicable.
- (iv) incorporating PEO's human rights educational offerings alongside the ethics modules in its formal professional development program.
- (v) ensuring that PEO's human rights trainings, learning materials, and support offerings are developed and delivered in meaningful engagement with persons with lived experience relevant to each topic, and that such persons are properly compensated for work performed. For example, as PEO ensures focused strategies to prevent discrimination against Indigenous, Black, racialized, and 2SLGBTQ+ populations, PEO commits to engaging and properly compensating persons from the respective populations who have the requisite experience and/or knowledge to help ensure relevant, equitable, and culturally appropriate provisions.
- (vi) consulting more generally with stakeholders to develop its human rights educational offerings, including soliciting insights from and about specific areas of engineering practice, to consider and continuously develop tailored offerings, as appropriate.
- (vii) making concerted efforts to engage appropriately with the Ontario Society of Professional Engineers (OSPE) and other organizations to ensure an efficient and effective approach to instilling an ethos of equitable professionalism throughout the engineering profession in Ontario.
- (viii) engaging across the profession, and ensuring the delivery or distribution of PEO's programs, services, policies, reports, and/or publications, in a manner that reinforces respect for human rights within the profession.
- (ix) utilizing de-identified data and analyses in PEO's human rights educational endeavours to build awareness regarding concrete findings and the progress of PEO's commitments under this ARE Code.
- (x) engaging in public education efforts to increase public confidence that PEO is adequately serving the public interest and delivering on its ARE Code commitments. This follows from PEO's duty under the *Professional Engineers Act* to "promote public awareness of the role of [PEO]." (Section 2(4) of the Act)

4.7 Regarding topics for training, PEO embraces the following suggestions from Engineers Canada, which are consistent with OHRC's guidance above. PEO commits to advancing training consistent with dimensions such as:

"sustained and meaningful training and engagement of PEO staff on: anti-racism principles, sex and gender diversity, ableism, 2SLGBTQ+ rights and communities, Indigenous histories and reconciliation principles, microaggressions, unconscious bias, positionality/power/privilege, and provincial and federal laws around harassment, discrimination and human rights. In order to support the goals of the ARE Code, staff need to understand the intersections of racial identity

and other identities and lived experiences. For example, a Black transgender woman will face different levels of discrimination than a Black cis-gender man. Understanding that the experience of a two-spirit engineer might be different from their heterosexual cis-gender client or colleagues is important in addressing anti-racism principles. In addition, different people face different types of racism that are intertwined by different systems, and... we must make space and work against all of them, simultaneously. Understanding different forms of systemic discrimination and the experience of a broad range of marginalized groups will create a strong foundation for PEO to embed anti-racism and equity within its organizational culture.”

Principle 5: Leadership and sponsorship. PEO commits to steadfast and continuous improvements and adequate resourcing that promote and achieve equity, and foster inclusivity, across all leadership endeavours, leadership levels, opportunities, plans, and processes including: PEO’s elections processes; committee selection processes; and other opportunities. PEO further commits to annually investing adequate people and financial resources necessary to sponsor, champion, lead, and drive delivery of all commitments in this ARE Code.

Commentary 5

Responsibility and commitments

5.1 In order to adequately protect the public interest and fulfil its human rights obligations, PEO must demonstrate leadership in “addressing historical disadvantage” and reinforcing respect for human rights. (See [Section A.3](#) above)

5.2 One key aspect of this responsibility is ensuring that PEO’s leadership structures and opportunities are equitable and inclusive. This is part of PEO’s responsibility to establish an inclusive “tone from the top” that functions as a beacon and a catalyst for improvements throughout the organization and profession.

5.3 To fulfil Principle 5, PEO will annually:

- (i) at the outset of each Council term, ensure orientation of all individuals “at the top” – including Councillors and senior management – regarding this ARE Code and their roles in relation to it.
- (ii) designate champions in PEO’s Council. These champions will help Council to ensure adequate attention to the ARE Code. They will also help to foster a culture of belonging, and a culturally safe environment for Councillors from equity-seeking backgrounds (and all backgrounds) to present as their authentic selves whilst respecting human rights principles.
- (iii) designate champions at all levels of PEO’s organization and in all its functions who are responsible to promote awareness of the ARE Code commitments and help to drive their delivery.
- (iv) designate champions to engage with stakeholders in the engineering ecosystem towards enabling fulfilment of the ARE Code principles and stakeholders’ own contributions to human rights objectives. (See also: commentary to [Principle 3](#))

- (v) identify, mentor, and sponsor persons from equity-seeking populations who have the potential to become PEO leaders. This is in keeping with PEO's obligation to "address historical disadvantage."

(Sponsorship involves actively identifying and helping to promote high performers and persons with high potential. It involves actively inviting individuals into networks and events; putting their names forward for consideration for opportunities; identifying their strengths and matching them with tasks and people to help them to maximize their potential; providing them with key information and guidance regarding how to navigate the paths for advancement, and so forth.

PEO recognizes that sponsorship often occurs in society for many persons who are not marginalized. PEO commits to ensuring annual focused sponsorship efforts that reach high potential equity-seeking persons (with first focus regarding Black, Indigenous, racialized, female, two-spirit, transgender, and gender variant persons – [Section A.3](#).)

- (vi) invest adequate people and financial resources necessary to sponsor, champion, lead, and drive delivery of all commitments in this ARE Code.
- (vii) evaluate the organization's succession plans and leadership composition, and report to the public regarding the representation of persons from equity-seeking populations.

5.4 In fulfilling Principle 5, PEO will also continuously improve to ensure that human rights ethics are embedded within, among other things:

- (i) the articulated and implicit policy directions, strategic directions, and control mechanisms governed by PEO's Council, recognizing that Council is ultimately responsible for the proper exercise of PEO's regulatory authority and the effectiveness of the regulator;
- (ii) the processes that determine how leadership seats and key opportunities are filled, including Council and other PEO elections processes and committee selection processes; and
- (iii) pipeline-building, capacity-building, competency-building, and disciplinary undertakings that shape and strengthen PEO's leaders.

Strengthening public confidence and reflecting society

5.5 PEO acknowledges the received wisdom in modern times that governments and organizations should reflect the diversity of the communities they serve. PEO commits to concerted and ongoing efforts to enable leadership structure compositions – including Council composition – that reflect Ontario's demographic diversity. This simultaneously involves ensuring that employment opportunities are filled based on merit, recognizing that there are many potential candidates from all backgrounds who can adequately fill opportunities, and that no one should face inequitable barriers to opportunities.

5.6 When PEO reflects communities served, it will increase: (i) the public's confidence in the regulator; (ii) the benefits of diverse perspectives and enhanced solutions; and (iii) the possibilities in society, as persons from all backgrounds may unwaveringly invest their best, seeing that realistic chances exist for them to become leaders of a noble profession.

5.7 In a similar vein, PEO respects the spirit of the federal government's [50 – 30 Challenge](#), which Engineers Canada describes as an initiative to "improve access to positions of influence

and leadership on corporate boards and in senior management for women, racialized persons including Indigenous people, Black [people], people who identify as LGBTQ2S+, and persons living with disabilities.” Engineers Canada called on PEO to formally take up this challenge, as Engineers Canada and many federal and provincial organizations have done. PEO commits to engaging with Engineers Canada and making steadfast efforts towards the objectives of the 50 – 30 Challenge.

5.8 The 50 – 30 Challenge is akin to the [30 by 30 Challenge](#), which Engineers Canada describes as an initiative to raise “the percentage of newly licensed engineers who are women to 30 per cent by the year 2030.” PEO also adopted the 30 by 30 Challenge further to Engineers Canada’s lead. PEO sees that the 50 – 30 Challenge is equally appropriate for professional regulators to embrace in performing their public interest functions.

Principle 6: Stakeholder engagement | talent pipeline. PEO commits to continuously and appropriately engaging with engineering organizations; bridging programs; educational institutions; equity-seeking populations; industry participants; licence holders; public bodies; government representatives; and others. This stakeholder engagement will include, among other things, exploring the barriers and gaps preventing an equitable talent pipeline into the profession, and continuously taking all steps appropriate for a regulator to help to address the problem.

Commentary 6

Stakeholder engagement generally

6.1 To adequately protect the public interest, PEO must be informed by the perceptions, needs, concerns, ideas, and aspirations of its stakeholders. PEO must therefore consult with stakeholders, particularly on matters of significant public interest and regarding any plans or actions by the regulator that may significantly impact stakeholders.

6.2 The problem of widespread systemic racism is one subject that has been a major focus of international, national, and provincial public attention, particularly since 2020. PEO takes seriously its duty to lead conversations that enable Ontario’s engineering profession to adequately serve the public interest regarding racial equity, and all equity affairs.

6.3 More generally, as PEO modernizes and works to continuously improve its performance as a regulator, it recognizes that stakeholder engagement is vital to its future success. When PEO receives meaningful input from a fair cross-section of stakeholders at appropriate junctures, this helps to ensure that its priorities, policies, strategies, and control mechanisms are fit for purpose, equitable, and future-ready.

6.4 PEO aims to consult stakeholders annually, utilizing a range of approaches in a spirit of equity, mutual respect, and meaningful engagement to invite, attract, and incorporate their input.

6.5 PEO recognizes that building and maintaining trust is a prerequisite to attract meaningful stakeholder participation. PEO is mindful, for example, that Indigenous, Black, and racialized populations have experienced the most critical forms of abuses of trust throughout Canadian history (see [Section A.3](#)). It is therefore vital to invest time, care, and resources to build the relationships and trust needed to co-create the solutions that [public policy in Ontario](#) states are “urgently needed”.

6.6 PEO's stakeholder engagement efforts regarding its ARE Code commitments will ensure:

- (i) first focus regarding populations most impacted by historical disadvantage (Indigenous, Black, and racialized populations).
- (ii) high priority through the lenses of gender identity (notably, women, two-spirit, intersex, transgender, and gender variant persons).
- (iii) continuously expanding focus through all equity lenses, including intersectional identities, sexual orientation, place of origin, citizenship, creed, disability, and other personal characteristics protected under the Ontario *Human Rights Code*.
- (iv) consultations with public officials and oversight bodies regarding fairness, human rights, and the public interest more generally. These include, among others: Ontario's Office of the Fairness Commissioner; and the Ontario Human Rights Commission.
- (v) consultations with engineering associations and industry associations. This stakeholder category includes, among others, associations that represent the interests of engineers, businesses, and workers in Ontario – such as engineering societies, engineering firms, labour unions, and workers associations.
- (vi) processes open to and easily accessible by individual members of the public and of the profession.

6.7 PEO's stakeholder engagement efforts will also involve activities that "promote public awareness of the role of [PEO]" (section 2(4) of the *Act*), particularly as it relates to PEO's performance in serving the public interest and delivering on its ARE Code commitments. PEO strives to ensure strong performance such that it can accurately convey information to the public and enhance the public's regard for the engineering profession.

Stakeholder engagement to help enable an equitable talent pipeline

6.8 As Ontario's Office of the Fairness Commissioner (OFC) notes, "PEO undertakes its registration work as part of an ecosystem that includes educational institutions, immigration and settlement groups, bridging programs and organizations that employ professional engineers." The OFC's comments also implicitly recognize that it is appropriate for PEO to "positively influence this entire ecosystem."

6.9 Consistent with initiatives like 30 by 30 – an effort across Canada to raise the percentage of newly licensed female engineers to 30 per cent by 2030 – PEO recognizes that engagement throughout the ecosystem is vital to enable an equitable talent pipeline into the engineering profession.

6.10 PEO is also mindful of the public interest in a sustainable, equitable, and qualified talent pipeline that can help to secure Ontario's economic viability in a rapidly changing world. Ultimately, a productive economy is necessary to enable the economic opportunities that in turn must be equitably made available to all without discrimination. Human rights laws exist precisely to offer protections regarding social areas that are essential to the survival and well-being of individuals and families, such as economic opportunities.

6.11 It has always been in the public interest to enable talent that serves society, through work done in industry. Ontario's labour needs make this a particularly pressing objective that is

appropriate for the steward of a profession to consider and assist. PEO commits to engaging within the engineering ecosystem to help to enable this multi-dimensional public interest objective.

6.12 PEO will work with engineering ecosystem participants to jointly enable the information sharing, interest-building to attract students and talent, mentorship, sponsorship, network building, bridging program efforts, and process reforms that the ecosystem can produce through combined effort. The sum of this combined effort can be much greater than its parts.

6.13 PEO is committed to such ecosystem engagement to actively include historically excluded groups (including Indigenous, Black, racialized, female, two-spirit, transgender, and gender variant persons, among others) into the talent pipeline. This simultaneously serves Ontario's ethical, aspirational, equitable, and economic objectives. It is good for everyone.

6.14 On the licensing side, as discussed under [Principle 3](#) above, PEO commits to performing its licensing functions appropriately, equitably, and expeditiously to serve the above public interest objective.

Principle 7: Safeguards | accountability. PEO commits to embedding and continuously improving measures that directly address racism and discrimination complaints, such as specialized and dedicated teams, with sufficient protections for parties involved. More generally, PEO commits to adequate accountability measures to fortify all Principles in this ARE Code, including periodic reassessments regarding systemic inequities, and performance appraisal measures.

Commentary 7

Safeguards

7.1 As the primary steward of Ontario's engineering profession, PEO is accountable for the effectiveness of the profession's control measures that aim to protect PEO's stakeholders.

7.2 One key area of focus to ensure adequate protections relates to complaints of racism or discrimination. In observing the OHRC's policy direction that it is "not acceptable... to choose to remain unaware of the potential existence of discrimination or harassment," PEO recognizes that a safe and effective complaints process is an important medium through which an organization can become aware of human rights issues. PEO is committed to achieving and maintaining fairness and effectiveness in processes dedicated to receiving and addressing human rights complaints. (Also see [Section A.3](#) above)

7.3 PEO is mindful of the following factors that the OHRC lists as considerations for determining whether an organization met its responsibilities: procedures in place at the time to deal with discrimination and harassment; the promptness of the institutional response; the seriousness with which the matter was treated; resources made available; whether the organization provided a healthy work environment; and the degree to which the action taken was communicated to complainants. (Pages 37 to 39, [OHRC policy](#))

7.4 PEO is committed to continuously enhancing its processes and activities to ensure adequate protections for parties in human rights matters. Notably, PEO will invest in and adequately support appropriate functions such as ombudsperson, whistleblower, workplace investigation, and other specialized complaints processes that are distinct from processes

designed to address technical incompetence. PEO's [2019 External Regulatory Performance Review](#) and the [AREWG's Phase 1 Report](#) also identified a need for such steps.

7.5 PEO will establish the foregoing additional supports in accordance with all applicable laws and best practices regarding human rights matters. PEO will also ensure adequate people and financial resources to properly sustain all procedures, processes, and safeguards that address human rights matters.

7.6 The scope of the foregoing processes and protections will relate to conduct alleged regarding any PEO: (i) staff at any level; (ii) Councillors; (iii) volunteers; (iv) appointees; (v) agents; or (vi) PEO Governed Persons. The processes will be available and easily accessible to any of the foregoing persons, or any member of the public who wishes to seek resolutions via these processes. PEO will ensure adequate and continuous safeguards to protect all parties involved in these processes in a manner that conforms with best practices for human rights complaint resolution mechanisms.

7.7 To fulfil public interest transparency objectives and enhance public confidence in PEO as a regulator, PEO will also provide annual reporting – for example, of deidentified data – to the public and the profession regarding its actions to address human rights complaints. Such reporting will respect applicable privacy laws and best practices to appropriately protect parties who were involved in the matters. The reporting will indicate, among other things:

- (i) the number of human rights complaints PEO received per year;
- (ii) the general categories of issues raised;
- (iii) general information regarding steps PEO took to address them; and
- (iv) general categories of outcomes.

7.8 As part of the foregoing reporting, and other public awareness building activities, PEO will prominently and continuously make publicly known what complaints and feedback mechanisms exist, and how to access them. PEO will ensure that these mechanisms are easily accessible and easy to navigate, to enable clients and communities that engage with the engineering profession to also engage with the professional regulator easily, where appropriate. PEO is mindful that raising public awareness – for example, regarding the safeguards and mechanisms for the public to access the regulator and its protections – is part of its duty under the *Professional Engineers Act* to “promote public awareness of the role of [PEO].” (Section 2(4) of the *Act*)

The ARE Code as a safeguard, and reinforcements for this code

7.9 More generally, PEO establishes this ARE Code as a foundational basis for safeguards and a range of strategies and activities aimed at protecting human rights.

7.10 To deliver on such safeguards and other commitments, it is vital to ensure adequate reinforcements for the foundational building block itself. PEO will therefore ensure the following annually, to serve as accountability mechanisms regarding the ARE Code itself:

- (i) allocation and enablement of adequate people and financial resources to achieve steadfast and continuous advancement of all Principles in the ARE Code;
- (ii) enablement, support, and fair and prominent recognition of the champions designated to drive delivery of the ARE Code commitments (see commentary to [Principle 5](#));

- (iii) engagement with stakeholders, including equity-seeking populations, in a meaningful way to strive to earn the levels of trust and participation necessary to fulfil the ARE Code commitments; and
- (iv) monitoring and public reporting of PEO's progress regarding the ARE Code commitments.

7.11 PEO also aims to ensure that its human rights strategies evolve appropriately in light of changes and possibilities in the environment over time. To obtain and leverage updated insights, every 3 to 5 years or more frequently, PEO will obtain independent assessments of its performance as against its ARE Code commitments. PEO will promptly make these independent reports prominently available and easily accessible by the public.

7.12 The foregoing independent assessments will help PEO to ensure that it receives guidance that is: not biased towards PEO; informed by rich subject matter expertise; and likely to enhance public confidence and trust in PEO as a regulator that utilizes independent assessments. To strengthen these prospects, PEO will ensure that its independent assessor(s) have the requisite:

- (i) subject matter expertise;
- (ii) connectedness to the lived experiences of equity-seeking persons; likelihood to have credibility with equity-seeking populations; and/or likelihood to be able to engage meaningfully with equity-seeking populations; and
- (iii) skills and other merit-based credentials relevant to the ARE Code.

7.13 PEO will also ensure that all its activities regarding attracting, selecting, engaging with, and compensating its independent assessor(s) are in keeping with the spirit of this ARE Code. At a minimum, PEO will:

- (i) request, attract, and evaluate bids in an equitable way;
- (ii) place appropriate value on the lived experience of bidders as relevant to the subject;
- (iii) provide the successful bidder(s) with adequate and timely information, cooperation, and connectedness with relevant PEO personnel; and
- (iv) compensate the successful bidder(s) in a fair and timely manner, in keeping with fair market prices and expectations.

7.14 Regarding the public reporting noted above, PEO will:

- (i) adequately consult stakeholders in the design of its progress measurables;
- (ii) ensure an integrated approach that appropriately incorporates key findings from external assessments and all monitoring approaches;
- (iii) ensure a comprehensive approach to reporting over time, with priority focus on areas noted in past external assessments as warranting priority focus; and
- (iv) ensure ample detail regarding priority focus areas and areas of significant public interest.

Principle 8: Equitable organization. As the primary steward of Ontario's engineering profession, PEO commits to leading by example and ensuring equitable hiring and representation of persons from all equity-seeking backgrounds, with first focus on Indigenous, Black, and racialized groups, and high focus towards gender equity. PEO commits to achieving such representation at all levels in the

organization, and fostering retention, inclusion, advancement, belonging and equity regarding equity-seeking persons and everyone, at all levels in the organization.

Commentary 8

8.1 PEO has served Ontario for a century. PEO is keen to ensure that it evolves to meet the needs of a changing society. PEO aims to serve Ontario better for another hundred years and beyond. Living the Principles of this ARE Code is vital to that objective.

8.2 As an employer, PEO commits to truly living these Principles. Not only is this essential for PEO's future success as an employer, but it will also demonstrate to all employers within the profession the kinds of tangible advancements needed and benefits that can be derived in shaping equitable and inclusive workplaces.

8.3 PEO looks forward to recognizing the successes of equitable employers as Ontario's engineering profession grows the related rewards for everyone's benefit.

8.4 PEO commits to ensuring equity in its selection criteria, selection processes, and recruitment efforts that determine the composition of its committees and decision-making structures. This applies to all levels of PEO's organization and all of its activities – including those performed by volunteers.

8.5 In particular, PEO will continuously make concerted efforts to attract and appoint to such opportunities individuals from equity-seeking populations – with a first focus on persons from Canada's most marginalized populations (see [Section A.1](#)). These persons will:

- (i) have the requisite skill and experience to contribute meaningfully to the objectives of the relevant committee or structure; and
- (ii) be enabled with timely and adequate information, orientation, introductions to and connectedness with key decision-makers, equitable access to deliberations, equitable participation, respect, equitable consideration of their input, equitable opportunity to co-create solutions, and sponsorship. (See also: commentary to [Principle 5](#).)

8.6 To help to demonstrate PEO's progress in leading by example, PEO will annually and equitably showcase notable achievements and contributions of individuals, including persons from equity-seeking groups. This will:

- (i) ensure that all equity-seeking groups are appropriately represented and portrayed, over time;
- (ii) ensure first focus on the most marginalized populations (see [Section A.1](#)), and other areas noted for high focus;
- (iii) include recognition in PEO's public publications and online materials;
- (iv) include appropriate recognition of champions and allies regarding PEO's human rights and DEI efforts; and
- (v) in all aspects, strive to avoid any appearance or reality of "tokenism."

The [OHRC policy](#) defines tokenism as "the practice of hiring a few members of racialized groups for relatively powerless positions in order to create an appearance of having an inclusive and equitable organization. In reality, these individuals have little voice in the organization. At the same time, they are seen as representative of the group to which they belong and, as a result, their thoughts, beliefs, and actions are likely to be taken as typical

of all in their group. Token measures to promote organizational diversity do not work and circumvent substantive change.” (Page 51, [OHRC policy](#))

8.7 PEO embraces its duty show leadership on matters relevant to this ARE Code. PEO embraces the following statements from key commentators:

- (i) PEO “becoming a leader [as an anti-racist and equitable regulatory body] will help engineering and the broader engineering community elevate its reputation... PEO must lead by example...” (statement by OSPE)
- (ii) “...the adoption by PEO of the ARE Code [will] represent a watershed decision for the organization” (statement by the OFC)

PEO will engage with all interested stakeholders to help to lead the organization and the engineering profession to a more successful and equitable future.



Science can amuse and fascinate us all, but it is
engineering that changes the world.

ISAAC ASIMOV

Success takes a helping hand. You won’t get there on your own. Look for help.
Take help. Give help. You can be a part of someone else’s climb.
You can be the difference that allows someone else to rise.

URSULA BURNS

Appendix 1: Acknowledgements

PEO’s AREWG developed this ARE Code in conjunction with its consultant Shashu Clacken of CN Consulting. From its inception in November 2020 to the present publication, the AREWG was comprised of:

- **Councillor Lisa MacCumber, P.Eng., FEC** (*de facto* Chair; formerly Vice Chair)
- **Past Councillor Wayne Kershaw, P.Eng., FEC**
- **Lieutenant Governor-in-Council Appointee, Councillor Qadira C. Jackson Kouakou, LL.B.**

The AREWG’s inaugural Chair was the late **Councillor Peter Cushman, P.Eng.**, who proposed the AREWG to PEO. The AREWG salutes him and dedicates its foundational work to the memory of him.

Internal recognition

The AREWG specially thanks the following PEO persons for their invaluable contributions:

- **2021-2022 President Christian Bellini, P.Eng., FEC:** who has been a strong contributor to the AREWG's work throughout his term. He chaired Council in support of various motions that significantly advanced the AREWG's objectives. He has been a champion for various PEO equity objectives and PEO's transformation to being a leader in self-regulation.
- **2020-2021 President Marisa Sterling, P.Eng., FEC:** who has been a champion at PEO for various equity objectives, most notably on Indigenous, gender, and 2SLGBTQ+ affairs. She chaired Council in support of the AREWG's historic formation and PEO's transformation progress.
- **2019-2020 President Nancy Hill, P.Eng., LL.B., FEC, FCAE:** who was a champion at PEO for various equity objectives, including gender and foundational human rights policy work (co-authoring PEO's 2009 guideline). She chaired Council to launch PEO's historic transformation.
- **PEO Councillors from 2019-2022:** who have demonstrated leadership, courage, and dedication to the public interest by passing various motions that have enabled PEO's significant governance and equity transformations. PEO's Council "speaks with one voice" as a Board. PEO's positive progress that is attracting strong commendations from public interest oversight bodies is due in part to its Councillors over the past three terms.
- **PEO Senior Management Team and Staff from 2019-2022:** who have worked extremely hard through a global pandemic to perform their vital operational functions for the regulator, and simultaneously enable and assist a historic governance transformation and a historic anti-racism and equity initiative.

External recognition

- **Ontario's Office of the Fairness Commissioner (OFC).** For over a decade, the OFC has played a pivotal role in offering direction to PEO regarding its fairness obligations. The Fairness Commissioner Irwin Glasberg and key OFC staff generously reviewed the public consultation draft of the ARE Code and offered valuable comments, which strengthened the document. The former Fairness Commissioner Grant Jameson offered PEO valuable comments regarding its Canadian work experience requirement, which informed PEO's further inquiry.
- **Patricia DeGuire:** who is a human rights expert in Canada and was one of the AREWG's consultants in 2021. She played an instrumental role, including strengthening the AREWG's capabilities. She co-authored the [AREWG's Phase 1 Report](#), which underpins this ARE Code.
- **Canadian Centre for Diversity and Inclusion (CCDI):** whose publications provided rich insights that informed the AREWG's Phase 1 Report. CCDI's Executive Director Anne-Marie Pham generously offered valuable comments, which enhanced the ARE Code.
- **Organizations and groups: Engineers Canada | Ontario Society of Professional Engineers (OSPE) | ACEC-Ontario (Association of Consulting Engineering Companies of Ontario) | Black Engineers of Canada (BEC) | University of Toronto's Engineering Equity, Diversity and Inclusivity Action Group (EEDIAG).** These groups or members of their Boards offered valuable comments, which also improved the ARE Code.
- **Individual members of the public and the profession, including:** members of the engineering communities at University of Ottawa, University of Waterloo, and University of Western Ontario. Their considered feedback informed the evolution of the draft and will inform AREWG's work.

Appendix 2: Excerpt of the AREWG's Mandate

"The mandate of the AREWG is to assist Council in fulfilling its public interest duties by exploring and making recommendations regarding matters related to racism, and other equity and human rights affairs, relevant to PEO's function as a regulator, employer, and organization.

1. The AREWG will explore and recommend options for Council's approval to help fulfil Council's role as a governing board, ensuring policy, direction, and control in relation to the AREWG's mandate. These options may include:
 - a) A policy Code that addresses systemic racism and related equity issues in keeping with Ontario's public policy direction and the primacy of these matters per human rights laws.
 - b) Consultations with a fair cross-section of stakeholders relevant to the AREWG's mandate.
 - c) Contributions to Council's function regarding strategy development, review, and/or approval, using the lens of the AREWG's mandate.
 - d) Public reporting requirements regarding PEO's commitment and progress relevant to the AREWG's mandate.
 - e) Accountability mechanisms to help Council ensure effectiveness of the regulator regarding the AREWG's mandate.
 - f) Periodic reassessments to help ensure up-to-date recommendations and decisions..."

Appendix 3: PEO's ARE Vision Statement

PEO recognizes that racism and discrimination exist in Canadian society and in its institutions, and that PEO is not immune. As the regulator for a self-regulated profession where the public interest is paramount, PEO recognizes our responsibility to play a leadership role in instilling respect for human rights principles, whether in our organization itself or the wider engineering profession. We assert our commitment to implement specific measures, as codified in our ARE Code, to address historical disadvantage and diligently engage in ameliorative actions as appropriate for a regulator.

We recognize and value the diversity of Ontario, of our profession, and of our own organization, along all dimensions of personal characteristics protected under the Ontario *Human Rights Code*. We strive to achieve and maintain equitable practices across all our activities, including our employment practices and delivery of services and activities as a regulator.

We strive to foster a culture of fairness and inclusivity, where everyone within our scope is treated equitably and has equitable opportunity to maximize their potential and serve the public interest. We strive to foster inclusivity and enable a sense of belonging for all, where individuals can simultaneously be their authentic selves and professionals within our scope.

We respect the constitutionally protected status of Indigenous peoples. We also acknowledge that Indigenous, Black, and racialized populations face the most critical forms of marginalization in Ontario. We strive to deliver on targeted strategies, as a first focus, to help to address such disadvantage.

We also strive to equitably include and enable female, two-spirit, transgender, and nonbinary persons as a high priority.

Ultimately, we strive to continuously expand our human rights endeavours to eliminate discrimination of all forms, wherever it is identified within our scope.

(Adapted from the OHRC's template: [OHRC policy](#), page 48)

Appendix 4: OHRC Policies | Glossaries | General Information

[Policy on Removing the “Canadian experience” barrier](#)

[Removing the “Canadian experience” barrier – A guide for employers and regulatory bodies](#)

[Count me in! Collecting human rights-based data](#)

[A policy primer: Guide to developing human rights policies and procedures](#)

[Policy and Guidelines on Racism and Racial Discrimination](#)

[Policy on preventing sexual and gender-based harassment](#)

[Policy on preventing discrimination because of gender identity and gender expression](#)

[Policy on discrimination and harassment because of sexual orientation](#)

[Policy on preventing discrimination based on creed](#)

[Policy on ableism and discrimination based on disability](#)

[Policy on preventing discrimination based on mental health disabilities and addictions](#)

[Policy on HIV/AIDS-related discrimination](#)

[Policy on discrimination and language](#)

[Policy on competing human rights](#)

See more online at: https://www.ohrc.on.ca/en/our_work/policies_guidelines?page=2

See Glossaries at:

[Anti-Racism Data Standards](#) and

[Glossary for understanding gender identity and expression](#)

Also note that organizations have responsibilities under the [Accessibility for Ontarians with Disabilities Act](#) (AODA), which work together with responsibilities under the *Human Rights Code*. See training at: <https://www.ohrc.on.ca/en/learning/working-together-code-and-aoda>

Employers should also note duties under the [Occupational Health and Safety Act](#) regarding work-related problems unrelated to the *Human Rights Code*, which are relevant to fair treatment ethics.

LEGAL SUPPORT:

If individuals have concerns regarding potential breaches of the *Human Rights Code*, they can seek assistance from Ontario's [Human Rights Legal Support Centre](#) (HRLSC).

The HRLSC is an independent agency, funded by the Government of Ontario, to provide legal services to individuals who have experienced discrimination. The HRLSC's intake phone line is: Tel: (416) 597-4900 | Toll Free: 1-866-625-5179 | TTY: (416) 597-4903 | TTY Toll Free: 1-866 612-8627.

They also provide a listing of other free clinics in Ontario that provide guidance and support for legal matters: <https://www.hrlsc.on.ca/en/node/298#who%20can%20I%20contact%20for%20legal%20help>

CN CONSULTING

www.cnconsulting.ca

**Called to ON Bar, 2007****University of York, U.K.,**

- Masters in Management:
Strategic Management
(top graduate)

Osgoode Hall Law

- LL.B. / J.D.
(top tier graduate)

York University

- Business & Society:
Economics & Poli. Sci.
(top tier graduate)

Prepared by

SHASHU CLACKEN | CN CONSULTING

Shashu Clacken is a transformation strategist and management consultant, who formerly practiced law. She remains licensed as a non-practising lawyer.

Clacken developed at a leading Canadian business law firm, where her practice focused on constitutional law and commercial law. She has worked closely with Canada's foremost Constitutional Law scholar, the late Professor Peter W. Hogg, and contributed to his seminal text. She has appeared before the Supreme Court of Canada on various occasions, and participated in the Ashley Smith inquest, concerning civil liberties. She was one of three lawyers from Canada who journeyed to southern Africa in an unprecedented effort by a Stephen Lewis organization towards building an international human rights case against Robert Mugabe.

Clacken progressed into strategic management, where she has successfully designed and led several large scale transformations, which have attracted high accolades.

Clacken is currently the Managing Director at CN Consulting. This firm assists organizations to transform their organizational processes, and to foster high performing, equitable, and inclusive teams.

DISCLAIMER: As consultants – not currently practising lawyers – Clacken and CN Consulting do not currently provide legal advice. Nothing in this document should be relied upon as legal advice.

The consultants and their related companies assume no responsibility or liability connected to the information contained in this document. Any steps that the PEO or its stakeholders may take further to this document will be strictly at their own risk.

About Professional Engineers Ontario

Under the authority of the *Professional Engineers Act*, PEO governs over 90,000 licence and certificate holders and regulates professional engineering in Ontario. PEO's mission is to regulate and advance the practice of engineering to protect the public interest. Its vision is to be the trusted leader in professional self-regulation. Professional engineering safeguards life, health, property, economic interests, the public welfare, and the environment.

Briefing Note – Decision

PROCESS FOR FILLING COUNCILLOR VACANCIES

Purpose: To propose a process for filling vacancies that arise on Council between elections.

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

That Council instruct the Governance and Nominating Committee to adopt the following process for recruiting potential candidates for vacant elected positions:

- **Contact the first runner-up from the most recent Council election for the position where the vacancy has arisen to determine if they are interested in serving the unexpired portion of the Council member's term and if so recommend that Council appoint that person at the earliest opportunity; or**
- **In the event the first runner-up for a position declines, contact the next runner-up in the most recent election and, if that person is willing, recommend them for appointment as above; and if that runner-up declines, continue this process in sequence with additional runners-up, as applicable; or**
- **In the event that all runners-up decline, or where there were no runners-up because of an acclamation at the time of the last election, invite expressions of interest from those PEO Members eligible to fill the vacancy, consider candidates and make a recommendation to Council at an appropriate time.**

and

That Council further instruct the Regulatory Policy and Legislation Committee to consider and make appropriate recommendations to Council with respect to setting out the above process in a regulation or by-law.

Prepared by: Meg Feres, Supervisor, Council Operations

Moved by: Arjan Arenja, P.Eng., Chair, Governance and Nominating Committee

1. Need for PEO Action

From time to time between elections, a vacancy may arise in an elected Council position, because of a Councillor's resignation or for any other reason. Council is aware that there are pending resignations to take effect after the upcoming Annual General Meeting. Hence Council is asked to consider the above motion in order to establish a consistent and transparent process for appointing candidates to vacant positions. Council is also asked to refer the matter to Regulatory Policy and Legislation Committee (RPLC) to determine if this process should be included in a regulation or by-law.

Subsection 3(10) of the *Professional Engineers Act* states that Council shall fill vacancies *as soon as practicable*. (Appendix A)

The Governance and Nominating Committee (GNC) is the appropriate governance committee to propose a method for filling vacancies and to implement it if approved. The RPLC is the committee that would

consider whether such a process should be included in a regulation or by-law, pursuant to Council's authority under sections 7 and 8 of the *Professional Engineers Act*.

2. Proposed Action/Recommendation

The GNC recommends that the process set out in the motion be applied in respect of those who stood for election to the applicable position in the most recent Council elections. Once GNC has identified the individual it wishes to recommend, based on the prescribed process, that person's name would, at the earliest opportunity following the resignation, be brought back to Council, which would then be asked to formalize the appointment.

This approach is consistent with past practice, followed in 2018.

3. Next Steps

GNC's Chair, or staff on the Chair's behalf, would contact the first runner-up, or if necessary, the second runner-up, or as applicable, additional runners-up, in sequence based on the numbers of votes obtained, to ascertain their intentions. This would be reported to GNC.

If none of the runners-up are interested in filling the unexpired balance of the Council member's term, or if the position in question was most recently filled by acclamation, GNC would oversee a staff process to make PEO Members eligible for the position aware of the vacancy and provide a reasonable opportunity for them to express interest by a fixed deadline. GNC would then meet to consider the expressions of interest and decide on an individual to recommend to Council.

The RPLC would consider this matter as part of its workplan in the 2022-23 Council year and would return to Council with recommendations to set out this process in a regulation or by-law, as appropriate.

4. Appendices

- Appendix A— Subsection 3(10) of the *Professional Engineers Act*

APPENDIX A
Excerpt from the *Professional Engineers Act*

Vacancies

3 (10) Where one or more vacancies occur in the membership of the Council, the members remaining in office constitute the Council so long as their number is not fewer than a quorum. R.S.O. 1990, c. P.28, s. 3 (10).

Filling of vacancy

(11) A vacancy on the Council caused by the death, resignation, removal or incapacity to act of an elected member of the Council shall be filled as soon as practicable by a member of the Association,

- (a) where a quorum of the Council remains in office, appointed by the majority of the Council, and the member so appointed shall be deemed to be an elected member of the Council; or
- (b) where no quorum of the Council remains in office, elected in accordance with the regulations,

and the member so appointed or elected shall hold office for the unexpired portion of the term of office of the member whose office he or she is elected or appointed to fill. R.S.O. 1990, c. P.28, s. 3 (11).

Briefing Note – Information

C-547-2.13

GOVERNANCE ROADMAP- PHASE 4: RISK ASSESSMENT PROCESS

Purpose: To update Council on the Governance and Nominating Committee's (GNC) stewardship of Phase 4 of the governance roadmap.

No motion required

Prepared by: Meg Feres (Supervisor, Council Operations)

Approved by: Liz Maier (Vice-President, Organizational Effectiveness)

1. Background

Continuing its stewardship of Phase 4 of the governance roadmap at its March 7, 2022 meeting, the GNC discussed the next steps in response to Council's February 18, 2022 decision, referenced below in *italics* for context.

Whereas Council, responding to a recommendation of the 2019 External Regulatory Review, authorized the use of an Activity Filter to determine which activities and outputs were regulatory, which were governance, and which were neither; and

Whereas the application of the Activity Filter suggested that Chapters' activities and associated outputs are neither regulatory nor governance,

Therefore,

- 1. Council nonetheless affirms the continuation of Chapters as currently referenced in the regulations and by-laws of the Association, and endorses the process recommended by the Governance & Nominating Committee (GNC) to deal with activities and outputs of Chapters as well as other activities and outputs that are "neither" regulatory nor governance, as illustrated in the Appendix to this Briefing Note.*
- 2. Council directs that GNC oversee a risk assessment, which includes consultation with the Chapters, with a view to eliminating high-risk outputs and operationalizing others so that volunteer engagement is maintained, and more effective organizational control is ensured.*
- 3. Council further directs GNC to bring a report with necessary recommendations to Council for decision.*

2. Status Update

In light of the Council's decision to amend the original motion presented by GNC to add "*which includes consultation with the Chapters*" to item 2, there was general agreement among members of

the GNC that the assistance of the Regional Councillors Committee (RCC) during this portion of Phase 4 activity will advance the work of addressing the risk-based policy approved by Council. Thus, it was agreed that the next step in the process is to request the assistance of the RCC to begin the consultation process with Chapters.

As a member of the RCC, Councillor Roberge agreed to be the liaison between the GNC and RCC. He advised that as a first step, he will request permission from the RCC Chair to add this item to the agenda for the March 9 RCC meeting.

Following the GNC meeting scheduled for March 24, additional information may be provided to Council verbally at its March 25 plenary.

3. Next Steps

Pending its acceptance of the request to assist with the risk assessment process, it is anticipated that the RCC will provide:

- Components of the risk assessment process to be reviewed by the GNC and recommended to Council for approval, including:
 - The completion plan, associated timelines and work steps
 - The identified risks and their assessment as per the criteria determined by RCC in consultation with chapters
 - The mitigation strategy, including what will be eliminated and what will be operationalized
 - Associated KPIs and costs for each identified chapter output
 - Any associated costs to fulfill the mitigation strategy
- A status update at each GNC meeting.

Following the consultation, recommendations from the RCC related to risk mitigation strategies for each of the outputs in the Activity Filter will follow the similar process of GNC review and recommendation to Council for approval.

Appendices

Appendix A: GNC Presentation to Council Re: Activities in the “Neither” Category of Activity Filter



C-546-2.13
Appendix A

Governance & Nominating Committee (GNC)

In its responsibility to move the roadmap forward, GNC has developed recommendations for activities in the “neither” category of the activity filter.

Deliverable: **Recommendations to Council**

STEPS

WHAT	WHEN	WHO	HOW
Approach to Phase 4	Oct 29/2021 – Plenary COMPLETE	Council & GSI	Council Direction to GNC to develop framework
Framework & Potential Outcomes	NOV 4/2021- GNC meeting COMPLETE	GNC	Discuss framework; GNC direction to staff to filter group 3 outputs thru the framework and make recommendations
Draft Group 3 Outputs Analysis & Recommendations	Dec 8/2021 (Chapters) COMPLETE Jan 10/2022- (all group 3) COMPLETE Jan 28/2022 – Recommendation to Council	GNC /PEO staff	Review recommendations, discuss, adjust

Our thinking process



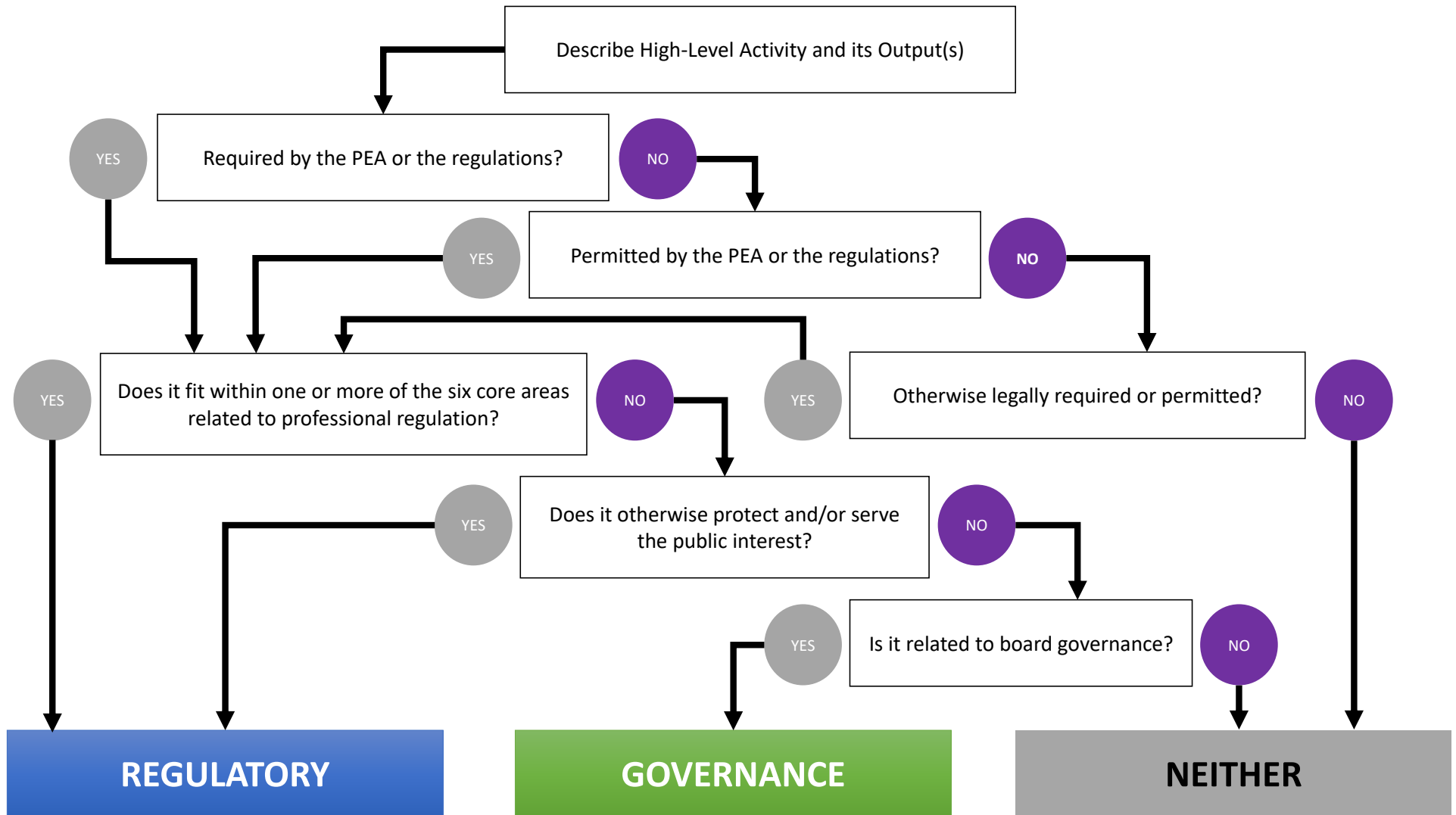
**THE
FACTS**

**THE
QUESTIONS**

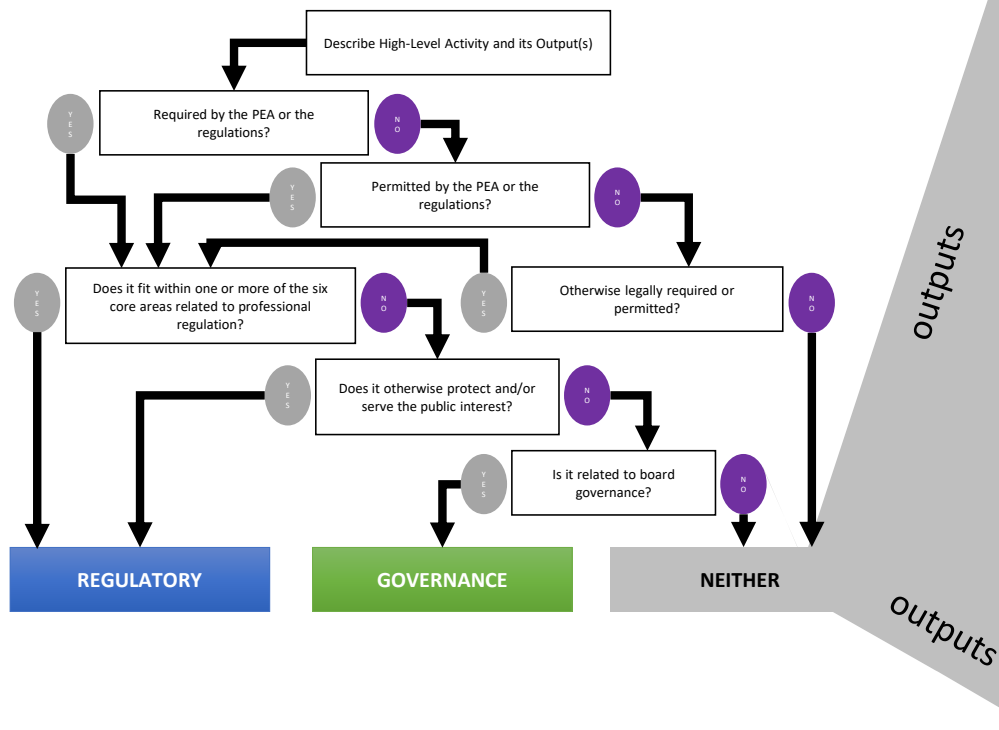
OPTIONS

THE FACTS

- PEO is legally responsible for 36 Chapters in 5 Regions, members are assigned to Chapters: active members constitute a small percentage of the whole membership
- Each Chapter chooses its own executive and the Chapter-specific board
- Chapters have no legal role in regulating the practice of professional engineering



CHAPTERS ACTIVITY FILTER ANALYSIS PRELIMINARY RESULTS



Licence certificates presentation
Chapters Infrastructure: Chapter AGM, RCC, RESC, websites
Communication to local members
Educational Activities (seminars, conferences, tours)
Licence Assistance Program (LAP)
GLP activities
Networking & Social events
School outreach (JK/I2)
Other

**THE
QUESTIONS
WE WILL
NEED TO
EXAMINE**

**Why should PEO avoid the “neither”
activities/outputs?**

- What is the risk “neither” activities pose to PEO?
- What risk is Council is willing to accept?
- How do we eliminate or mitigate the risk?

*Risk is defined as **risk to the organization** (e.g. legal, reputational, financial)*

OPTIONS CONSIDERED

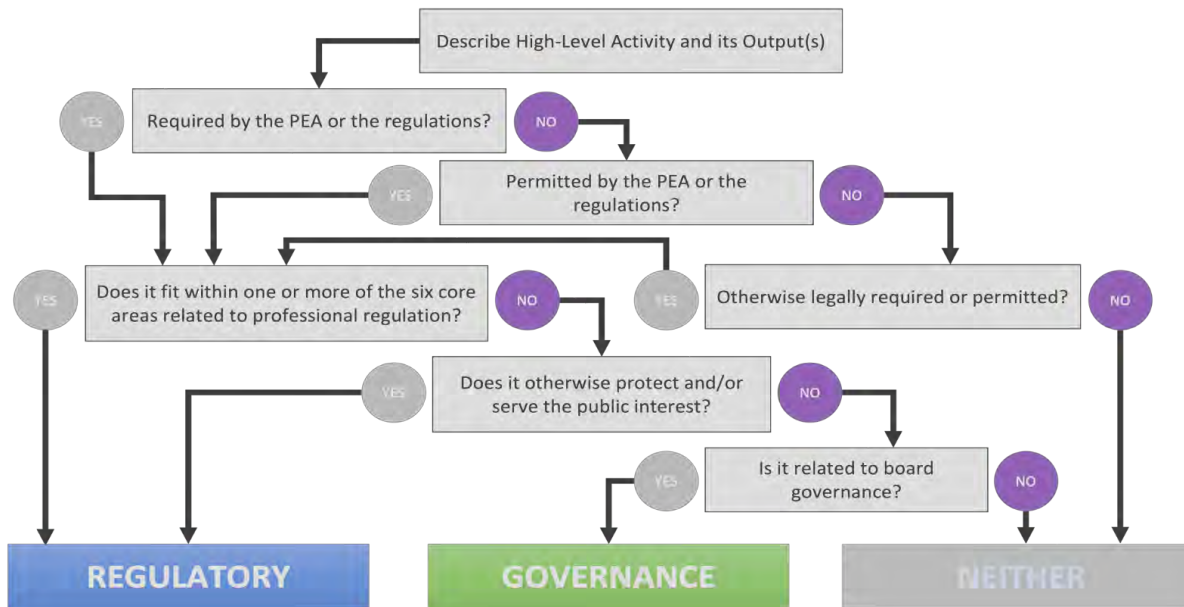
- Retain status quo
- Remove Chapters from PEO
- Others
- Identify risky outputs and remove, to minimize PEO exposure

**GNC's
POLICY
RECOMMENDATION**

- Evaluate outputs for risk:
adapt or eliminate as required
- Operationalize remaining activities
while maintaining volunteer
engagement but ensuring more effective
organizational control
- Roll out with care

RECOMMENDED NEXT STEPS

Staff will be tasked to identify how best to deliver activities and report to GNC.



“Neither” outputs
Across PEO

Identify outputs which will
need to be considered

“Neither” Outputs

Outputs	Category	Considerations	Governance Direction	Comments
Licence certificate presentation; chapters infrastructure; communication; educational activities; LAP; GLP Activities; Networking & social; School outreach; 30 x 30 activities/events	Chapters	Evaluate based on risk; eliminate high risk outputs and operationalize remaining outputs	Council’s approved governance directions (2021) have reinforced Council’s role as the governing board of an organization that is primarily a regulator, and this recommendation reflects that approach.	30x30 task force has been stood down as of Nov 2021; regulatory activities have been operationalized.
Regional Congress Chapters Funding	RCC Activities	Evaluate based on risk; eliminate high risk outputs and operationalize remaining outputs (e.g. transition chapters funding to staff)	Council’s approved governance directions reinforce Council’s fiduciary responsibility and its obligation to provide direction and control to the organization. Council has also focused on four key governance committees to help facilitate its work as the governing board. RCC does not fit easily within either direction and may amount to an unwarranted delegation of the board’s authority.	RCC's continued role should be (re) defined by the extent to which it supports both Council's oversight (control) function and a revised approach to Chapters resulting from the Phase 4 review.

“Neither” Outputs

Outputs	Category	Considerations	Governance Direction	Comments
See all Educational Activities as per chapters grouping	Educational Activities	Stand down education committee & subcommittee; operationalize as appropriate, noting risks	This is consistent with Council’s approved governance approach which compels it to provide clear direction and control and rely on operations to deliver those activities and outputs that are consistent with PEO’s statutory mandate.	All Educational Activities have been grouped under chapters - Risk and impact will be assessed on each output and will be part of the “menu card” for chapters.
Queens Park reception; Government relations communications tools; Recommendations/ad hoc assistance to Chapters	GLP Activities	Stand down GLC, evaluate remaining activities and operationalize under External relations	Council has committed to providing direction and control as a governing board. Diffuse chapter-level engagements with politicians and other key stakeholders are difficult to reconcile with Council’s own role, which allows it to delegate government relations to operations, with appropriate accountability to Council.	Necessary GLP activities will be operationalized under External Relations; <i>Note: does not preclude chapter engagement with local MPPs and other elected officials, albeit not as agents of PEO</i>

“Neither” Outputs

Outputs	Category	Considerations	Governance Direction	Comments
President Award; Sterling; Wolfe & Smith; PEO/OSPE/OPEA; OOH; EDI Award (chapter) - Nominations for awards given by other organizations (e.g., Engineers Canada Awards; Top 40 under 40; Order of Ontario; The Sovereign’s Medal for Volunteers; Ontario Medal for Good Citizenship; Fellow of Engineers Canada; Ontario Volunteer Service) - Volunteer and volunteer employer recognition	Awards & Recognitions	Stand down ACV & operationalize volunteer recruitment & management. Review all awards and operationalize; task AREWG to review EDI operational support.	This is consistent with Council’s approved governance direction confirming that PEO is primarily a regulator. Note: Council has directed the AREWG initiative and recognized it as a strategic priority. AREWG focuses on equity issues over which PEO can exercise control as a regulator, an organization and an employer.	OPEA has been transferred to OSPE as of Nov 2021; other awards will be operationalized with volunteer involvement in the selection process (OOH); awards deemed not necessary or fit for a regulator will be transitioned; nominations awards given by other organizations (e.g. EC), individuals can nominate as they see fit/transition plan to be discussed.
Volunteer Leadership Conference	Conferences	Stand down VLC; combine VLC with CLC.	This is consistent with Council’s approved governance direction confirming that PEO is primarily a regulator.	Evaluate CLC along with other Educational Activities; refocus on regulatory issues requiring stakeholder engagement
Dispute resolution (informal)/OSPE	Other	Stand down JRC; operationalize via staff.		
Building officials bulletins; Replies to CBO’s questions/comments		Stand down JLC & operationalize after consultations with CBOs.		Note: JLC currently does not meet
Interview/training programs for ERC members		TBC in context of ERC’s renewed focus on statutory role in licensure		

Discussion

What considerations, if any, are you **most** concerned about?
If you ARE concerned, explain why.