



Professional Engineers
Ontario

CEO/ REGISTRAR UPDATE

SEPTEMBER 22, **2023**

CEO/REGISTRAR UPDATE



I would like to welcome everybody back to PEO after a summer of vacations. I hope that you all had time to restore, relax and recharge and to enjoy the summer weather outdoors with family and friends. Although most, if not all, staff took a break, throughout the organization we have been busy delivering PEO's core operational mandate of regulating professional engineering in Ontario while connecting with stakeholders and preparing key items for Council's consideration.

NEW MERIT-BASED COMPENSATION

PEO recently introduced a new approach and process for staff performance management. The new approach ties merit increases to employees' accomplishment of set goals that are aligned to the 2023-2025 Strategic Plan. Staff draw their corporate and departmental objectives from the *2023 Operational Plan*, which can be found on page 7 of my CEO/registrar's report. This document, which we introduced to Council in March, is our way of tracking progress against goals in the 2023–2025 Strategic Plan.

TOWN HALL

On June 14, PEO staff participated in a Town Hall, which coincided with PEO's 101st anniversary. Regular Town Halls provide an effective means of sharing information across the organization, as well as an invaluable opportunity for staff to engage with one another. After the Town Hall, PEO held its annual summer staff social event. PEO has come a long way since its inception in the 1920s, and it was a pleasure to join my colleagues in a dialogue on PEO's continued journey of modernization and transformation in its second century.



CEO/Registrar Quaglietta and staff celebrate at Jack Astor's after the Town Hall.



CEO/Registrar Jennifer Quaglietta (left) leads a Q and A with Councillor Michelle Liu (right) during a Coffee Chat with PEO staff on June 27.

EQUITY, DIVERSITY AND INCLUSION

PEO is committed to its Anti-Racism and Equity (ARE) Code. The ARE Code was approved by Council in April 2022, when the Anti-Racism and Anti-Discrimination Exploratory Working Group (AREWG) delivered recommendations in line with its mandate. The ARE Code will initially prioritize the most marginalized communities, which include Black, Indigenous and other racialized populations.

PEO has retained Indigenous and Community Engagement (ICE) Inc. to work collaboratively with the AREWG and staff to lead PEO's Indigenous initiative and engagement activities. ICE will be initiating outreach with various organizations beginning this month.

From a regulatory standpoint, PEO remains dedicated to ensuring its licensure process reflects its equity, diversity and inclusion commitments. Efforts to hire a specialized staff lead in this area have been prioritized and are ongoing.

The ARE Code also compels PEO to focus on developing strategies to counter any systemic discrimination impacting persons based on gender identity—including female, two-spirit, intersex, transgender and gender-variant persons.



Councillor Michelle Liu took the opportunity to chat with PEO staff after her Q and A with CEO/Registrar Jennifer Quaglietta. PEO staff were impressed by their insights into 2SLGBTQ+ diversity in engineering.

In this spirit, we were very pleased to welcome Eastern Region Councillor Michelle Liu, MSc, JD, P.Eng., LEED-GA, to PEO's head office on June 27 for a Coffee Chat with staff. Michelle also serves on the Ontario Society of Professional Engineers' Equity, Diversity and Inclusion Task Force. They are committed to promoting equity diversity and inclusion, particularly for the 2SLGBTQ+ sector, in the engineering profession.

Michelle and their partner, Ally Kennington, EIT, were profiled in *Engineering Dimensions* last year, when they co-founded and -fund an engineering award for undergraduate engineering students at their alma mater, the University of Waterloo, to promote the inclusion of 2SLGBTQ+ people in engineering. It was fitting that our Coffee Chat took place just days after the Pride Parade, itself the culmination of a month-long celebration of diversity in sexual orientation and gender expression.

INCREASING THE REPRESENTATION OF WOMEN LICENSED BY PEO

PEO, along with all provincial and territorial engineering regulators, is a participant in the Engineers Canada–led 30 by 30 initiative, which aims to ensure that by 2030, 30 per cent of newly licensed engineers are women. In 2022, 20.5 per cent of newly licensed engineers who obtained licensure in Ontario identified as women.



In June 2021, Council authorized experts from the University of Toronto’s Rotman School of Management to conduct a gender audit study of PEO’s licensure process and internal operations. In September 2022, the experts, Sonia Kang, PhD, and Joyce He, PhD, now with the Anderson School of Management at the University of California, Los Angeles, updated PEO and its 30 by 30 stakeholders on their preliminary findings, following the analysis of 100,000 applications for licensure with PEO. Their initial findings revealed that although women are as successful as men at completing their academic requirements for licensure and typically successfully complete the National Professional Practice Exam, they are less likely to complete the experience component of licensure. Of note, this initial analysis was drawn from PEO’s legacy licensing system, when applicants could apply prior to obtaining the requisite 48 months of engineering experience.

The experts are currently entering the second phase of PEO’s gender audit study, which commenced this month. In this phase, they will conduct interviews with past, current and potential applicants for licensure. The first wave of interviews is planned to take place in late September and will target those who recently obtained their licence or who are currently in the licensing process under the legacy licensing model. The goal is to develop a deeper understanding of the preliminary findings from the first phase of the research study. Interview questions will focus on activities related to satisfying the experience requirement and feedback related to the new FARPACTA-compliant licensure model. A second wave of interviews is planned to take place in November, and interview questions will focus on goals and plans to become licensed and barriers encountered during the process.

FARPACTA UPDATE

FARPACTA-driven changes to the licensing process mean that only those who have met academic and experience requirements should be applying for licensure. The automated FARPACTA-compliant process launched on June 26, 2023, ahead of the July 1, 2023, deadline. On July 31, 2023, PEO had its first paid applicant in the automated FARPACTA-compliant process and approximately 2000 draft applications. For all applications received to date, PEO was able to meet the 10-day deadline to acknowledge receipt of a complete application.

INVENTORY MANAGEMENT PLAN

Although the new FARPACTA-compliant licensing process is designed to benefit new applicants, PEO must process and consider the licensing applications of those who had applied before the recent changes took effect. The goal is to ensure that people already in the process benefit as much as possible from the revised approach. We also wish to avoid unduly prejudicing earlier applicants as a result of our process changes for new applicants. In August, staff met with Office of Fairness Commissioner (OFC) staff to present PEO’s Inventory Management Plan. The OFC expressed support for the plan, which is consistent with the OFC’s guiding principles.

MANDATORY CONTINUING PROFESSIONAL DEVELOPMENT (PEAK PROGRAM) UPDATE

As Council is aware, a new continuing professional development (CPD) requirement for licence holders took effect on January 1, 2023. This requirement is being implemented through a mandatory version of the Practice Evaluation and Knowledge program (PEAK). PEAK is mandatory but will not be issued in 2023. Administrative suspensions will be enforceable no sooner than 2024, and only after high compliance targets have been satisfied. Further updates will be provided as the approach to administrative suspensions is developed.

LATEST PEAK STATISTICS

Analysis of PEAK participation data indicates that 59 per cent of licence holders are practising, 25 per cent are not practising and 16 per cent have not yet declared their practice status. As of August 20, 2023, 72 per cent of licence holders have completed their first two PEAK elements, and an additional 6 per cent are still working towards completing both elements. This amounts to a program uptake of 78 per cent. The remaining 22 per cent have not yet started their PEAK elements this year. Incidentally, 10 per cent of

licence holders who were assigned a CPD reporting requirement have already completed their goal hours ahead of the December 31, 2023, deadline.

Of the 22 per cent of licence holders required to complete PEAK who have not yet started the program, one third are fee remission registrants, who pay a reduced licence fee and have already declared they are not practising and do not intend to engage in professional practice. Ninety per cent of fee remission registrants are enrolled under the “retired” category. The remaining two thirds pay the full licence fee and could have a status of either practising or not practising.

NOTE: Reminder emails were sent on August 24, 2023, to licence holders who have not started PEAK this year and to licence holders who only partially completed their first two PEAK elements, which were due on Jan 30. Another reminder, about the third PEAK element, which is due on Dec 31, 2023, is scheduled to be sent this autumn.

INDIVIDUALS WHO	AT THE END OF JANUARY 31, 2023	AT THE END OF AUGUST 20, 2023
Complied so far by completing their first two PEAK elements	59% 67%	72% 78%
Are working towards compliance (started PEAK but not yet completed their first two elements)	8%	6%
Have not yet started PEAK this year	33%	22%
Already completed their CPD Report (if this element applies)	not available	10%

Figure 1: 2023 PEAK completions up to August 20

COMMUNICATION

A comprehensive communication campaign is being developed for roll out later this year. It will reinforce to licence holders CPD requirements. It will also keep them apprised of the latest program rules and PEAK features and it will alert licence holders to enforcement measures that PEO could implement as early as 2024. A wide range of platforms will be used to help people understand and comply with the PEAK mandatory CPD program.

PEAK USER SUPPORT

PEO continues to assist licence holders to complete their PEAK requirements quickly and easily. These user supports are available across a variety of formats to cater to the wide range of individual preferences, including phone and email support, the new Help and FAQs in the PEO portal, and a dedicated webpage with all the latest PEAK program information (peopeak.ca). Moreover, the updated PEAK applicability chart succinctly explains how licence holders are required to complete the program annually based on their individual circumstances.

STAKEHOLDER ENGAGEMENT

Earlier this year, a survey was distributed to licence holders about current and future PEAK program features and considerations. This stakeholder engagement exercise was conducted between August 8 and September 8, 2023, through an online consultation survey. The results of the 2022 and 2023 surveys are publicly available on the PEAK web page.

LICENCE STATUS TERMINOLOGY

In 2023, the description of licence holder status, both in the directory and for PEAK, uses the terms “permitted to practise” and “not permitted to practise.” Based in part on licence holder feedback, PEO undertook a review to identify alternate status labels that would be accurate, respectful and informative and could be implemented this year. As a result, PEO will be updating the licence status terminology to “eligible to practise” and “not currently eligible to practise.” We will be implementing a dedicated communications initiative to explain the new terms and what they mean from a PEAK standpoint. This is an iterative measure. Over the next few years, PEO will engage in a comprehensive review of licence status terminology and licence classes. The goal in relation to PEAK is for CPD requirements to become easier to correlate to specific and clearly described licence statuses, ideally in our by-laws and/or regulations.

EXEMPTIONS (RETIREES)

Council is being asked at its September 2023 meeting to consider granting a total PEAK exemption for about 13,000 licence holders who are enrolled in fee remission, 97 per cent of whom are retirees. An explanation of the reasoning behind this recommendation is found in the pertinent briefing note, which was also considered by the Regulatory Policy and Legislation Committee in August.

MORE CPD ACTIVITIES WILL BE ADMISSIBLE

Our goal, through continuous improvement, is to make CPD requirements for licence holders more relevant and achievable as possible. Accordingly, we are developing an additional set of criteria to give licence holders more options to meet CPD reporting requirements. The aim is to allow licence holders to declare some supplementary CPD activities in addition to the priority CPD activities.



STRATEGIC PLAN

PEO's 2023–2025 Strategic Plan includes the four goals of modernizing processes, improving governance, optimizing organizational performance and collaborating with stakeholders. In support of this strategic plan, 23 initiatives are planned and underway for 2023. As of September 2023, nine initiatives in the 2023 operational plan

have been completed, and an additional eight are more than half completed against the planned deliverables for this year. Development and budgeting for the 2024 operational plan is underway and will continue into the fall.

OPERATIONAL PLAN STATUS REPORT AS OF SEPTEMBER 2023

Goals	Sub Goals	Activities	Status			
			NYS	< half	> half	Done
1. Improve licensing processes	1.1 Create fair, transparent, accessible and efficient application process	1.1.0 Present FARPACTA policy/approach				
		1.1.1 FARPACTA tech solution - Phase 1 & 2				
		1.1.2 FARPACTA process				
		1.1.3 Change management and communications				
		1.1.4 Measure FARPACTA compliance				
	1.2 Review licensing processes; implement changes	1.2.1 Implement mandatory CPD - Phase 1 (roll out, reminders)				
1.3. Ensure licensing reflects EDI values	1.3.1 EDI - Phase 1 (audit, supports)					
	2.1 Update/develop standards, guidelines	2.1.1 Establish policy development framework/process				
2. Optimize organizational performance	2.2. Ensure adequate IT; data collection & management	2.2.1 Digital transformation roadmap				
		2.2.2 Data governance model				
	2.3 Review/improve comms & business processes; ensure EDI values reflected	2.3.1 Organizational EDI strategy				
		2.3.2 HR high performance team roadmap				
		2.3.3 Modernize payroll processes				
		2.3.4 Communications strategy (value, EDI)				
		2.3.5 Modernize budget processes				
		2.3.6 Review financial controls				
		2.3.7 Develop Customer Service Model				
	3. Implement governance improvement program	3.1 Ensure councillor & ELT orientation	3.1.1 Review/revise board manual			
3.2 Ensure committee/council evidence for decision-making		3.2.1 Strategic plan reporting				
		3.2.2 RM framework				
4. Refresh vision; ensure stakeholders see PEO value	4.1 Dialogue with members & stakeholders	4.1.1 Establish Visioning taskforce, workplan				
		4.1.2 Council engagement session				
		4.1.3 Stakeholder engagement session(s)				

Figure 2: Operational status report as of September 2023

ERC REVIEWS

As of early August 2023, an average of 56 assessments per month were held in the last six months. If the Experience Requirements Committee continues at its current rate of assessments, it will take approximately 12 months to work through the projected accumulation of files.

Both the ARC and the ERC support the statutory decision-making role of the Registrar, and I applaud and thank the members of these committees, as well as the staff who assist with their work, for their commitment and flexibility.

ARC REVIEWS

The ARC's assessment queue presently includes over 2400 applications, and the committee has reviewed over 1400 files between January and August 2023. Staff and volunteers on the Academic Requirements Committee continue to collaborate to manage the surge in new application files requiring assessment, which occurred before the May 15, 2023, deadline to apply in the legacy process and the July 28, 2023, deadline to submit payment. The accumulation of applications requiring academic assessment as of mid-August is over 2000 files.

FINANCE

	2023 Actual	2022 Actual	Variance
TOTAL REVENUES	\$18,429,528	\$14,552,620	\$3,876,908
Operations expenses	\$14,248,295	\$12,048,145	-\$2,200,150
Special project exp	\$1,223,955	\$1,419,537	\$195,582
TOTAL EXPENSES	\$15,472,250	\$13,467,682	-\$2,004,568
Excess of Rev over Exp	\$2,957,278	\$1,084,938	\$1,872,340

Figure 3: Revenues and expenses as of June 30, 2023

	2023 Actual	2022 Actual	Variance
Cash	\$9,187,097	\$6,206,324	\$2,980,773
Other current assets	\$797,825	\$688,791	\$109,034
Marketable securities	\$27,904,860	\$26,362,081	\$1,542,779
Capital assets	\$27,810,665	\$29,029,318	-\$1,218,653
Total assets	\$65,700,447	\$62,286,514	\$3,413,933
Current liabilities	\$15,277,421	\$14,652,954	-\$624,467
Long term debt	-	\$907,302	\$907,302
Employee future benefits	\$13,260,100	\$11,153,600	-\$2,106,500
Net assets	\$37,162,926	\$35,572,658	-\$1,590,268
Total liabilities & net assets	\$65,700,447	\$62,286,514	\$3,413,933

Figure 4: Assets and liabilities as of June 30, 2023

For the six months ending June 30, 2023, revenues earned were \$18.4 million, and expenses incurred were \$15.5 million, resulting in an excess of revenue over expenses of approximately \$3.0 million, as shown in Figure 3. An approximate \$3.9 million increase in revenues in comparison to the prior year actuals for the same period is largely attributable to a higher-than-expected investment income, an increase in P. Eng applications and registration and exams fees. Revenues were also boosted by PEO's share of Engineers Canada's affinity program revenues, which Council has agreed to start receiving from this year onwards.

Regarding expenses, there were \$15.5 million in total expenses for the six months ending June 30, 2023, versus a spend of \$13.5 million during the same period in the prior year. The increase in

expenses is mainly due to higher spend on staff salaries and benefits, legal (corporate, prosecution and tribunal) expenses, contract staff and chapters.

Figure 4 shows cash reserves of approximately \$9.2 million and an investment portfolio of \$27.9 million as of June 30, 2023, in comparison to cash reserves of \$6.2 million and an investment portfolio of \$26.4 million, respectively as of June 30, 2022.

REMISSIONS AND RESIGNATIONS

The data in Figures 5 and 6 show the monthly breakdown of the number of members seeking fee remission in 2023 and 2022, respectively. In 2023, the average monthly number of members seeking remissions as of June 30, 2023, is 244 in comparison to 229 for 2022.

As can be seen in Figures 5 and 6, there has been a monthly average of 236 resignations in 2023 versus 113 resignations in 2022. However, overall, the number of P.Engs as of June 30, 2023, increased by 150 to 87,149 members in comparison to 86,999 members as of June 30, 2022.

Remission Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total	Monthly Ave.
Parental leave	22	14	11	16	18	10							91	15
Postgraduate	4	4	9	9	8	2							36	6
Unemployment	134	78	121	126	128	83							670	112
Temporary health	4	1	3	4	4	5							21	4
Permanent health	9	7	4	6	3	2							31	5
Retired	133	118	99	68	110	88							616	103
Total	306	222	247	229	271	190							1465	244
Cumm. Total	306	528	775	1004	1275	1465								
Resignations	362	226	188	268	180	190							1414	236

Figure 5: Remissions and resignations stats for 2023

Remission Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total	Monthly Ave.
Parental leave	14	10	20	13	21	13	8	17	15	10	18	12	171	14
Postgraduate	7	8	5	12	14	4	6	2	8	13	6	3	88	7
Unemployment	161	106	146	142	113	107	104	129	109	124	116	83	1440	120
Temporary health	7	4	3	5	5	7	4	0	2	1	2	5	45	4
Permanent health	2	1	9	4	3	1	2	9	3	3	5	3	45	4
Retired	84	99	88	51	80	76	47	93	90	56	93	101	958	80
Total	275	228	271	227	236	208	171	250	227	207	240	207	2747	229
Cumm. Total	275	503	774	1001	1237	1445	1616	1866	2093	2300	2540	2747		
Resignations	111	79	90	79	108	95	77	110	141	84	159	222	1355	113

Figure 6: Remission and resignation stats for 2022

CUSTOMER SERVICE

We are committed to improving how we interact with our licence and certificate holders and how quickly and effectively we respond to their questions and concerns. The Customer Service team was established earlier this year to tackle PEAK and technical concerns regarding the PEO portal as well as to support the launch of multi-factor authentication. The team is now adeptly addressing general FARPACTA and legacy application queries. We have also been meticulously tracking various metrics relating to query management and operations. The insights garnered from this comprehensive dataset will be pivotal in fulfilling our commitment to continuous improvement in customer service.

From July 17, 2023, to August 17, 2023, the customer service representatives resolved 89.8 percent of the emails they received and 63.4 percent of the phone calls they received. Technical issues motivate the biggest number of emails received—more than 70 per cent—while the most received subject on calls is about requirements for the new licensing process. Expect forthcoming updates as we continue our journey towards establishing the benchmark for customer service excellence.

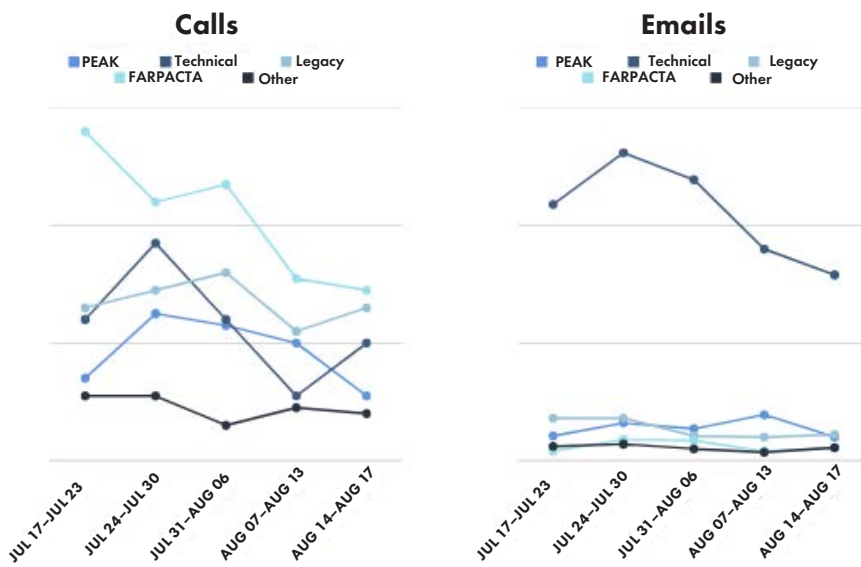


Figure 10: Weekly progress of calls and emails to customer service, weeks 23—32

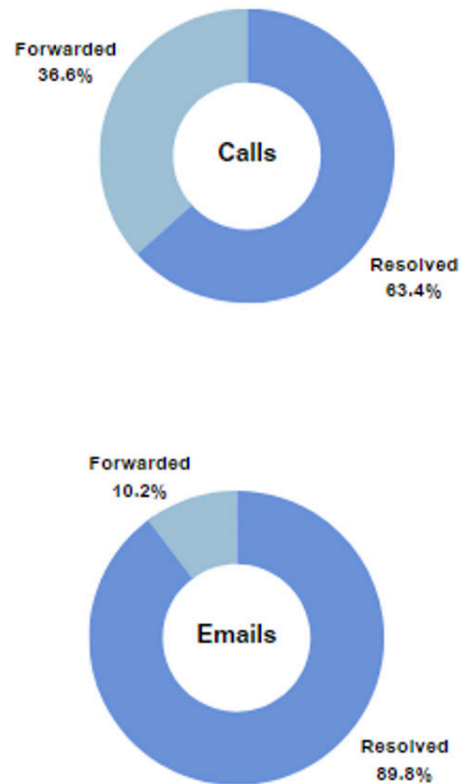


Figure 11: Total times for calls and emails by inquiry categories

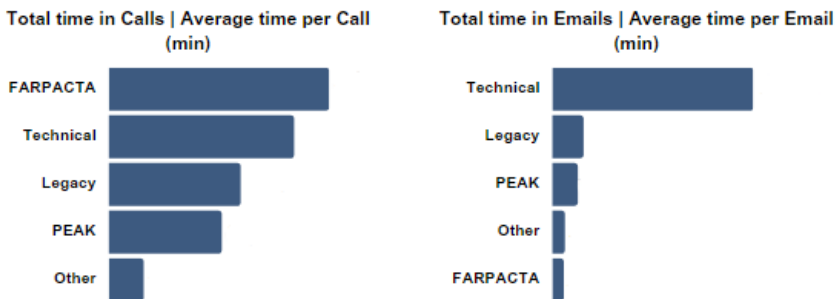


Figure 12: Resolution of calls and emails to customer service

CHAPTER OFFICE

As of August 31, 2023, PEO chapters have hosted 160 events. In total, Eastern Region hosted 15 events, East Central Region hosted 58 events, Northern Region hosted 18 events, Western Region hosted 28 events and West Central Region hosted 41 events.

As of mid-August, 9200 event tickets had been processed. Event highlights include:



Chapter events will culminate in the Chapter Leaders Conference, which will be held in conjunction with the Government Liaison Program Fall Training session in November. Over the coming months, PEO's leadership team is committed to attending as many key chapter and regional events as possible. We consider this an important part of our stakeholder engagement strategy, and we look forward to obtaining valuable insight and feedback from licence holders, EITs and applicants involved at the chapter level.

LICENSING DASHBOARD PROJECT



HYBRID 2.0 PROJECT

In April 2023, PEO launched a design initiative to evolve our hybrid-work practices in a way that is more agile, principle-based and innovative. Incorporating staff feedback and relevant best practice standards, a working group was formed to utilize the design-thinking framework to generate creative ideas and solution prototypes. PEO has embraced design thinking as a method to foster innovative improvements. This project exemplified our staff's commitment to innovation and experimentation. We look forward to using design thinking and other modern approaches to bolster capacity and agility within staff to meet our organizational needs and regulatory objectives.

PEO is committed to continuously improving our decision-making processes by embracing innovative design methods to advance the use of data and informatics. In the fall, PEO will be launching a licensing operations dashboard, which will enhance PEO's capacity to manage and model data using an interactive and visual tool. The dashboard will provide immediate data for review and insights to support quality decision making while facilitating ongoing reporting needs, particularly FARPACTA compliance.

The dashboard supports PEO's strategic goal of optimizing organizational performance. It also supports and promotes the needs of licence holders, applicants and the public by identifying continuous improvement opportunities.