

Charting a course for regulatory success

By Michael Mastromatteo

PEO passed a milestone on the winding road to regulatory maturity with Council's unanimous approval March 4 of a five-year strategic plan. It's believed the plan will leave PEO in accord with today's demands on self-regulating licensing bodies. The product of about eight months of intense consultation with staff, Councillors, chapters, members, volunteers and other stakeholders, the 2005-2009 strategic plan has been described as a "landmark achievement" for PEO, which clearly spells out the regulator's top objectives, and provides the steps, vision and resources that it hopes will transform goals into accomplishments.

Titled *Investing in the licence: PEO's agenda for change*, the plan takes over from the regulator's 2001 strategic plan, which while filled with good intentions, managed to deliver on only a portion of its objectives.

The new five-year plan includes a vision for PEO, a statement of core values, and four key strategic goals which, in turn, encompass 27 objectives. As outlined in the plan itself—published on the PEO website in April (www.peo.on.ca/registrat/StratPlan/2005/stratplan_home.htm)—the key strategic goals over the next five years are to:

- maximize the reach and effectiveness of PEO's regulatory function within the current *Professional Engineers Act* (PEA) to better serve and protect the public interest, thus elevating the value of the licence;
- achieve a better understanding and broader acceptance of the PEA and the role and jurisdiction of PEO by government, staff, volunteers, licence holders, employers of engineers and other related stakeholders;
- enhance PEO processes and programs to ensure that they are appropriately resourced, effective and aligned with its regulatory obligations; and
- strengthen Council's ability to be an effective and efficient policymaker in accordance with its regulatory function.

PEO Council's unanimous approval of a five-year strategic plan could usher in a new era for Ontario's engineering regulator. The product of intense consultation, research, consensus and "best-practices" policy development, the plan commits PEO to an assertive steering of its ship of state.

Of the 27 objectives supporting the four key strategic goals, some 16 are considered strategic and the remaining 11 are operational. Operational goals are those internally driven by staff to improve the regulator's effectiveness, and which may be financed within an annual budget. Among the 16 strategic objectives, PEO Council selected the following seven as having the highest priority over the five-year period covered by the plan:

- increase the public's confidence in the engineering licence;
- increase the public's confidence in PEO as a regulator;
- make the Certificate of Authorization (C of A) a more effective instrument for regulating the provision of engineering services;
- use Council's regulation-making powers to develop engineering performance standards (deemed absolutely necessary by Council);
- have the government regard PEO as a partner, and understand and support PEO's policy direction;
- secure the needed financial resources; and
- improve Council's decision-making process.

To achieve these objectives, there are 37 policy and operational initiatives

designed to be accomplished over the five-year period.

The plan's vision statement commits PEO to employing "best practices effectively to govern and administer a comprehensive regulatory regime in the public interest, using the full powers of the *Professional Engineers Act*, as the regulator of professional engineering in Ontario."

At the core

This vision is supported by a statement of "core values" arrived at by PEO Councillors and staff in a series of workshops held last fall. The core values include: accountability, respect, integrity, professionalism and teamwork.

While some of the same key problems facing PEO had been identified in the 2001 plan, progress in effecting change was slower than anticipated.

With a realignment of PEO's staff structure to conform to the objects of the *Professional Engineers Act*, the development of new governance tools and the transfer of advocacy and member services to the Ontario Society of Professional Engineers (OSPE), the plan's authors believe PEO is now better situated to make good on its policy and strategic aims.

There is no doubt PEO dedicated a great deal of its human talent in putting the new strategic plan together. The project was initiated in April 2004 and was moved forward by a Council-based working group, a steering committee and a staff-centred project team. President Bob Goodings, P.Eng., Past President George Comrie, P.Eng., former Council members Ken McMartin, P.Eng., and James Dunsmuir, P.Eng., and Councillors Cliff Knox, P.Eng., Catherine Redden and David Robinson, P.Eng., sat on the strategic plan working group, while President Goodings, and CEO/Registrar Kim Allen, P.Eng., Director, Administrative

Services Daria Babaie, P.Eng., and Director of Policy and Communications Scott Clark, LLB, were part of the steering committee.

Jordan Max, PEO's manager of policy, was the project manager. He says an essential feature of the project was that team members kept a clear focus on PEO's regulatory mandate as each element of the strategic plan was brought forward. The plan will focus on improving the licence by maximizing the efficacy of the current *Professional Engineers Act* during the next five years, rather than on trying to draft new legislation. That work will be planned for, but not initiated before 2010 at the earliest.

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As well, he says, the plan is designed to remedy only those areas requiring substantial improvement and, as such, capitalizes on operations PEO is already doing well, while devoting a best-

practices approach to issue identification and policy formation. In addition, the plan is designed to ensure that the push to meet key strategic objectives does not come at the expense of normal operational functions. And, in an effort to spur implementation, includes a detailed timetable that commits PEO to meeting the top seven strategic objectives—and the supporting initiatives—by specified dates.

Max says the limited number of objectives in the five-year plan is one of its chief virtues. Not only is this number of objectives likely achievable, but the limited number has allowed the plan's framers to align each strategic goal with PEO's regulatory function. He agrees the plan is ambitious in scope, but that as "an investment in the organization's future," it deserves the necessary financial and personnel resources to realize the top seven strategic objectives.

Extensive consultation

Another key feature of the five-year plan is the extensive consultation with staff, Councillors and other stakeholders that preceded its development. The plan's authors, in fact, received more than 800 input suggestions from PEO members alone. This proved essential in identifying areas of weakness and strength. "Consensus building is like land survey triangulation," Max said in describing a key part of the strategic plan process. "Just as one needs at least three different vantage points to fix a point in three-dimensional space, we tried to look at the research and viewpoints coming from many of our stakeholders, and identified the points in common—where they converged—as representing the consensus. This plan, because it canvassed a wide range of opinion and stakeholders, has yielded a consensus of PEO's critical issues and strategies."

One of the key components of the five-year plan is the allocation of a \$5.3 million "funding envelope" to carry out the top seven strategic priorities and their 37 initiatives. This Strategic Investment Fund will be financed through PEO's Operating Reserve, as well as other revenues. A five-year business plan, which will be reviewed annually, will be prepared

to ensure that the fund can be maintained. In essence, the Strategic Investment Fund is intended to operate parallel to the annual operating and capital budgets. As well, the fund will be used only to carry out the priority strategic objectives.

In the future, a combination of revenue sources, such as cost recovery, advertising revenue, and perhaps fee changes may be required to fund the strategic improvements to PEO's programs and services.

In the event PEO realizes the top seven strategic objectives for less than \$5.3 million, Council has the option of adding other priorities from the remaining 16 listed in the plan. As well, Council may amend the planning and choose to include those objectives, as well as any operational objectives in any operating or capital budgets, through the annual budget process over the five-year period.

Max, who recently completed work on a new policy development process for PEO, said policy development and strategic planning proved complementary. "The strategic plan gives us a set of consensus priorities for the next five years, which will provide the frame of reference for future policy development," he said, "not only for the top-priority initiatives, but also for new issues and requests for policy development, to determine if the desired approach or outcome fits within our strategic agenda. Reflexively, the strategic plan was itself an exercise in policy development, albeit at a higher level."

New PEO President Bob Goodings has high hopes for the 2005-2009 strategic plan. He believes the plan, and the work that went into its development, effectively capture the regulator's most urgent priorities, and that it now falls to Council, staff and volunteers to achieve the seven key objectives within the specified timeframes.

"I would suggest that over the next 12 months, we follow the course that has already been set by the five-year strategic plan, and by the policy development process that has been completed alongside it," Goodings said. "But we've got to get at it right away, because the plan has established an aggressive timetable." 