

compliance, complaints, discipline and enforcement. The Regulatory definition also includes other activities that protect and serve the public interest particularly as that interest pertains to the regulation of professional engineering and of the engineering profession in Ontario.

- *Governance* is defined as board governance, that is the activities and outputs that are required to enable Council, functioning as a governing board, to carry out its direction and control functions at PEO.
- The *Neither* classification includes activities that are lawful and that may indeed be worthwhile for PEO to pursue, but which cannot be classified as either Regulatory or Governance.

In February 2020, staff provided an update on the application of the filter to the activities and outputs of committees, task forces, chapters and working groups. Of the 93 distinct activities and outputs identified, 40 were classified as regulatory. These included 20 core regulatory activities prescribed or permitted by the legislative framework and 20 activities that were deemed to contribute to the development of regulatory policy. Eighteen committee-related activities were classified as governance (that is related to board governance), and 35 activities were neither regulatory nor governance.

The next step in the process undertaken by staff, under the CEO/Registrar's direction, is to report on the evaluation of these 93 activities and outputs. The function of the evaluation is twofold:

- First, to determine if the activities and outputs are necessary to the work of PEO as a regulator or to the fulfillment of the responsibilities of Council as a governing board; and
- Secondly, to advise on whether the activities and outputs are fit for a regulatory or governance purpose – in other words where the activity and output serve a valid regulatory or governance objective, are they, as currently assigned to a committee, task force, working group or Chapter, a good fit for that assignment? Should other assignments – for instance to staff – be considered instead?

Appendix A is therefore a further progress report, presented for Council's information and comment, on staff's application of the Activity Filter to evaluate key, high-level activities of PEO committees, sub-committees, Chapters and working groups on regulatory or governance necessity and fitness.

## 2. Next Steps

Considering input received from Councillors when this progress report is discussed, the CEO/Registrar, assisted by senior staff, will:

- For activities with outputs that fall within the CEO/Registrar's domain, that is those which are core regulatory or involve the development of regulatory policy, begin to reassign activities which are necessary but not necessarily performed in their current form, and then develop appropriate reporting metrics for the purpose of ensuring accountability. These are operational decisions that do not require Council approval.
- For activities with outputs that do not fall within the CEO/Registrar's domain (specifically, those which are classified as either "governance" or "neither") generate options for Council to consider with respect to whether the activity should be continued, how it should be continued and who should perform the activity.

## Appendices

**Appendix A**

Progress Report on the Evaluation of Filtered Activities and Output, from the Standpoint of Necessity

Group 1: Regulatory Activities

1A: Core Regulatory Activities

1B: Regulatory Policy Activities

Group 2: Governance Activities

Group 3: Activities that Are Neither



C-537-2.3  
Appendix A

**PROGRESS REPORT ON ACTIVITY FILTER: EVALUATION PHASE**  
**November 2020**

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**Group 1: Regulatory Activities<sup>1</sup>****Group 1A: Core Regulatory Activities**

<b>ID</b>	<b>Activity (A) and Output(s) (O)</b>	<b>Why is this classified as Regulatory?</b>	<b>Responsibility currently assigned to...</b>	<b>Primary Legislative Authority (required or permitted)<sup>2</sup></b>	<b>EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?</b>
1.	<b>A:</b> Assesses academic qualifications of non-CEAB applicants  <b>O:</b> Determination of qualifications, need for examinations	Licensing	Academic Requirements Committee	<a href="#">Act: s.14(3)(a) and (c) (permitted); s.14(4) (required) Reg.: s.40</a>	The Registrar decides if an applicant has complied with the requirements for licensure. Assessing whether the applicant has met the academic requirements as specified by the regulation is the core function of this committee. A referral to ARC for a determination is triggered by the Registrar, either at his own discretion or when requested by the applicant.  <i>This committee activity and output are necessary and fit for the fulfillment of a regulatory purpose, but they are expected to support the Registrar's accountability under the statute for the issuance of a licence.</i>
2.	<b>A:</b> Develops, assigns and review technical examinations  <b>O:</b> Technical examinations developed and assigned to applicants.	Licensing	Academic Requirements Committee	<a href="#">Reg: s.40(3)(d)</a> (required, when examinations are needed)	The Registrar decides if an applicant has complied with the requirements for licensure. When a case is referred to ARC for a determination, the committee may "consider and decide upon the form of examinations recommended". The role of ARC in setting and assigning examinations is anticipated by the Regulation, but the Regulation does not expressly state that examinations are to be substituted for academic requirements.  <i>This activity and output are necessary to the extent that examinations are required for the fulfillment of a regulatory purpose. They are expected to support the Registrar's accountability under the statute for the issuance of a licence.</i>

<sup>1</sup> For the purpose of this filter, **Regulatory** activities are (a) those which fit within six (6) generally accepted type of regulation conducted by professional self-regulators (Licensing, Standards, Compliance, Complaints, Discipline and Enforcement) and (b) those that serve or protect the public interest in a way that relates to the practice of professional engineering and/or the provision of engineering services. Core Regulatory Activities (Group 1A) are distinguished from activities which support the development of Regulatory Policy (Group 1B).

<sup>2</sup> Legislative and by-law references are included to demonstrate legality and may not be exhaustive of all possible legal authority. "Act" means the *Professional Engineers Act*, as amended. "Reg." means Regulation 941 under the Act, as amended. "By-law" means PEO By-Law No. 1.

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>2</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
3.	<b>A:</b> Assigns, reviews and approves professional practice examination. <b>O:</b> PPE is prepared and assigned.	Licensing	Academic Requirements Committee	<a href="#">Reg., ss.37, 38</a> (activity required; committee not mentioned)	The PPE – now NPPE - is identified in the regulation and anticipated by the legislation. The provisions in question do not specifically reference ARC or any other committee.  <i>This activity and output are necessary for a prescribed regulatory purpose but the fit is not necessarily with a committee. The activity and output can be managed by the Registrar, under Council's direction and control and its power to make regulations.</i>
4.	<b>A:</b> Oversees investigations <b>O:</b> Instruction to investigators (as needed)	Complaints	Complaints Committee	<a href="#">Act: s.24(1)</a> (required)	The Act requires this committee to “consider and investigate complaints”. The committee must “examine or [make] every reasonable effort to examine all records and other documents related to the complaint”. The committee performs the activity assigned to it, with the assistance of staff.  <i>This activity and output are necessary to the fulfillment of a regulatory objective, and pursuant to the legislative structure are fit for this committee.</i>
5.	<b>A:</b> Considers investigation files <b>O:</b> Written decision on whether to refer to Discipline, close (with reasons) or take other action permitted by the Act	Complaints	Complaints Committee	<a href="#">Act: s.24(2)</a> (required)	The Act requires this committee to “consider and investigate complaints” and to make appropriate referrals or close, as stipulated. The committee performs the activity assigned to it, with the assistance of staff.  <i>This activity and output are necessary to the fulfillment of a regulatory objective, and pursuant to the legislative structure are fit for this committee.</i>
6.	<b>A:</b> Examines procedures for treatment of complaints by Complaints Committee <b>O:</b> Report with recommendations to Council and to Complaints Committee (may also be to Minister)	Complaints	Complaints Review Councillor	<a href="#">Act: ss.26(1), (12), (16)</a> (permitted)	The CRC is empowered by the Act to examine procedures followed by the Complaints Committee. This is a regulatory oversight function, which can generate a report with recommendations to Council, to the Committee itself, and in some circumstances to the Attorney General.  <i>This activity and output, while not mandatory, are necessary to the fulfillment of prescribed regulatory objectives, and pursuant to the legislative structure are fit to be assigned to the CRC.</i>

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>2</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
7.	<p><b>A:</b> Reviews treatment of complaints, including those that are older than 90 days</p> <p><b>O:</b> Report with recommendations to Complaints Committee, Council, complainant and person complained against (may also be to Minister)</p>	Complaints	Complaints Review Councillor	<a href="#">Act: ss.26(2), (14)</a> (permitted) <a href="#">Act: ss.26(3), (14), (15)</a> (required, unless aged, frivolous, vexatious or not in good faith: s.26(5))	<p>This is the core function of the CRC and provides a legislated oversight mechanism for the handling of complaints.</p> <p><i>This activity and output are necessary and fit for the fulfillment of a prescribed regulatory purpose to be assigned to the CRC.</i></p>
8.	<p><b>A:</b> Determines applications for consulting engineers designation and re-designation</p> <p><b>O:</b> Recommends members for designation by Council as consulting engineers</p>	Public Interest in ensuring that practitioners claiming special designation are suitably vetted	Consulting Engineers Designation Committee	<a href="#">Act: s.7(1)23</a> <a href="#">Reg.: ss.62, 63, 67</a> (permitted)	<p>The Act does not expressly require the designation of consulting engineers, but it does provide Council with the authority to make regulations to determine how such designations might be conferred. As the regulation is currently worded, there are tasks assigned to a committee and sub-committees. Council ultimately confers the designation, and could do so based on input from other sources, eg., the Registrar.</p> <p><i>This activity and output are necessary for the fulfillment of a regulatory purpose, assuming the CE designation itself serves such a purpose. The activity and output are not necessarily fit for this committee, given that the actual designation is given by Council, and other methods could be used to bring names to Council for approval.</i></p>
9.	<p><b>A:</b> Hears and determines allegations of professional misconduct or incompetence, including matters referred under s.24, 27.1 (Council or Executive)</p> <p><b>O:</b> Determination, reasons and penalty</p>	Discipline	Discipline Committee	<a href="#">Act: s.28</a> (required)	<p>The composition and function of the Discipline Committee for the purpose of hearing and determining matters is set out in the legislation. Only DIC can perform these functions.</p> <p><i>The activity and output and their assignment to the Discipline Committee are both necessary and fit for the fulfillment of a prescribed regulatory objective.</i></p>
10.	<p><b>A:</b> Hears and determines applications for reinstatement of</p>	Licensing/ Public Interest in	Discipline Committee	<a href="#">Act: s.37</a> (required)	<p>The composition and function of the Discipline Committee for the purpose of hearing and determining matters is set out in the legislation. Only DIC</p>

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>2</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	licences etc. revoked or suspended for cause.  <b>O:</b> Determination, reported to Council and the applicant.	ensuring that former or suspended licence and certificate holders have addressed issues of concern			can perform these functions.  <i>The activity and output and their assignment to the Discipline Committee are both necessary and fit for the fulfillment of a prescribed regulatory objective.</i>
11.	<b>A:</b> Determines whether to refer allegations of misconduct or incompetence to Discipline Committee  <b>O:</b> Referral to discipline, as appropriate	Complaints and Discipline	Executive Committee	<a href="#">Act: s.27.1</a> (permitted)	This function is assigned to EXE as an addition to the standard complaints process that does not involve EXE. It is seldom utilized. EXE is not currently structured to handle misconduct issues in a manner that would replicate the function of the Complaints Committee.  <i>The activity and output are necessary for the fulfillment of a regulatory purpose, but in terms of the overall legislative structure they might not be fit for this committee, noting the availability of other mechanisms for dealing with complaints.</i>
12.	<b>A:</b> Assessing experience of applicants where requested or required  <b>O:</b> Determination of experience for purposes of meeting the experience requirement in the statute and regulation	Licensing	Experience Requirements Committee	<a href="#">Act: s.14(3)(b) and (c) (permitted); s.14(4) (required) Reg.: s.33, s.41</a>	The Registrar decides if an applicant has complied with the requirements for licensure. Assessing whether the applicant has met the experience requirements as specified by the regulation is the core function of this committee. A referral to ERC for a determination is triggered by the Registrar, either at their own discretion or when requested by the applicant.  <i>This committee activity and output are necessary and fit for the fulfillment of a regulatory purpose, but they are expected to support the Registrar's accountability under the statute for the issuance of a licence.</i>
13.	<b>A:</b> Assesses experience of applicants for the purpose of assisting ARC in considering experience when assigning examinations	Licensing	Experience Requirements Committee	<a href="#">Act: s.14 Reg.: s.40(3)(c)</a> (permitted)	ARC has the ability to refer to ERC for a recommendation on how the applicant's experience should be taken into account in relation to the assignment of examinations. The role of ARC in setting and assigning examinations is anticipated by the Regulation, but the Regulation does not expressly state that examinations are to be substituted for academic

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>2</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	<b>O:</b> Determination of experience for the purpose of adjusting number of examinations, as appropriate				requirements.  <i>This activity and output are necessary to the extent that examinations are required for the fulfillment of a regulatory purpose. They are expected to support the Registrar's accountability under the statute for the issuance of a licence.</i>
14.	<b>A:</b> Mediates fees disputes on consent  <b>O:</b> Mediated outcome (mediator's report)	Public Interest in ensuring that engineering fees are appropriately justified	Fee Mediation Committee	<a href="#">Act: s.32(2)</a> (permitted)	This is an optional (and seldom utilized) activity for the disputing parties, if circumstances warrant. There is no provision elsewhere in the legislation for mediation to be performed through other means, eg., by staff.  <i>This activity and output and their assignment to this committee are necessary and fit for a regulatory purpose, in appropriate circumstances.</i>
15.	<b>A:</b> Arbitrates fees disputes on consent  <b>O:</b> Arbitrated decision (arbitrator's report), enforceable as court order	Public Interest in ensuring engineering fees are appropriately justified	Fee Mediation Committee	<a href="#">Act: s.32(3), (4), (5)</a> (permitted)	This is an optional (and, as with mediation, seldom utilized) activity for the disputing parties, if circumstances warrant. There is no provision elsewhere in the legislation for arbitration to be performed through other means, eg., by staff.  <i>This activity and output and their assignment to this committee are necessary and fit for a regulatory purpose, in appropriate circumstances.</i>
16.	<b>A:</b> Assists in resolving disputes between architects and P.Engs or C of A holders re professional services  <b>O:</b> Either resolves matter or certifies that dispute cannot be resolved (condition precedent for enforcement or other regulatory action under the Act)	Public Interest in ensuring that regulatory jurisdiction is clarified	Joint Practice Board	<a href="#">Act: s.47(4), (5)</a> (permitted)	This function is anticipated by the statute but seldom utilized. It is conceivable that informal dispute regulation could take place by other means (eg., involving staff). However, involvement of the JPB is a statutory condition precedent for formal enforcement or regulatory action, so function needs to be retained.  <i>This activity and output and their assignment to the JPB are necessary and fit for a regulatory purpose, based on the legislative framework, but only if enforcement or other regulatory action is being contemplated. Other less formalized means might also be utilized to resolve disputes.</i>
17.	<b>A:</b> Determines whether to recommend the issuance of a	Licensing	Joint Practice Board (NB also	<a href="#">Act: s.47(2), (3)</a> (permitted)	This function is anticipated by the statute as a reciprocal arrangement with another regulated profession – specifically, architecture. The JPB only has

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>2</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	<p>licence or C. of A. to a holder of an Architects Act certificate of practice</p> <p><b>O:</b> May do nothing or may make recommendation to Council to direct the Registrar to issue a licence or certificate of authorization</p>		includes members from another regulator)		<p>the power to make a recommendation, however. The actual decision is made by Council, which would direct the Registrar to issue the licence or CEO to the holder of the Certificate of Practice.</p> <p><i>This activity and output and their assignment are necessary and fit a regulatory purpose, if triggered by a specific request.</i></p>
18.	<p><b>A:</b> Development of practice standards</p> <p><b>O:</b> Amendments to O. Reg 260/08 Performance Standards</p>	Standards	Professional Standards Committee	<p><a href="#">Act: s.2(4)2 (objects); s.7(1)17</a></p> <p><a href="#">Reg.: s.72(2)(c),</a></p> <p>(required)</p>	<p>The development of practice standards to govern professional activities is a regulatory function envisioned by the legislative framework. The by-law has anticipated a committee for this purpose. However, there is no legal requirement that the setting of standards be done through a committee. There are other ways that such proposed standards could come before Council, apart from through a committee. Council has the specific authority, under s.7 of the Act, to make regulations in this area, subject to the approval of the LG in Council.</p> <p><i>This activity and its output are necessary for the fulfillment of a valid regulatory objective, but it is not necessary for responsibility to be assigned to the Professional Standards Committee, noting that Council alone has the authority to make regulations pursuant to s.7 of the Act.</i></p>
19.	<p><b>A:</b> Develops practice guidelines</p> <p><b>O:</b> Practice guidelines</p>	Standards	Professional Standards Committee	<p><a href="#">Act: s.2(4)2</a></p> <p>(permitted)</p>	<p>The making of guidelines to assist licensees and C of A holders is a key regulatory function. There is no statutory requirement for a committee to do this.</p> <p><i>This activity and its output are necessary and fit for a regulatory purpose, but it is not necessary to assign responsibility to a committee. This could be a staff function.</i></p>
20.	<p><b>A:</b> Holds hearings to determine whether to issue a licence</p>	Licensing	Registration Committee	<p><a href="#">Act: s.19</a></p> <p>(required)</p>	<p>The Registration Committee exercises adjudicative functions assigned to it under the Act, in prescribed circumstances where an applicant for a licence</p>

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	<b>O:</b> Direction to Registrar to issue a licence, with or without conditions or refuse to issue a licence				(or a C of A) has not been issued one. The Registration Committee is empowered to determine if an applicant meets the requirements.  <i>The activity and output and their assignment to the Registration Committee are both necessary and fit for the fulfillment of a prescribed regulatory objective.</i>

**Group 1B: Regulatory Policy Activities**

<b>ID</b>	<b>Activity (A) and Output(s) (O)</b>	<b>Why is this classified as Regulatory policy?</b>	<b>Responsibility currently assigned to...</b>	<b>Primary Legislative Authority (required or permitted)<sup>3</sup></b>	<b>EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?</b>
21.	<p><b>A:</b> Examines PEO's processes to identify potential barriers to licensure for women.</p> <p><b>O:</b> Advice to Council on measures to eliminate barriers to women in the licensure process.</p>	Licensing; Public Interest in ensuring there are no barriers to women entering the engineering profession	30x30 Task Force	<a href="#">Act: s.8(1)14</a> (permitted)	<p>It is necessary for PEO to ensure that its licensing processes are not discriminatory. It is not necessary for this work to be assigned to a committee. This could be a staff function, accountable to Council.</p> <p><i>This activity and output are necessary and fit for a regulatory purpose, to inform and support the development of regulatory policy, but it is not necessary for them to be assigned to a committee. Council makes policy decisions and can do so on the advice of staff.</i></p>
22.	<p><b>A:</b> Develops advice to Council on current academic requirements and other initiatives related to educational qualifications</p> <p><b>O:</b> Advice delivered to Council (and other committees) on academic requirements and initiatives related to educational qualifications</p>	Licensing	Academic Requirements Committee	<a href="#">Act: s.10</a> <a href="#">Reg.: s.40</a> (permitted)	<p>Nothing in the legislation assigns a policy making role to ARC. Council has the direct authority under s.33 of the Regulation to recognize "accredited" engineering programs and also to "equivalent qualifications". ARC might develop its own practices and procedures to ensure fairness and consistency in the handling of cases referred to it by the Registrar.</p> <p><i>This activity and output are necessary and fit for a regulatory purpose, to inform and support the development of regulatory policy, but it is not necessary for them to be assigned to a committee. Council makes policy decisions and can do so on the advice of staff.</i></p>
23.	<b>A:</b> Develops recommendations for admissions-related policies and procedures	Licensing	Academic Requirements Committee	<a href="#">Act: s.10</a> <a href="#">Reg.: s.40</a> (permitted)	<p>ARC can make its own policies and procedures to ensure that its exercise of powers under the Act is fair and consistent. This can also be done by Council, at its own behest. ARC does not have the statutory mandate to</p>

<sup>3</sup> As with the Core Regulatory group, legislative and by-law references are included to demonstrate legality and may not be exhaustive of all possible legal authority. "Act" means the *Professional Engineers Act*, as amended. "Reg." means Regulation 941 under the Act, as amended. "By-law" means PEO By-Law No. 1.

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	<b>O:</b> Recommendations for admissions-related policies and procedures delivered to Council and other committees				make policy to govern operational decision-making.  <i>This activity and output are necessary for a regulatory purpose, to support and inform the development of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee the appropriate fit. Council makes policy decisions and can do so on the advice of staff.</i>
24.	<b>A:</b> Develops recommendation for standards, procedures, qualifications, exemptions etc. related to applications for consulting engineer designation  <b>O:</b> Recommendations for standards, procedures, qualifications, exemptions etc. delivered to Council	Public Interest in ensuring that those claiming advanced status have been appropriately vetted	Consulting Engineers Designation Committee	<a href="#">Act: s.7(1)23</a> <a href="#">Reg.: s.61</a> (permitted)	It is useful to have a transparent process and criteria to guide the issuance of the consulting engineer designation, so long as the power to issue such a designation exists in the regulation. Ultimately Council decides to issue the designation, based on whatever criteria are in place, which Council itself could stipulate on the advice of staff, or with input from a committee, or both.  <i>This activity and output are necessary for a regulatory purpose, to support and inform the development of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee the appropriate fit. Council makes policy decisions and can do so on the advice of staff.</i>
25.	<b>A:</b> Assesses developments in new or emerging areas of practice with a view to enforcement and public protection  <b>O:</b> Policy recommendations sent to Council	Licensing, Enforcement, Standards	Emerging Disciplines Task Force	<a href="#">Act: s.8(1)14</a> (permitted)	<i>This task force is now stood down. Any comparable output would be sourced elsewhere, i.e., with staff or with another committee, or some combination of the two.</i>
26.	<b>A:</b> Evaluates existing certification programs related to new or emerging areas of practice	Licensing, Enforcement, Standards	Emerging Disciplines Task Force	<a href="#">Act: s.8(1)14</a> (permitted)	<i>This task force is now stood down. Any comparable output would be sourced elsewhere, i.e., with staff or with another committee, or some combination of the two.</i>

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	<b>O:</b> Policy recommendations to Council				
27.	<b>A:</b> Prepares policy proposals and advice related to enforcement issues  <b>O:</b> Policy recommendations to Council to be included in Enforcement Policy	Enforcement	Enforcement Committee	<a href="#">Act: s.10(1)</a> (permitted)	<p>Enforcement is a core regulatory function and should be performed in a manner that is consistent with the statute, to provide guidance to the profession and to the public, and also to ensure that PEO's position is as strong as possible should court proceedings ensue. There is no requirement that enforcement policy be made by a committee.</p> <p><i>This activity and output are necessary for a regulatory purpose, to support the development of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit. Council makes policy decisions and can do so on the advice of staff.</i></p>
28.	<b>A:</b> Develops common standards in elements of the design and construction industry  <b>O:</b> Recommendations to Council and to other regulators as appropriate to implement common standards	Standards	Engineers, Architects and Building Officials Committee	<a href="#">Act: ss.2, 10</a> (permitted)	<p>The EABO is intended to harmonize standards, for PEO and other regulators in the building sphere. Its existence is not mandated by any legislation.</p> <p><i>This activity and output are necessary for a regulatory purpose, to support the development of shared regulatory policy approaches, but it is not necessary for them to be assigned to a committee., nor is this committee necessarily the best fit Council makes policy decisions and can do so on the advice of staff, in consultation with other groups (including building officials) as appropriate.</i></p>
29.	<b>A:</b> Develops possible modifications and improvements to experience requirements  <b>O:</b> Recommendations delivered to other committees, eg.	Licensing	Experience Requirements Committee	<a href="#">Act: ss.2(4), 10(1)</a> (permitted)	<p>Policy input is important in order to ensure consistency in how experience is considered and evaluated. The legislative framework defines the duration of experience and how it is to be supervised, but it does not speak to the qualitative requirements. The input of engineers familiar with various disciplines has been helpful in establishing more detailed experience requirements as well as fair and transparent processes for how these are measured.</p>

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	Licensing and ARC, and to Council; changes to operating policies and procedures manual				<i>This activity and output are necessary for a regulatory purpose, to support the development of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit. Ultimately, Council is responsible for licensing policy, and also has the power to make regulations in this regard.</i>
30.	<b>A:</b> Development of competency-based interviews.  <b>O:</b> Recommendations for and implementation of competency-based interviews.	Licensing	Experience Requirements Committee	<a href="#">Act: ss.2(4), 10(1)</a> (permitted)	The legislative framework does not mandate interviews for the purpose of assessing experience for P.Eng. applicants. ERC does however have the power to conduct interviews, and these would be expected to focus on competences acquired through experience.  <i>This activity and output are necessary for a regulatory purpose, to support an aspect of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit. Ultimately, Council is responsible for licensing policy, and also has the power to make regulations in this regard.</i>
31.	<b>A:</b> Develops advice to Registrar on appropriateness of various types of engineering experience.  <b>O:</b> Advice to Registrar on appropriateness of experience.	Licensing	Experience Requirements Committee	<a href="#">Act: ss.2(4)1 and 2, 10(1)(c)</a> <a href="#">Reg.: s.41</a> (permitted)	The legislative framework, in particular section 14, requires the Registrar to issue licences where the requirements, including experience requirements described in section 33 of the Regulation, are met. It does not provide a role for ERC in advising the Registrar in this regard.  <i>This activity and output are necessary for a regulatory purpose, to support the development of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit. Ultimately, Council is responsible for licensing policy decisions, and also has the power to make regulations in this regard.</i>
32.	<b>A:</b> Develops modifications to operating policies and procedures manual related to the assessment of experience.	Licensing	Experience Requirements Committee	<a href="#">Act: ss.2(4)1 and 2, 10(1)(c)</a> <a href="#">Reg.: s.41</a> (permitted)	The input of ERC helps to promote transparency and consistency in the assessment of experience for the purpose of section 33 of the Regulation. There is no specific legislative authority for ERC to devise such policies and procedures, although it is helpful for the committee to standardize and

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory policy?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>3</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	<b>O:</b> Revisions to manual, recorded as needed				publish its own procedures.  <i>This activity and output are necessary for a regulatory purpose, to support aspects of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit. Ultimately, Council is responsible for licensing policy, and also has the power to make regulations in this regard. Staff under the direction of the Registrar can establish procedures to support the Registrar's exercise of decision-making authority in specific cases.</i>
33.	<b>A:</b> Advises Licensing Committee and other PEO committees on issues related to experience  <b>O:</b> Recommendations on requirements for licensure delivered to other committees	Licensing	Experience Requirements Committee	<a href="#">Act: ss.2(4)1 and 2, 10(1)(c)</a> <a href="#">Reg.: s.41</a> (permitted)	It is important for Council to have the benefit of expert, current advice on issues related to experience, both general and discipline specific. There is no particular mechanism prescribed in the legislative framework for how such advice to be conveyed, and no requirement that it provided through a particular committee.  <i>This activity and output are necessary for a regulatory purpose, to support the development of regulatory policy, but it is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit. Ultimately, Council is responsible for licensing policy, and also has the power to make regulations in this regard.</i>
34.	<b>A:</b> Identifies and reviews PEO policies, rules and operational issues to identify need for legislative and regulatory change  <b>O:</b> Recommendation to Council with statement of authority, validity for proposed change	Public Interest in ensuring effective and coherent regulation of the engineering profession.	Legislation Committee	<a href="#">Act: s.8(1)14</a> <a href="#">By-law: s.30(1)(a)</a> (permitted)	The work of this committee largely supports the work of Council, eg., in requesting Act changes and, pursuant to s.7(1), for making regulations (subject to government review and approval), and s.8(1), for passing by-laws. It is not a policy committee per se, since it generally does not make policy but rather acts as a legislative conduit for policies emanating from other sources (including Council itself).  <i>This activity and output are necessary to support both regulatory and governance purposes. It is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit.</i>

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory policy?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>3</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
35.	<b>A:</b> Oversees draft changes to legislation, as required  <b>O:</b> Recommended changes sent to Council	Public Interest in ensuring more effective and coherent regulation of the engineering profession.	Legislation Committee	<a href="#">Act: s.8(1)14</a> <a href="#">By-law: s.30(1)(a)</a> (permitted)	This is both a regulatory policy and governance function, which supports Council's role in proposing legislative change and in making regulations.  <i>This activity and output are necessary to support both regulatory and governance purposes. It is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit.</i>
36.	<b>A:</b> Reviews other Ontario legislation to identify potential conflicts with PEA, regulations and by-laws  <b>O:</b> Communications to relevant to Ministries to identify conflicts, follow up as required; reports to Council	Public Interest in ensuring effective and coherent regulation of the engineering profession.	Legislation Committee	<a href="#">Act: ss.8(1)14, 10</a> <a href="#">By-law: s.30(1)(a)</a> (permitted)	The need to ensure legislative harmony and compatibility with other provincial legislation touching on the practice of professional engineering and related matters is important to PEO's effective exercise of its regulatory functions. Ultimately ensuring legislative harmony is a Council responsibility.  <i>This activity and output are necessary to support both regulatory and governance purposes. It is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit.</i>
37.	<b>A:</b> Identifies need for changes and enhancements to PEO's licensing policies, criteria and processes, with involvement of other statutory licensing-related committees as needed.  <b>O:</b> Recommendations and proposals delivered to Council, related to licensing.	Licensing	Licensing Committee	<a href="#">Act: s.10</a> <a href="#">By-law: s.30</a> (permitted)	Ultimately the Registrar, who reports to Council, needs to ensure that licensing policies, criteria and processes are delivered in a way that correlates with the specific legislative requirements (including those set in s.33 of the Regulation) as well as with the overall need to regulate in the public interest. There is no legislated role for the Licensing Committee in this context.  <i>This activity and output are necessary and fit for the fulfillment of a regulatory objective, to support the development of regulatory policy. It is not necessary for them to be assigned to a committee, nor is this committee necessarily the best fit.</i>
38.	<b>A:</b> Tracks licensing developments in other self-	Licensing	Licensing Committee	<a href="#">Act: s.10</a> <a href="#">By-law: s.30</a>	It is important that PEO remain aware of developments in the regulatory world and also, in part for the sake of mobility, that it strive to harmonize its

ID	Activity (A) and Output(s) (O)	Why is this classified as Regulatory policy?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted) <sup>3</sup>	EVALUATION Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	regulating professions and for engineers in other jurisdictions.  <b>O:</b> Report to Council on licensing developments with implications for PEO.			(permitted)	licensing requirements as much as possible with those in other jurisdictions. The Licensing Committee has no legislated role in gathering or reporting on this information, but Council should be mindful of it, regardless.  <i>This activity and output are necessary for regulatory purposes, but the output can be delivered by staff; a committee is not necessarily the best fit</i>
39.	<b>A:</b> Assesses external threats to PEO's licensing criteria.  <b>O:</b> Reports to Council on perceived threats with recommendations as appropriate.	Licensing	Licensing Committee	<a href="#">Act: s.10</a> <a href="#">By-law: s.30</a> (permitted)	It is unclear what external threats are referred to here. It is part of Council's role to manage and assess risk, including risks to PEO's ability to effectively carry out its regulatory mandate pertaining to licensing in a manner consistent with the public interest.  <i>This activity and output may or may not be necessary and fit for a regulatory purpose, but in any case managing threats or risks ultimately would be Council's responsibility, potentially on the advice of staff.</i>
40.	<b>A:</b> Review inputs from various internal and external sources to determine the need for new or updated standards or guidelines  <b>O:</b> Policy recommendations to Council	Standards	Professional Standards Committee	<a href="#">Act: s.10(1)</a> <a href="#">By-law: s.30(1)(b)</a> (permitted)	The development of standards by PSC and various sub-committees of PSC supports Council's role in approving and promulgating standards to assist the profession and ensure effective public protection.  <i>This activity and its outputs are necessary for a regulatory purpose, related to the development and promulgation of standards, but can be provided by staff or by some other committee or combination of committees, and are not necessarily fit for this particular committee.</i>

**Group 2: Governance Activities<sup>4</sup>**

<b>ID</b>	<b>Activity (A) and Output (O)</b>	<b>Why is this classified as Governance?</b>	<b>Responsibility currently assigned to...</b>	<b>Primary Legislative Authority (required or permitted)</b>	<b>EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?</b>
41.	<p><b>A:</b> Assists committees and task forces in the preparation of mandates, terms of reference, workplans and HR plans, using standard templates.</p> <p><b>O:</b> Mandates, terms of reference, workplans and HR plans prepared for Council's approval</p>	Supports Council's role in ensuring that committees contribute effectively to regulatory work and governance	Advisory Committee on Volunteers	<a href="#">Act: s.10</a> <a href="#">By-law: s.30</a> (permitted)	<p>Council is responsible for ensuring that board committees and other committees which serve Council's governance requirements operate in accordance with prescribed mandates and clear terms of reference.</p> <p><i>This activity and output are necessary to fulfill a governance objective, but they are not necessarily fit for this or any other committee.</i></p>
42.	<p><b>A:</b> Recruits, instructs and oversees external auditor</p> <p><b>O:</b> Audited financial statement and recommendation for appointment of auditor presented to Council and to AGM</p>	Effective audit and oversight of finances is a key element of board governance. Use of an independent auditor is standard for non-profit corporations of appreciable size.	Audit Committee	<a href="#">Act: ss2(1), 3</a> <a href="#">By-law: ss.51, 52, 53</a> <i>Corporations Act (Ontario)</i> (external audit is generally required for not-for-profit corporations of appreciable size)	<p>An external audit is a legal requirement under both the current OCA and ONCA. The auditor's work may be overseen by a committee, which could be an Audit Committee or, as in some organizations, a combined Audit and Finance Committee.</p> <p><i>This activity and output are necessary for the purpose of satisfying the board's (Council's) legal and governance obligations, specifically the effective direction and control of PEO's finances. It is not essential that the work be delegated to this committee in its present form; this committee is not necessarily the best fit.</i></p>
43.	<p><b>O:</b> Oversees financial reporting and internal controls</p>	Effective audit and oversight of	Audit Committee	<a href="#">Act: ss2(1), 3</a> <a href="#">By-law: ss.51</a>	<p>Maintaining sufficient financial controls and financial oversight are necessary functions both for the board (Council) and for management. In the</p>

<sup>4</sup> "Governance" activities are defined as for this purpose as "the activities that are needed to ensure that the board, or PEO Council, fulfills its statutory, legal and fiduciary duties while directing and controlling PEO."

ID	Activity (A) and Output (O)	Why is this classified as Governance?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted)	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	and review of annual financial statements  <b>O:</b> Report(s) to Council and to AGM as required	finances is a key element of board governance.		<i>Corporations Act</i> (Ontario) (oversight is required)	board's case, this ensures compliance with the board's legal and fiduciary obligations. It also helps the board to manage risk. This function can be assigned to a Finance Committee, an Audit Committee or a combined Finance and Audit Committee.  <i>This activity and output are necessary for the purpose of satisfying the board's (Council') legal and governance obligations, specifically the effective direction and control of PEO's finances. It is not essential that the work be delegated to this committee in its present form; this committee is not necessarily the best fit.</i>
44.	<b>A:</b> Considers complaints regarding procedures for nominating, electing and voting for members of Council  <b>O:</b> Decisions on complaints with appropriate penalties.	Supports elections to ensure fairness and credibility	Central Election and Search Committee	<a href="#">Reg.: s.12(3)(c)</a> (required)	This activity and output are prescribed by the legislative framework, and support Council elections in their current form.  <i>The activity and output are necessary for governance purposes, and pursuant to the legislative framework as it presently stands, fit with their assignment to the CESC.</i>
45.	<b>A:</b> Encourages candidates to seek election to Council.  <b>O:</b> Candidates for election for provincially-elected positions and in all regions.	Supports elections to fulfill Council's statutory and regulatory composition, based in part on regional focus	Central Election and Search Committee AND Regional Election and Search Committees (supported by Regional Councillors Committee)	<a href="#">Act: ss.7(1)2</a> and <a href="#">4</a> <a href="#">Reg.: ss.12(3)(a), 13(4)</a> (required)	The role of the CESC in encouraging candidates to seek election is prescribed by the statute.  <i>The activity and output are necessary for governance purposes, and pursuant to the legislative framework as it presently stands, fit with their assignment to the CESC.</i>
46.	<b>A:</b> Acts on behalf of Council on matters referred to it	Fulfills and substitutes for	Executive Committee	<a href="#">Act: ss.10, 11</a> <a href="#">Reg: s.29(c)</a>	The Executive is legally permitted to carry out most tasks assigned to Council, save for those specifically excluded. The use of EXE in this

ID	Activity (A) and Output (O)	Why is this classified as Governance?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted)	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	<b>O:</b> Decision on any question referred by Council that is within Council's decision-making authority (apart from making, amending or revoking regulations or by-laws)	Council's governance function as assigned		(required; word used is "shall")	fashion is subject to Council's own discretion. Council must specifically delegate its decision-making authority to a smaller group whose views may or not reflect those of Council as a whole.  <i>This activity and output are fit for governance purposes but are only necessary to the extent that Council chooses to delegate its responsibilities to a smaller group</i>
47.	<b>A:</b> Acts on behalf of Council with respect to urgent matters arising between meetings  <b>O:</b> Decision on any urgent matter that is within Council's decision-making authority, with report to Council on any action taken	Fulfills and substitutes for Council's governance function, subject to reporting, as required	Executive Committee	<a href="#">Act: s.10</a> <a href="#">Reg: s.29(a)</a> (permitted)	This is a mechanism created by the legislation for use in the event of an emergency, where what would ordinarily be a Council decision needs to be made more quickly by a smaller group - in theory, be easier to assemble. Arguably, the need for this activity is limited by technological advances making it easier for the full Council to meet remotely.  <i>This activity and output are necessary and fit for governance purposes, but the mechanism itself would rarely be required on a specific matter due to time sensitivity (between scheduled Council meetings).</i>
48.	<b>A:</b> Formulates advice to Council and/or to the Registrar and senior, alone or in consultation with other committees, on various operational and organizational issues related to PEO and the Canadian Council of Professional Engineers (AKA Engineers Canada)  <b>O:</b> Recommendations to	Governance assistance to Council (re advice to Registrar and senior staff)	Executive Committee	<a href="#">Act: s.10</a> <a href="#">Reg.: ss.29(b), (d), (e), (f), (g)</a> (permitted)	PEO is an "owner" of Engineers Canada and has significant stake in its performance. There are multiple means of managing the relationship, at both the volunteer and staff levels.

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	Council and to the Registrar for consideration and possible implementation				<i>This activity and output are necessary for a governance purpose, inasmuch as PEO is an "owner" of Engineers Canada, but it is not necessarily fit for them to be assigned to this or any other committee.</i>
49.	<b>A:</b> Reviews annual operating and capital budgets and provides oversight to ensure that budgets are adhered to.  <b>O:</b> Budgets for Council's approval	Financial oversight relates to Council's legal and fiduciary duty to direct and control the organization	Finance Committee	<a href="#">Act: s.10</a> <a href="#">By-Law: s.30(1)(c)</a> (permitted, but some form of oversight is required)	Council performs its direction and control function by approving a budget and holding management accountable for adhering to it. This activity and output support that function.  <i>This activity and output are necessary for a governance purpose but could be assigned to a Finance Committee or a combined Finance and Audit Committee.</i>
50.	<b>A:</b> Based on reports from management, ensures that financial procedures and systems for both operating and investment funds are in effective compliance with legal and regulatory requirements.  <b>O:</b> Report to Council on risks or discrepancies, as appropriate.	Financial oversight relates to Council's legal and fiduciary duty to direct and control the organization	Finance Committee	<a href="#">Act: s.10</a> <a href="#">By-Law: s.30(1)(c)</a> (permitted, but some form of oversight is required)	Council performs its direction and control function by ensuring that adequate financial oversight and accountability systems are in place. This activity and output support that function.  <i>This activity and output are necessary for a governance purpose but could be assigned to a Finance Committee or a combined Finance and Audit Committee.</i>
51.	<b>A:</b> Recruitment of CEO/Registrar  <b>O:</b> Recommendation to Council to appoint a member as CEO/Registrar	CEO/Registrar is Council's employee and PEO work is directed and controlled through him/her	Human Resources Committee	<a href="#">Act: s.3(8)</a> (required – "Council 'shall' appoint...")	The Registrar is a role mandated by the Act to perform a number of important duties. From a governance standpoint, the CEO/Registrar is also Council's only direct employee. Delegation of confidential recruitment, performance and compensation matters to a committee can be an effective tool for managing the relationship on Council's behalf.  <i>This activity and output are necessary and fit for a governance purpose but it</i>

ID	Activity (A) and Output (O)	Why is this classified as Governance?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted)	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
					<i>is not essential for them to be assigned to this particular committee.</i>
52.	<b>A:</b> Reviews CEO/Registrar performance  <b>O:</b> Performance review and recommendations	CEO/Registrar is Council's employee and PEO work is directed and controlled through him/her	Human Resources Committee	<a href="#">Act: s.10</a> <a href="#">By-law s.30</a> (permitted – the Act does not require that CEO/Registrar performance be reviewed)	Under the Act, the Registrar is a legally-mandated role, and from a governance standpoint the CEO/Registrar is Council's only direct employee. Delegation of confidential recruitment, performance and compensation matters to a committee can be an effective tool for managing the relationship on Council's behalf.  <i>This activity and output are necessary and fit for a governance purpose but it is not essential for them to be assigned to this particular committee.</i>
53.	<b>A:</b> Develops advice on issues related to criteria for Lieutenant-Governor-in-Council appointments  <b>O:</b> Advice and recommendations provided to government (and Council)	Policy and governance advice and support to Council on issues related to board composition	Human Resources Committee	<a href="#">Act: s.10</a> <a href="#">By-law s.30</a> (permitted)	It is important for Council composition to correspond to Council's governance needs. There is, however, no specified statutory or other role for a committee in making recommendations in this area.  <i>This activity and output are necessary to fulfill a governance objective, but they are not necessarily an appropriate fit for this committee.</i>
54.	<b>A:</b> Develops and facilitates input to Council related to board effectiveness utilizing a variety of tools  <b>O:</b> Recommendations to Council	Intended to promote and support more effective board governance	Human Resources Committee	<a href="#">Act: s.10</a> <a href="#">By-law: s.30</a> (permitted)	Board effectiveness is a worthwhile consideration for Council as a whole. There is no prescribed role for any particular committee in achieving greater effectiveness for Council.  <i>This activity and output are necessary to fulfill a governance objective, but they are not necessarily an appropriate fit for this committee.</i>
55.	<b>A:</b> Develops advice to Council on governance-related issues  <b>O:</b> Recommendations to	Policy and governance advice and support to Council	Human Resources Committee	<a href="#">Act: s.10</a> <a href="#">By-law: s.30</a> (permitted)	Governance-related issues are the responsibility of the entire Council and not just of a particular committee.  <i>This activity and output are necessary to fulfill a governance objective, but</i>

ID	Activity (A) and Output (O)	Why is this classified as Governance?	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted)	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	Council				<i>they are not necessarily an appropriate fit for this committee.</i>
56.	<p><b>A:</b> Selects members for PEO and external committees</p> <p><b>O:</b> Committee rosters and nominees to external committees recommended to Council for approval</p>	Council has established committees to help facilitate governance and policy development	Human Resources Committee	<a href="#">Act: s.10</a> (required or permitted, depending on committee)	<p>Council uses the HRC to promote fairness, transparency and consistency in the assignment of members to committees. There are other mechanisms that can be used to achieve the same result.</p> <p><i>This activity and output are necessary to fulfill a governance objective, but they are not necessarily an appropriate fit for this committee.</i></p>
57.	<p><b>A:</b> Reviews and provides oversight for PEO's investment portfolio, including appointing portfolio managers and ensuring the effectiveness of procedures and systems used to ensure compliance with legal and regulatory requirements.</p> <p><b>O:</b> Recommendations to Council, on appointment of portfolio managers and any procedural or systems issues, via Finance Committee, as required and appropriate to ensure effective oversight.</p>	Financial oversight relates to Council's legal and fiduciary duty to direct and control the organization	Investment Sub-Committee	<a href="#">Act: s.10</a> <a href="#">By-law: ss.42, 43</a> (required to ensure legal compliance)	<p>Council performs its direction and control function by ensuring that adequate financial oversight and accountability systems are in place, including with respect to investments. This activity and output support that function.</p> <p><i>This activity and output are necessary for a governance purpose but they are not necessarily fit for this subcommittee; they could be included in the mandate of another committee.</i></p>
58.	<b>A:</b> Develops an implementation plan for succession planning at Council level	Composition of Council is clearly a governance issue	Succession Planning Task Force	<a href="#">Act: ss.8(1)14, 10</a> <a href="#">By-law s.30</a> (permitted)	<i>This committee has been stood down, and its outputs have been referred to Executive as part of its mandate to help implement the governance roadmap.</i>

<b>ID</b>	<b>Activity (A) and Output (O)</b>	<b>Why is this classified as Governance?</b>	<b>Responsibility currently assigned to...</b>	<b>Primary Legislative Authority (required or permitted)</b>	<b>EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?</b>
	<b>O:</b> Recommendations to Council regarding succession planning.				

**Group 3: Activities That Are Neither Governance Nor Regulatory**

<b>ID</b>	<b>Activity (A) and Output(s) (O)</b>	<b>Remarks</b>	<b>Responsibility currently assigned to...</b>	<b>Primary Legislative Authority (required or permitted, if known)<sup>5</sup></b>	<b>EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?</b>
59.	<b>A:</b> Devises and reports annually on metrics for women in the licensing process.  <b>O:</b> Annual report on metrics to identify progress.	Task force mandate complements regulatory function but is not regulatory per se.	30x30 Task Force	<a href="#">Act: ss.8(1)14, 10(1)</a> <a href="#">By-law: s.30</a> (permitted)	This activity and output support the goal of a more equitable, diverse, inclusive and representative profession. The same results are conceivably achieved by other means, eg., staff at PEO or through an external body such as OSPE.  <i>It is not necessary or fit for a regulatory purpose for this activity and output to be assigned to a task force.</i>
60.	<b>A:</b> Plans outreach workshops for stakeholder groups (Chapters, employers, universities, women's groups, etc.)  <b>O:</b> Workshops delivered.	Task force is oversight and advocacy focused on increasing number of newly-licensed female engineers.	30x30 Task Force	<a href="#">Act: ss.8(1)14, 10(1)</a> <a href="#">By-law: s.30</a> (permitted)	<i>As above, it is not necessary for a task force to be responsible for this activity and output.</i>
61.	<b>A:</b> Develops means to recognize PEO volunteers and their employers.  <b>O:</b> Recommendations to Council for volunteer and volunteer employer recognition	This activity, recognizing the importance of volunteerism, has an association focus.	Advisory Committee on Volunteers	<a href="#">Act: s.2(4)4</a> (permitted)	PEO has committed to recognizing volunteers who support its work. This form of recognition is important but could be assigned to either a committee or to staff alone.  <i>It is not necessary or fit for a regulatory purpose for this activity and output to exist or to be assigned to this committee.</i>

<sup>5</sup> As with the Core Regulatory, Regulatory Policy and Governance groups, legislative and by-law references are included to demonstrate legality and may not be exhaustive of all possible legal authority. In many instances in the "Neither" classification, legality is derived from the broad scope of section 2 of the Act, and in particular s.2(4), the additional objects provision. "Act" means the *Professional Engineers Act*, as amended. "Reg." means Regulation 941 under the Act, as amended. "By-law" means PEO By-Law No. 1.

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
62.	<b>A:</b> Organizes annual meeting of committee and task force chairs  <b>O:</b> Annual meeting / conference held	Activity is focused on volunteer contributions to the association	Advisory Committee on Volunteers	<a href="#">Act: s.2(4)4</a> (permitted)	The need for committees and task force chairs to meet periodically serves to keep the organization moving in a single coordinated direction. Coordination and consistency in the operation of committees is useful. This, however, could also be accomplished through staff oversight.  <i>It is not necessary or fit for a regulatory purpose for this activity and output to exist or to be assigned to a committee.</i>
63.	<b>A:</b> Encourages, solicits and considers nominations for PEO and joint PEO/OSPE awards.  <b>O:</b> Award winners recommended to Council (and OSPE, depending on the award) for approval.	Awards recognize excellence in engineering and volunteerism.	Awards Committee	<a href="#">Act: s.2(4)4</a> (permitted)	PEO grants awards to recognize excellence and achievement in various aspects of the organization's work and in the study and practice of professional engineering. Awards also serve to highlight the engineering profession and to raise the profile of PEO itself.  <i>It is not necessary or fit for a regulatory purpose for this activity and output to exist or to be assigned to a? committee.</i>
64.	<b>A:</b> Encourages and solicits nominations for external awards related to engineering.  <b>O:</b> Nominations for awards given by other organizations.	External awards recognize excellence amongst professional engineers.	Awards Committee	<a href="#">Act: s.2(4)4</a> (permitted)	PEO has an interest in ensuring that professional engineers and their work are recognized, both within and outside the organization.  <i>It is not necessary or fit for a regulatory purpose for this activity and output to exist or to be assigned a committee.</i>
65.	<b>A:</b> Plans Chapter AGM  <b>O:</b> Election of Chapter executives	Chapter governance is not the same as PEO governance. Chapters do not have a separate legal identity.	Chapters	<a href="#">Act: ss.2(4), 8(1)19</a> <a href="#">By-law: ss.2-9</a> (permitted)	Chapters are envisioned by the legislative framework. As such it is reasonable for them to choose their leaders in some fashion. The chapters themselves have no separate legal identity and hence their leadership is unconnected to the governance of PEO.  <i>It is not necessary or fit for a regulatory (or governance) purpose for Chapters to perform this activity and produce this output.</i>

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
66.	<b>A:</b> Presents licensing certificates  <b>O:</b> Certificates presented to new members who choose to receive certificates from Chapters	Presentation of a certificate is not synonymous with the issuance of a licence	Chapters	<a href="#">Act: ss.2(4), 8(1)19</a> <a href="#">By-law: ss.2-9</a> (permitted)	The presentation of certificates is important for new licensees and their guests and is an opportunity to welcome them into the engineering community and to learn about the work of PEO. There is, however, no legal requirement that certificates be issued, let alone presented in this fashion. They can be mailed or delivered by some other means. <i>It is not necessary or fit for a regulatory purpose for Chapters to perform this activity or produce this output.</i>
67.	<b>A:</b> Organizes PEO seminars.  <b>O:</b> Seminars held by Chapters to help explain regulatory requirements.	Education and outreach about regulatory expectations is not synonymous with regulation.	Chapters	<a href="#">Act: ss.2(4), 8(1)19</a> <a href="#">By-law: ss.2-9</a> (permitted)	Seminars are a useful augment to the regulatory work of PEO, and may be valuable outreach to the profession. The same content can also be delivered through other means, eg. by staff.  <i>It is not necessary or fit for a regulatory purpose for Chapters to perform this activity or produce this output.</i>
68.	<b>A:</b> Organizes technical seminars and tours.  <b>O:</b> Seminars and tours conduct industry experts to demonstrate and/or explain new or current technical and engineering content.	Education on current developments is not a regulatory function unless part of a structured licensing or CPD program.	Chapters	<a href="#">Act: ss.2(4), 8(1)19</a> <a href="#">By-law: ss.2-9</a> (permitted)	Chapters play an informal role in improving knowledge and skill amongst professional engineers.  <i>It is not necessary or fit for a regulatory purpose for Chapters to perform this activity or produce this output.</i>
69.	<b>A:</b> Organizes networking events for members and EITs. <b>O:</b> Summer picnics, golf tournaments, etc.	Networking is essentially an “association” function.	Chapters	<a href="#">Act: ss.2(4), 8(1)19</a> <a href="#">By-law: ss.2-9</a> (permitted)	Chapters play a role in bringing members and future engineers together to discuss professional issues and career opportunities.  <i>It is not necessary or fit for a regulatory purpose for Chapters to perform this activity or produce this output.</i>
70.	<b>A:</b> Plans and implements “education outreach” for JK to	Query the role of a regulator, as	Chapters	<a href="#">Act: ss.2(4), 8(1)19</a>	Chapters encourage students to gain an appreciation of engineering as a contributor to society and as a prospective career.

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	post-secondary students.  <b>O:</b> Outreach programs on engineering delivered to school groups.	opposed to an association, in encouraging interest in a particular area of work		<a href="#">By-law: ss.2-9</a> (permitted)	<i>It is not necessary or fit for a regulatory purpose for Chapters to perform this activity or produce this output.</i>
71.	<b>A:</b> Organizes 30x30 events at the Chapters level.  <b>O:</b> 30X30 related events held.	30X30 mandate complements regulatory function but is not regulatory per se	Chapters	<a href="#">Act: s.2(4)4</a> (permitted)	Chapters encourage an awareness amongst the profession of the commitment to increasing the percentage of newly-licensed female engineers to 30% in 2030.  <i>It is not necessary or fit for a regulatory purpose for Chapters to perform this activity or produce this output.</i>
72.	<b>A:</b> Supports Engineering Innovation Forum  <b>O:</b> Conference on innovation funded and held	Promoting a culture of innovation is a noteworthy association objective.	Education Committee	<a href="#">Act: s.2(4)4</a> (permitted)	The conference promotes innovation in the engineering profession and might also offer valuable networking opportunities.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output.</i>
73.	<b>A:</b> Plans outreach to JK-12 students.  <b>O:</b> Materials about engineering for use in JK-12 classrooms.	PEO does not regulate or govern primary and secondary education	Education Committee	<a href="#">Act: s.2(4)4</a> (permitted)	This activity encourages students to gain an appreciation of engineering as a contributor to society and as a prospective career.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output.</i>
74.	<b>A:</b> Considers Chapters proposals for special projects funding related to educational outreach in JK-12	PEO does not regulate or govern primary and secondary	Education Committee	<a href="#">Act: s.2(4)4</a> (permitted)	This activity encourages students to gain an appreciation of engineering as a contributor to society and as a prospective career.

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	<b>O:</b> Funding decisions for Chapters educational outreach projects.	education			<i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>
75.	<b>A:</b> Develops advice for PEO Council regarding education-related policies.  <b>O:</b> Advice to Council, and via Council to government, about educational issues related to engineering.	Query to what extent PEO should be involved in matters of broader public policy. PEO does not regulate or govern primary or secondary education	Education Committee	<a href="#">Act: 2(4)4</a> (permitted)	This activity encourages the adoption of measures to attract suitable students to engineering disciplines and improve the quality of education for prospective engineers, at all levels.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>
76.	<b>A:</b> Plans Education Conference  <b>O:</b> Conference to encourage innovative, engineering related outreach programs for pupils in JK to Grade 12	PEO does not regulate or govern primary or secondary education	Education Conference Planning Subcommittee	<a href="#">Act: s.2(4)4</a> (permitted)	Decisions made at this conference might encourage students to gain an appreciation of engineering as a contributor to society and as a prospective career.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>
77.	<b>A:</b> Develops joint position statements related to elements of the design and construction industry.  <b>O:</b> Position statements recommended to Council.	Advocacy is typically an association function.	Engineers Architects and Building Officials Committee	<a href="#">Act: ss.2, 10</a>	This is joint advocacy with another group intended to harmonize approaches to construction issues via joint position statements. It is not legislatively required, and technically this is not even a PEO committee per se. PEO only has jurisdiction over engineers and engineering.  <i>It is not necessary or fit for a regulatory purpose for a committee to</i>

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
					<i>perform this activity or produce this output.</i>
78.	<p><b>A:</b> Assembles and shares information on construction best practices, new construction types, technical codes and standards.</p> <p><b>O:</b> Information about best practices, etc., assembled and shared with EBAO members at meetings.</p>	Information-sharing supports coordination of efforts amongst various professions involved in design and construction.	Engineers Architects and Building Officials Committee	<a href="#">Act: ss.2, 10</a>	<p>This activity is intended to harmonize approaches amongst those involved in construction, including engineers. It is not legislatively required. Information sharing can be facilitated by other means.</p> <p><i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output.</i></p>
79.	<p><b>A:</b> Oversees use of online Equity and Diversity training module by chapter and committee volunteers.</p> <p><b>O:</b> Report to Council on extent of online equity and diversity module completion.</p>	This reflects concern about equity and diversity as reflected in association activities	Equity and Diversity Committee	<a href="#">Act: s.2(4)4</a> (permitted)	<p>This activity supports equity, diversion and inclusion, especially in the context of volunteer involvement in the work of PEO.</p> <p><i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output, particularly as it pertains to volunteers .</i></p>
80.	<p><b>A:</b> Develops proposals to recognize equity and diversity at the Chapters level.</p> <p><b>O:</b> Award proposal to Council to recognize equity and diversity contributions at the Chapters level.</p>	This reflects concern about equity and diversity as reflected in association activities	Equity and Diversity Committee	<a href="#">Act: s.2(4)4</a> (permitted)	<p>This activity supports equity, diversion and inclusion, especially in the context of volunteer involvement in the work of PEO.</p> <p><i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output, particularly as it pertains to volunteers,</i></p>

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
81.	<p><b>A:</b> Considers recommendations for President's Award for non-engineers who have demonstrated extraordinary support for or promoted public awareness of the engineering profession.</p> <p><b>O:</b> Award recipient recommended to Council for approval.</p>	Awards raise the profile of the association and encourage support for and awareness of the engineering profession.	Executive Committee	<a href="#">Act: s.2(4)4</a> (permitted)	<p>PEO grants awards to recognize excellence and achievement in various aspects of the organization's work – even, as here, to non-engineers. Awards also serve to highlight the engineering profession and to raise the profile of PEO itself.</p> <p><i>It is not necessary or fit for a regulatory purpose for this activity and output to exist or to be assigned to a committee.</i></p>
82.	<p><b>A:</b> Trains ERC members on how to conduct interviews etc.</p> <p><b>O:</b> Interview and related training programs for ERC members.</p>	Training supports the regulatory role of ERC but is not regulatory per se.	Experience Requirements Committee	<a href="#">Act: s.10(1)(c)</a>	<p>Interviews support the role of ERC as a committee anticipated by statute to support the Registrar's decision-making on licensing applications. They are not mandatory.</p> <p><i>The activity correlates to part of ERC's current function, but it is not fit for a regulatory purpose for a committee to perform this activity or produce this output, which could be transferred to staff.</i></p>
83.	<p><b>A:</b> Oversees and advises Chapters on engagement with local MPPs</p> <p><b>O:</b> Recommendations and ad hoc assistance to Chapters on matters related to engagement with MPPs</p>	Lobbying elected officials in this manner is typically an association activity.	Government Liaison Committee	<a href="#">Act: ss.2(4)4, 10(1)</a> (permitted)	<p>Interactions with politicians raise the profile of the organization and of the engineering profession.</p> <p><i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i></p>
84.	<b>A:</b> Oversees the development	Advocacy is	Government	<a href="#">Act: ss.2(4)4,</a>	Information about interactions with politicians and government

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	of government relations communications tools such as newsletters Engineering Dimensions articles, etc.  <b>O:</b> Newsletters, articles, etc. produced with committee oversight.	typically an association activity.	Liaison Committee	<a href="#">10(1)</a> (permitted)	officials serves to raise the profile of the organization and of the engineering profession.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>
85.	<b>A:</b> Plans Queens Park reception to educate MPPs on role and work of PEO and discuss regulatory issues.  <b>O:</b> Queens Park reception for MPPs and PEO representatives.	Advocacy is typically an association activity.	Government Liaison Committee	<a href="#">Act: ss.2(4)4, 10(1)</a> (permitted)	Interactions with politicians raise the profile of the organization and of the engineering profession.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>
86.	<b>A:</b> Reviews and attempts to resolve significant staff HR issues  <b>O:</b> Resolutions or recommendation (to Registrar?) on significant staff HR issues	The CEO/Registrar is responsible for resolving individual staff issues.	Human Resources Committee	<a href="#">Act: s.10(1)</a> (permitted)	Under the Act, Council appoints a Registrar (and may appoint one or more Deputy Registrars to support that function). Staff ultimately report to the Registrar, who is responsible for dealing with staff HR issues as they arise.  <i>It is not necessary or fit for a regulatory or governance purpose for a committee to perform this activity or produce this output</i>
87.	<b>A:</b> Reviews and attempts to resolve significant volunteer HR issues  <b>O:</b> Resolutions or	Engagement of volunteers is an association function.	Human Resources Committee	<a href="#">Act: s.10(1)</a> (permitted)	PEO has various volunteer functions, most of which are not directly prescribed by the Act.

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	recommendations on significant volunteer HR issues				<i>It is not necessary or fit for a regulatory or governance purpose for a committee to perform this activity or produce this output, particularly with respect to volunteers.</i>
88.	<b>A:</b> Considers submissions from Chief Building Officials related to the requirement for a services of an architect and/or professional engineer related to general design or review.  <b>O:</b> Replies to questions and comments from CBOs	Harmonious relations amongst the design and construction-related professions and with building officials serves an association function.	Joint Liaison Committee	<a href="#">Act: s.2(4)2</a> and <a href="#">4</a> (permitted)	This activity encourages the most effective and harmonious use of the skills of various professions involved in construction.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output, which could be transferred to staff.</i>
89.	<b>A:</b> Prepares bulletins to building officials to provide clarity on emerging issues and/or disputes.  <b>O:</b> Bulletins prepared and issued.	Harmonious relations amongst the design and construction-related professions and with building officials serves an association function.	Joint Liaison Committee	<a href="#">Act: s.2(4) 2</a> and <a href="#">4</a> (permitted)	This activity encourages the most effective and harmonious use of the skills of various professions involved in construction.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output, which could be transferred to staff.</i>
90.	<b>A:</b> Builds and strengthens relationships between PEO and OSPE and provides a forum for the resolution of disputes.	Activity and related outputs are difficult to quantify, but do	Joint Relations Committee	<a href="#">Act: s.2</a> (permitted)	This activity encourages positive relations between the regulator and one of its stakeholder groups and is intended to function as an informal “dispute resolution” mechanism on issues of mutual interest to the regulator and the profession. It is not required by the statute,

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	<b>O:</b> Disputes resolved.	not appear to fit within either regulatory or governance functions as defined here.			nor does it preclude other types of interactions between PEO and OSPE or similar organizations.  <i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>
91.	<b>A:</b> Organizes Regional Congress to filter Chapters issues to Councillors and relay regulatory information to the engineering community.  <b>O:</b> Regional Congress held, inputs received, regulatory information relayed.	Conveying regulatory information is not regulation per se. Input to governors is not governance.	Regional Councillors Committee	<a href="#">Act: ss.2(4), 8(1)19</a> (permitted)	This activity links Chapters to PEO's governance structure. The work of Chapters is typically not connected to either regulation or governance.  <i>It is not necessary or fit for a regulatory or governance purpose for a committee to perform this activity or produce this output</i>
92.	<b>A:</b> Chapters business plans analyzed for allocation of funds to Chapters.  <b>O:</b> Chapters funded.	See above, re Chapters-related activities.	Regional Councillors Committee	<a href="#">Act: ss.2(4), 8(1)19</a> (permitted)	This activity links Chapters to PEO's governance structure. The work of Chapters is typically not connected to either regulation or governance.  <i>It is not necessary or fit for a regulatory or governance purpose for a committee to perform this activity or produce this output</i>
93.	<b>A:</b> Plans volunteer leadership conference for Chapter and committee leaders, in	This supports an association function.	Volunteer Leadership Conference	<a href="#">Act: s.(4)4</a> (permitted)	This activity supports volunteer roles in carrying out the work of PEO at various levels. Such volunteer roles are not prescribed by the legislative framework.

ID	Activity (A) and Output(s) (O)	Remarks	Responsibility currently assigned to...	Primary Legislative Authority (required or permitted, if known) <sup>5</sup>	EVALUATION: Is it Necessary and Fit for a Regulatory and/or Governance Purpose?
	conjunction with PEO AGM  <b>O:</b> Volunteer leadership conference held.		Planning Committee		<i>It is not necessary or fit for a regulatory purpose for a committee to perform this activity or produce this output</i>

# Briefing Note – Decision

## PROFESSIONAL ENGINEERS PROVIDING ACOUSTICAL ENGINEERING SERVICES IN LAND-USE PLANNING

### Purpose:

Professional Standards Committee (PSC) requests authorization to form a *Professional Engineers Providing Acoustical Engineering Services in Land-Use* subcommittee to review the existing guideline and, in consideration of changes to legislation affecting the industry and professional engineering, revise that document to better reflect current best practices.

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

#### That Council:

**That Council direct and Professional Standards Committee to form a Professional Engineers Providing Acoustical Engineering Services in Land-Use Planning Subcommittee to complete the work described in the Terms of Reference as presented to the meeting at C-537-2.4, Appendix A.**

**Prepared by:** José Vera, P. Eng. – *Manager Standards and Practice*, and  
Jennifer Whang, P. Eng. – *Standards and Guidelines Development Coordinator* on behalf of, Fanny Wong, P. Eng. – *Chair of the Professional Standards Committee (PSC)*

**Moved by:** Councillor, Lisa MacCumber, P.Eng. or designate

### 1. Need for PEO Action

- The current Guideline for *Professional Engineering Providing Acoustical Engineering Services in Land-Use Planning* was last revised in 1998 and has not been revised since then. In the intervening 22 years, there have been numerous changes to the standards that affect Acoustical Engineering Services in Land-Use Planning, including the *Environmental Protection Act* and the *Planning Act*.
- The above indicates that the guideline should be reviewed and revised as necessary to reflect current best practices.
- The guideline should be updated as per the updated legislation, bylaws, other regulatory guidance documents and any other current regulatory and ethical requirements for engineers providing services in this area of practice
- Guidelines for Environmental Assessments and Class EA have been updated and Legislation changes under the Environmental Assessment Act and part of the COVID Economic Recovery Act

### 2. Proposed Action / Recommendation

- PSC, per its mandate, with the current subcommittee members to carry out the work identified on the attached Terms of Reference.
- In accordance with Council policy, PSC requires a Council decision in order to proceed.

### 3. Next Steps (if motion approved)

- PSC will direct staff to find volunteers for the subcommittee to begin work on the documents.

- During the development of this guideline PEO staff and subcommittee members will consult with practitioners and stakeholders. When the draft documents are completed, they will be posted on the PEO website for public consultation with the license holders and stakeholders.

#### 4. Peer Review & Process Followed

<b>Process Followed</b>	<ul style="list-style-type: none"> <li>• Staff reported to the PSC information from practitioners that in the past 22 years since the guideline was originally published there have been numerous changes to the standards that affecting the Acoustical Engineering Services in Land-Use. As a result, some significant changes should be made in the <i>Professional Engineers Providing Acoustical Engineering Services in Land-Use</i> guideline. The above indicates that the guideline should be reviewed and revised to reflect current best practices.</li> <li>• PSC members reviewed the provided information and decided that, according to PSC's assessment criteria, revising this guideline was appropriate. The criteria PSC uses for assessment of the need for guidelines and standards are: <ul style="list-style-type: none"> <li>a) Number of members affected by the practice</li> <li>b) Impact on the public</li> <li>c) Number of inquiries made to PEO about the practice</li> <li>d) Required by creation or amendment of legislation</li> <li>e) Change in the Professional Engineers Act or its Regulations</li> <li>f) Demonstration through the existence of disciplinary cases indication common misconceptions of engineers' responsibilities that a coherent, consistent standard of practice is required</li> <li>g) Direction of Council</li> </ul> </li> <li>• In this case PSC found that a revised guideline was required since this engineering activity has a significant impact on the public. By generalizing the content of the guideline, it can be applicable to many license holders and stakeholders.</li> </ul>
<b>Council Identified Review</b>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Actual Motion Review</b>	<ul style="list-style-type: none"> <li>• Requesting approval of developing and updating the current guideline.</li> <li>• The draft guideline will be prepared by the subcommittee</li> <li>• Completed draft guideline will be posted on the PEO website for public consultation.</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>\$10,000</b></li> </ul>

#### 5. Appendices

- Appendix A – Terms of Reference: *Professional Engineers Providing Services in Acoustical Engineering*
- Appendix B – PSC Evaluation Process



**Professional Engineers**  
Ontario

## Terms of Reference

### **Guideline for Professional Engineers Providing Acoustical Engineering Services in Land-Use Planning** (July 22, 2020)

#### **OBJECTIVES**

The Guideline for Professional Engineers Providing Acoustical Engineering Services in Land-Use Planning Subcommittee is directed by the Professional Standards Committee (PSC) to review the existing *Guideline for Professional Engineers Providing Acoustical Engineering Services in Land-Use Planning* and, in consideration of changes to legislation and administration affecting the industry and professional engineering, revise that document to better reflect current best practices and requirements.

#### **BACKGROUND**

The current *Guideline for Professional Engineers Providing Acoustical Services in Land-Use Planning* was last revised in 1998 and has not been revised since then. In the intervening 22 years there have been several changes to legislation and the standards of practice of Acoustical Engineering Services in Land-Use Planning. In addition, several references in this guideline have been updated related to acoustics and should be updated and expanded. Examples to include, but are not limited by the following:

- *Noise Assessment Criteria in Land Use Planning LU-131*, and *Noise Assessment Criteria in Land Use Planning: Requirements, Procedures and Implementation* are now replaced by *Environmental Noise Guideline - Stationary and Transportation Sources - Approval and Planning NPC-300*;
- *Ontario Road Noise Analysis Method for Environment and Transportation, Technical Document (Ornament)* and *Sound from Trains Environmental Analysis Method (STEAM)* are now outlined in NPC-300;
- *The Provincial Policy Statement* has been updated, along with the Planning Act;
- Guidelines for Environmental Assessments and Class EA have been updated
- Legislation changes under the Environmental Assessment Act
- Legislation changes posted as part of the *Covid Economic Recovery Act*
- Several definitions are out of date, including the definitions of the Acoustical engineer and Certificate of Approval.

In addition, the authority for land use planning has been changed from the province to municipalities since this guideline was last published.

Furthermore, this guideline is referenced in the proposed practice guideline *Providing Engineering Services Under O. Reg. 1/17 and Part II.2 of the EPA*. Therefore, it was concluded that the guideline should be reviewed and revised as necessary to be consistent with other PEO guidelines.

#### **MANDATE (Specific Tasks)**

- The Acoustical Services in Land-Use Planning subcommittee is expected to update and expand on the existing information that will aid practitioners providing acoustical engineering services in land use planning perform their engineering role in accordance with best practices and other requirements.
- The subcommittee will review the current guideline and updates to legislation, bylaws and other regulatory guidance documents to update any regulatory and ethical requirements for engineers providing services in this area of practice;
- Draft documents will be circulated for comments to the Ministry of Environment, Conservation and Parks (MECP), Air and Waste Management Association (AWMA), Municipal Engineers Association, (MEA), Consulting Engineers of Ontario (CEO), Association of Municipalities Ontario (AMO), Ministry of Municipal Affairs and Housing (MMAH), consulting engineers, municipalities and any relevant stakeholders;
- The existing practice guideline will be revised to reflect current best practices and requirements.

This subcommittee is expected to provide information that will aid in updating the existing practice guideline for professional engineers engaged to provide engineering services in Acoustical Engineering in Land-Use Planning. The guideline will provide information on the requirement for site visits, Acoustical Audits and Noise Impact Studies (NIS) and to ensure that these are performed in compliance with the applicable requirements.

#### **MEMBERSHIP**

The subcommittee shall consist of a member of PSC who will act as chair and a minimum of 4 engineers, at least one from a large multi-disciplinary firm, one from a mid-sized acoustical engineering specialty firm, and one from a sole practitioner, or a small firm (less than 10 employees), currently engaged in the practice of providing engineering services for Acoustical Engineering Services in Land-Use Planning.

#### **DELIVERABLES**

The Subcommittee will provide the Professional Standards Committee with a revised Table of Contents for the guideline no later than March 2021. The

Subcommittee will present the revised guideline to the Professional Standards Committee no later than December 31, 2021. The subcommittee will provide progress reports to PSC at each PSC meeting.

Meeting Schedule: At discretion of the Subcommittee members  
Completion Date (PSC approval): December 31, 2021

# PROFESSIONAL ENGINEERS PROVIDING ACOUSTICAL ENGINEERING SERVICES IN LAND-USE PLANNING

**May 14, 2020**

**PSC- Decision Matrix**

C-537  
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## BACKGROUND INFORMATION

- The guideline has not been revised since 1998;
- The latest Web Analytics (from February 1, 2017 to February 28, 2018), indicates that this guideline has 915 unique visitors;
- Practice Advisory Staff received a few practice questions over the last 10 years regarding the scope of this guideline and when it can be updated;
- This guideline has not been used in any Discipline Cases;
- This guideline was referenced in the ESDM & AAR draft guideline. Consequently, there was a recommendation to update this guideline.

## PRACTICE GUIDELINES WEB PAGES: TOTAL VIEWS AND UNIQUE VISITORS FROM FEBRUARY 1, 2017 TO FEBRUARY 28, 2018

Guidelines	Total views	Total unique visitors
Providing Acoustical Engineering Services in Land-Use Planning	950	915
Pre-Start Health and Safety Reviews	3786	2937
Providing Reports in Mineral Projects	880	871

## GENERAL COMMENTS RECEIVED FROM MECP'S NOISE ENGINEER

- ▶ **This guideline should be revised to reflect the current best practices as it is currently out of date;**
- ▶ **The references should be updated and expanded to include the following:**
  - **Noise Assessment Criteria in Land Use Planning LU-131, Noise Assessment Criteria in Land Use Planning: Requirements, Procedures and Implementation is replaced with NPC-300;**
  - **Policy Guidelines, Ministry of the Environment, Conservation and Parks D-Series D1 to D6;**
  - **The Provincial Policy Statement should be updated;**
  - **Ornament and STEAM is now outlined in NPC-306 that will be released shortly (EBR information posted is completed);**
  - **The guides referred to for Environmental Assessments and Class EA should be verified, consider listing each separately.**
- ▶ **The Definitions should be updated; specifically the definitions of the Acoustical engineer and Certificate of Approval.**

## GENERAL COMMENTS RECEIVED FROM SUBJECT MATTER EXPERTS

- ▶ **This guideline incredibly out of date and requires revision;**
- ▶ **All references should be updated and expanded;**
- ▶ **The definitions should expanded.**

## SPECIFIC ISSUES IN THIS GUIDELINE

- ▶ There are a lot of environmental acoustic engineers who do not understand architectural acoustics. This is a serious problem in the industry. This issue can be addressed by adding a section on the “Competency and disclosure”;
- ▶ “Conflict of Interests” section should be added to the guideline;
- ▶ “Site visit” is not mentioned during the design and construction, which should be mandatory requirement;
- ▶ There are a lot of environmental consulting firms perform the Noise Impact Studies (NISs). However, they are not in compliance with the requirements in the guideline. Recommendation to add some wording to address this issue;
- ▶ The guideline does not mention the requirements of the Acoustical Audits that are requested by the MECP during the Environmental Compliance Approval (ECA), and Environmental Activity & Sector Registry (EASR), etc.
- ▶ Some sections in the guideline should reference the PEO guideline “Professional Engineers Reviewing Work Prepared by Another Professional Engineer”.

## NEXT STEPS

- ▶ PSC to decide whether this guideline should be updated, and whether a Terms of Reference should be developed to form a new subcommittee.
- ▶ Perhaps the Ministry of Environment has an official position on updating this guideline.

QUESTIONS ??

# Briefing Note – Information

**C-537-2.5**

## Modernizing the Industrial Exception Clause in the Act

**Purpose:** To report back on a Council motion to report on narrowing the industrial exception in the *Professional Engineers Act*, in particular as it pertains to the nuclear industry.

**No motion required**

**Prepared by:** A. Tapp, Policy Analyst

### 1. Relevant statutory provision

Paragraph 12(3)(a) of the *Professional Engineers Act* (PEA) permits unlicensed persons to perform engineering “in relation to machinery or equipment, other than equipment of a structural nature, for use in the facilities of the person’s employer in the production of products by the person’s employer”.

### 2. Background

- At the September 19<sup>th</sup>, 2019 Council Meeting (C-529), the Council approved a motion “to complete the necessary policy development to create a report on, and recommendations for, modernizing the Industrial Exception clause of the Professional Engineers Act (PEA), narrowing down its application, and excluding the nuclear industry from the current exemption.”
- Staff prepared, and have appended to this Briefing Note (Appendix A), a report on the relationship between the industrial exception and the Canadian nuclear industry, and have commented in particular on the suggestion that the industrial exception be amended to exclude the nuclear industry. The report concludes that:
  - the nuclear sector is extensively regulated by the Canadian Nuclear Safety Commission;
  - much of the engineering work at nuclear facilities is already excluded from the industrial exception, and therefore requires oversight by a professional engineer or Certificate of Authorization holder
  - without gaining access to the records of nuclear facility operators, there is no way for PEO to determine which nuclear worker positions are staffed by workers with an engineering licence and the public harm that could result from workers performing engineering without a licence.
- Staff are of the view that the available information fails to justify a modification to the industrial exception to exclude the nuclear industry at this time.

# Report - Ontario's Industrial Exception and the Nuclear Industry

## Introduction

This report responds to a motion passed by PEO's Council in September 2019, further to a White Paper on the subject, as follows:

That Council directs the Registrar to draft a report and recommendations for Council's decision, by June 2020, regarding a need to modernize the Industrial Exception, narrow its scope, and with specific reference to its application to the nuclear industry.

The Councillors in favour of this motion evidently were concerned that the industrial exception was being too broadly applied to high risk industries in general and the nuclear industry specifically. The report will examine the arguments that PEO has used against the industrial exception in the past, examine how personnel are regulated in nuclear power plants, determine the applicability of the industrial exception to the nuclear industry, determine if its application presents a risk to the public, and make a recommendation on this issue.

After exploring relevant background information, including the Canadian nuclear regulatory framework, there are four key questions that must be addressed to determine the applicability of industrial exception cases under paragraph 12(3)(a) to the nuclear industry and if the industrial exception should be modified to exclude the nuclear industry;

1. Is the nuclear production of electricity (and any byproducts such as steam heat) a "product" as far as paragraph 12(3)(a) of the *Professional Engineers Act*?
2. Is the practice of professional engineering (as defined in the PEA) involved in relation to machinery or equipment, other than equipment of a structural nature, for use in the facilities of the person's employer in the production of products by the person's employer?
3. Is there a compelling evidence basis and public safety rationale for PEO to remove the industrial exception for the nuclear industry?
4. Are those activities involved in relation to machinery or equipment regulated by another jurisdictional body?

## Background

### PEO and the Industrial Exception

The pertinent industrial exception is contained in paragraph 12(3)(a) of the *Professional Engineers Act*. It permits individuals without an engineering licence to perform engineering work on machinery or equipment used to manufacture products owned by their employer. It does not include engineering work being performed by an unlicensed person who is supervised by a licence holder (paragraph 12(3)(b)).

## **When licences or certificates required**

### **Licensing requirement**

**12** (1) No person shall engage in the practice of professional engineering or hold himself, herself or itself out as engaging in the practice of professional engineering unless the person is the holder of a licence, a temporary licence, a provisional licence or a limited licence. R.S.O. 1990, c. P.28, s. 12 (1); 2001, c. 9, Sched. B, s. 11 (16).

### **Certificate of authorization**

(2) No person shall offer to the public or engage in the business of providing to the public services that are within the practice of professional engineering except under and in accordance with a certificate of authorization. R.S.O. 1990, c. P.28, s. 12 (2).

### **Exceptions**

(3) Subsections (1) and (2) do not apply to prevent a person,

- (a) from doing an act that is within the practice of professional engineering in relation to machinery or equipment, other than equipment of a structural nature, for use in the facilities of the person's employer in the production of products by the person's employer;

PEO has not provided further elaboration on the scope and extent of "production of products" and "in relation to machinery or equipment" in s.12(3)(a), nor has it tested this in court.

Professional Engineers Ontario has long maintained that this exception puts the public and workers in danger and has tried to have it repealed. These efforts were initially successful, as the repeal of the industrial exception was passed as part of the *Open for Business Act, 2010* and was expected to be proclaimed in September 2013<sup>1</sup>. However, the proclamation was postponed indefinitely due in part to opposition from industry lobbyists, including the Canadian Manufacturers Association, and in 2015 the government declared that the proclamation would be repealed, and that the industrial exception would continue as is. Despite lobbying and research efforts by PEO this decision was confirmed with the passage of the *Burden Reduction Act, 2017*<sup>2</sup>.

Between the time of the government's declaration of their intention to keep the industrial exception and the passage of the *Burden Reduction Act, 2017*, Professional Engineers Ontario published a comprehensive report detailing their reasons for calling for the dissolution of the industrial exception. The report focused on workplace injuries, highlighting at least four cases of worker injury or fatality where the corresponding engineering work was not done by a licensed engineer. The report also found that in half of those cases the manufacturer had not completed the required pre-start health and safety

<sup>1</sup> <https://www.peo.on.ca/public-protection/complaints-and-illegal-practice/report-unlicensed-individuals-or-companies/repeal-industrial-exception>

<sup>2</sup> Ibid.

review. The report concluded that though worker injuries were down, worker *fatalities* had gone up between 2000 and 2014, with the injuries in Ontario being higher than the Canadian average.

The main impetus to keep the industrial exception in place came from industry groups, who argued that the costs would be too high to bear, and the Ministry of Economic Development, Employment, and Infrastructure, who argued that that first year cost to manufacturers would amount to around \$200 million, with an annual reoccurring cost of \$200 million per year thereafter. In contrast, PEO estimated an initial cost to the manufacturing sector of \$2 million, with no ongoing annual cost once compliance with the amended Act had been achieved<sup>3</sup>. Bruce Power, the operator of the Bruce A and B nuclear generating facilities, provided an individual forecast of \$5 million, but much of this was to cover costs that would otherwise have been absorbed by the union; most affected workplaces would not have had this issue, and this estimate should not be taken as representative<sup>4</sup>.

### The Canadian Nuclear Regulatory Framework

The cornerstone of nuclear regulation in Canada is the federal Canadian Nuclear Safety Commission (CNSC), which derives its powers from the *Nuclear Safety Control Act, 1997*, and reports to Parliament through the Minister of Natural Resources. It is the instrument through which Canadian nuclear equipment, facilities, and personnel are regulated. The CNSC is a committee appointed by the Governor General whose objects are to “to regulate the development, production and use of nuclear energy and the production, possession and use of nuclear substances, [and] prescribed equipment” and “disseminate objective scientific, technical and regulatory information to the public concerning the activities of the Commission and the effects, on the environment and on the health and safety of persons, of the development, production, possession” of nuclear energy and substances. The Governor General may also issue directives to this committee.

The Commission is a full-fledged regulatory body. Its members act as a Court of Record, which can call witness and administer oaths, and their decisions can be enforced by the Federal Court of Canada or the superior court of a province (such as the Superior Court of Justice in Ontario). They can also issue their own licences, which permit individuals or organizations to<sup>5</sup>:

- Possess, transfer, import, export, use or abandon a nuclear substance, prescribed equipment or prescribed information;
- Mine, produce, refine, convert, enrich, process, reprocess, package, transport, manage, store or dispose of a nuclear substance;
- Produce or service prescribed equipment;
- Operate a dosimetry<sup>6</sup> service for the purposes of this Act;
- Prepare a site for, construct, operate, modify, de-commission or abandon a nuclear facility; or,

<sup>3</sup> Data Gathering and Analysis Report: Repeal of the Industrial Exception – Appendix C. *Professional Engineers Ontario*. 2017.

<sup>4</sup> Ibid.

<sup>5</sup> *Nuclear Safety and Control Act, 1997*

<sup>6</sup> Dosimetry services monitor radiation exposure

- Construct, operate, decommission or abandon a nuclear-powered vehicle or bring a nuclear-powered vehicle into Canada.

The *Nuclear Safety Control Act* also gives the Commission the power to appoint analysts and inspectors and specifies the facilities to be inspected. The Commission can also designate officers to perform duties such as prescribing equipment, granting and revoking licences, and confirming or modifying an inspector's order. That Act makes clear that performing prohibited acts in any of six broad areas (e.g. "possess, transfer, import, export, use or abandon a nuclear substance, prescribed equipment or prescribed information"<sup>7</sup>) without a CNSC-issued licence is a criminal offence, punishable with a fine and jail time.

The Commission also has the power to make, with the approval of the Governor General, a wide variety of regulations under the *Nuclear Safety and Control Act*, including regulations governing nuclear energy production, required equipment, and "respecting the qualifications for, and the training and examination of, analysts, inspectors, nuclear energy workers and other persons employed in a nuclear facility or other place where prescribed equipment is produced, used, possessed, packaged, transported, stored or disposed of"<sup>8</sup>.

Finally, the Commission possesses certain exceptional powers. Anyone who believes that some place or vehicle has been contaminated by radiation and/or believes that a contamination event has occurred should inform the Commission. The Commission can also hold hearings to determine how land was contaminated and give any emergency orders it considers necessary "to protect the environment or the health and safety of persons or to maintain national security and compliance with Canada's international obligations"<sup>9</sup>. The Commission conducts environmental assessments, works with the International Atomic Energy Agency to implement Canada's bilateral agreement with that agency, and is involved with strengthening the civil liability regime regarding nuclear accidents<sup>10</sup>.

## Applicability of the Industrial Exception to the Nuclear Industry

Paragraph 12(3)(a) of the *Professional Engineers Act* states that the lack of an engineering licence or a Certificate of Authorization cannot prevent someone:

"... from doing an act that is within the practice of professional engineering in relation to machinery or equipment, other than equipment of a structural nature, for use in the facilities of the person's employer in the productions of products by the persons employer."

For this to apply, there must be a product and the product must have been produced in a way involving the practice of engineering and an employer's machinery or equipment. There are a wide variety of nuclear products produced in Ontario, all of which are regulated by the CNSC. However, it is not obvious

<sup>7</sup> *Nuclear Safety and Control Act*, 1997. s.26(a)

<sup>8</sup> *Nuclear Safety and Control Act*, 1997. s.44(1)(k)

<sup>9</sup> *Nuclear Safety and Control Act*, 1997. s.47(1)

<sup>10</sup> "Acts". Canadian Nuclear Safety Commission. Web. 5 Sept 2019. <https://nuclearsafety.gc.ca/eng/acts-and-regulations/acts/index.cfm>. Accessed on 24 Oct 2019.

that the electricity produced in nuclear facilities counts as a “product”. There appears to be no clarifying opinions or case law related to the exception to help determine this, and electricity can be treated as either a product or service depending on the context<sup>11 12</sup>. It seems plausible, at least without a formal legal opinion, that electricity would be classified as a product in regard to s.12(3)(a). The rest of this report will be written assuming that electricity is a product.

To determine if s.12(3)(a) applies, it must also be shown that creation of any nuclear products in question requires “the practice of professional engineering in relation to machinery or equipment”. For the manufacture of goods involving nuclear component, this is clearly the case, but it is less clear for the generation of nuclear electricity. The *Nuclear Operator: Realistic Job Preview* published by Bruce Power lists nuclear operator tasks that could arguably fit within PEO’s definition of engineering (such as “monitoring and maintaining system pressure, temperatures, water levels and checking the integrity of the equipment”<sup>13</sup>) and emphasizes the independence required of operators<sup>14</sup>. Finally, hypothetically, any nuclear engineering work done by internal design groups, as opposed to consultants, would also be covered by the industrial exception.

## Other High-Risk Industries and the Industrial Exception

The White Paper received by Council focused specifically on the nuclear industry, and this report does the same. Based on the experience in drafting this report, any future investigations into the impact of the industrial exception on ‘high-risk’ industries should focus both on those industries where the actual manufacture or provision of products or services presents a significant risk to the public *and* on the intersection of the industrial exception and any other existing regulatory schemes.

Defining what constitutes a ‘high-risk’ industry should be an important part of any further policy investigation and may be a significant challenge. Most literature on risk management is written for business owners or organizational leaders, and literature concerning dangerous industries is mostly focused on worker safety or environmental impact. Professional Engineers Ontario would have to create its own criteria for what would make an industry a high risk to the public, considering both the severity and the likelihood of incidents that could put the public at risk.

## Regulation of Nuclear Workers – Federal and Provincial Jurisdictions

### CNSC Regulation of Nuclear Facilities & Workers

There are several kinds of licenses that the CNSC grants to individuals and institutions, but an exhaustive overview of every aspect of nuclear regulation in Canada is beyond the scope of the review. For this

<sup>11</sup> “Is Electricity a Good or a Service?”. Spencer, Timothy K. Martindale. August 19, 2014.

[https://www.martindale.com/business-law/article\\_Weltman-Weinberg-Reis-Co-LPA\\_2176130.htm](https://www.martindale.com/business-law/article_Weltman-Weinberg-Reis-Co-LPA_2176130.htm)

<sup>12</sup> “Is Electricity a Good or a Service? The Debate Charges On”. Steinkamp, Neil. Stout. July 16, 2014.

<https://www.stout.com/en/insights/article/electricity-good-or-service-debate-charges>

<sup>13</sup> “Nuclear Operator: Realistic Job Preview”. Bruce Power. September 14, 2019.

[https://www.brucepower.com/wp-content/uploads/2019/09/140008\\_NOIT\\_RealisticJobPreview\\_R001.pdf](https://www.brucepower.com/wp-content/uploads/2019/09/140008_NOIT_RealisticJobPreview_R001.pdf). pp 13.

<sup>14</sup> Ibid.

issue, what is important is how it regulates nuclear workers who would be covered by the industrial exception.

For commercial power reactors, the licensing process includes evaluations in 14 separate areas, called *safety and control areas*, divided into three categories: 1) management, 2) facility & equipment, and 3) core controls & processes. Categories two and three are the most relevant to this review.

The Facility and Equipment control area is divided into three subcategories: Safety Analysis, which covers overall safety and reducing harm from specific hazards, Physical Design, which includes the specific designs of facilities, structures, systems, and components as well as site characterization and design governance, and fitness for service, which covers activities that affect the physical conditions of structures, including aging<sup>15</sup>. Physical design is most relevant to engineering in the nuclear industry, covering design, modification, repair, replacement, examination and testing in nuclear facilities. These guidelines also seem to include structural elements, meaning that engineering work done on those elements would be the purview of both PEO and the CNSC<sup>16</sup>.

The human performance management area (part of the management category) focuses on ensuring that licensed facilities have staff possessing “necessary knowledge, skills, procedures and tools in place to safely carry out their duties”. This control area includes the following aspects:

- Human Performance Program
- Personnel Training
- Personnel Certification
- Initial Certification Examinations and Requalification Tests
- Work Organization and Job Design
- Fitness for Duty

The CNSC document *RD-204 Certifications of Persons Working at Nuclear Power Plants* details the training and certification requirements for nuclear power plant operators and supervisors, as well as health physicists. The requirements are extensive, and include mandatory education, exams, and time spent in simulators. There are even requirements for these certified personnel to maintain their skills and knowledge. Even if these employees do not possess engineering licences, they are far from unskilled, unregulated workers.

One important aspect to professional engineering is liability; engineers take legal responsibility for their work. If there is a failure in that work that endangers the public interest, the individual engineer can be held accountable through Complaints and Discipline processes, provided that a complaint is filed with PEO by a licence holder or member of the public. Workers in nuclear installations in Canada do not have this liability, but instead are subject to the *Nuclear Liability and Compensation Act*. This Act ensures that

<sup>15</sup> Safety and control areas. The Canadian Nuclear Safety Commission. April 8, 2016.

<https://nuclearsafety.gc.ca/eng/resources/publications/reports/powerindustry/safety-and-control-areas.cfm>

<sup>16</sup> Physical design. The Canadian Nuclear Safety Commission. August 7, 2019.

<https://nuclearsafety.gc.ca/eng/resources/research/physical-design.cfm>

the nuclear operator is held accountable to the Canadian public for any incidences that cause damage, with the operator liable for damages of up to \$1 billion<sup>17</sup>.

It is very possible that a nuclear worker could both possess a P.Eng<sup>18</sup> and be regulated by the CNSC. A comparison between our member directory and the corporations that belong to the Canadian Nuclear Association indicates a potential pool of 4,853 P.Engs. and LLs that could be working in nuclear energy in Ontario. However, this number is unreliable; it is an overestimate as many of these corporations practice engineering in other sectors (for example OPG workers are involved in hydroelectricity production, control, and distribution) and it depends on self-reported information. Determining whether nuclear workers have engineering designations, and if there is any risk to the public from a lack of designation, would be difficult and would require PEO to be granted voluntary access to the personnel and safety records of nuclear operators and associated businesses, the production of which PEO does not have the legal authority to require. Determining if the lack of a P.Eng. designation led to public risk would also require access to the safety, training, and disciplinary records of individual nuclear workers. It is uncertain whether these operators would give PEO this kind of access without additional legislative authority or government direction.

### Professional Engineers Ontario and the Nuclear Industry

While nuclear workers may fall under the auspices of the *Professional Engineers Act's* paragraph 12(3)(a) industrial exception and be primarily regulated by the CNSC, much of the design and contract work that goes on in this field is done by specialty engineering contractors, who are regulated by Professional Engineers Ontario. Any contractor providing engineering services directly to the public in Ontario needs to have a Certificate of Authorization (CofA). The CofA must adhere to professional liability insurance regulations, and all CofAs identify a professional engineer who assumes professional responsibility for any engineering services that are provided. If a nuclear incident causes damage to the public, and if the problem is traced to design work done by one of these contractors, the engineers in question may be held to account.

### Interface Between Provincial Engineering and Federal Nuclear Regulation

Finally, the s.12(3)(a) industrial exception *only* applies to the manufacture or provision of the facility's primary output (in this case, most likely nuclear power). The wording in s.12(3)(a) also specifically states that structural work is not included as part of the exception. Unfortunately, there does not appear to be any case law or other sources that can help narrow down this definition, but it does mean there would be some engineering on site at a nuclear facility that would definitely not fall under the industrial exception. For example, if a new warehouse, parking structure, or building was being constructed as part of the facility in question, then engineers would be required to sign off on the designs of the buildings and appropriate safety systems. The chart below demonstrates how regulatory responsibility is divided between the CNSC and Professional Engineers Ontario.

<sup>17</sup> *The Nuclear Liability and Compensation Act*. The Canadian Nuclear Safety Commission. January 20, 2017. <https://nuclearsafety.gc.ca/eng/acts-and-regulations/acts/nuclear-liability-and-compensation-act.cfm>

<b>C-537-2.5</b> <b>Appendix A</b>
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<b>Nuclear Industry Regulatory Landscape</b>	
<b>CNSC (Federal) Jurisdiction</b> <i>Nuclear Safety Control Act, 1997</i>	<b>Professional Engineers Ontario (Provincial) Jurisdiction</b> <i>Professional Engineers Act, R.S.O. 1990</i>
Responsible for all licenses and certificates relating to the nuclear industry in Canada	Ensures all individuals using the word 'engineer' in their title must be licensed.
Regulates the development, production and use of all nuclear energy	Jurisdiction over all engineering done for power generators or other companies in the nuclear industry NOT directly involved with the production of the primary product or service (nuclear energy) (e.g. infrastructure)
Can make a wide variety of regulations governing the nuclear industry, and the CNSC acts as a Court of Record for disputes involving them	Issues Certificates of Authorization (CofA) to nuclear engineering consultants in Ontario
CNSC regulates all personnel involved in the production of nuclear power, including training, certification, and continuing professional development	Some power generators also possess CofAs (Bruce Power), so there is potential for an individual practitioner to be responsible for engineering work done by their organization
Equipment and facilities in nuclear installations fall under the purview of both PEO and the CNSC, as all equipment at a nuclear facility is regulated by the CNSC but only some of it would fall under the industrial exception as describe in Section 12(3)(a) of the <i>Professional Engineers Act</i> .	

### Use of 'Engineer' in Job Description in Nuclear Industry

Of course, not all engineering jobs in the Canadian nuclear industry are in commercial or research nuclear facilities. The original submission to Council on this issue included several job descriptions of concern from the nuclear industry and noted several instances where the job title included the word "engineer", but the job description did not require the applicant to have a P.Eng. If a person who accepted one of these jobs did not have a P.Eng. but used the "engineer" title, this likely would be considered a violation of the *Professional Engineers Act*. Even if a person is performing engineering work under the auspices of the industrial exception they still cannot use the title of engineer without having a licence, and despite the federal regulation of the nuclear industry the title of 'engineer' in Ontario is still restricted by s.40(2) of the *Professional Engineers Act* to those with a licence, and violating this section of the Act can result in a hefty fine. Professional Engineers Ontario routinely investigates right-to-title violations when these are reported, but these title violations have nothing in particular to do with the industrial exception and cannot be relied upon to indicate that an unlicensed person is practising engineering.

## Conclusions and Recommendation

In the above paragraphs, this report has demonstrated that the industrial exception applies to the nuclear industry, including the production of nuclear power. Electricity likely counts as a product for the purposes of Section 12(3)(a), and nuclear power generation also appears to involve “the practice of professional engineering in relation to machinery or equipment” for the purposes of production.

While the industrial exception may apply to some employees engaging in the practice of professional engineering at nuclear generating stations, the workers, operators, facilities, and equipment themselves are also regulated at the federal level by the Canadian Nuclear Safety Commission. Without access to the personnel and safety records of nuclear operators, we have no way of determining how many of these workers possess an engineering designation and no way of showing how the lack of designation would put the public at risk when there is an existing federal regulator.

Even with the industrial exception, Professional Engineers Ontario does regulate some aspects of the nuclear industry in Ontario. The industrial exception only covers processes directly involved with the production of the product or service, so all engineering done at these nuclear facilities not directly connected with production will still need to be signed off on by engineers – including roadways and other infrastructure, utilities, and waste management for non-hazardous waste. Further, most nuclear design work in Ontario is undertaken by nuclear engineering consultancies, who must have a Certificate of Authorization from PEO identifying the professional responsible for engineering services. All nuclear design consultants that have been reported to PEO have been confirmed as holders of current Certificates of Authorization to provide engineering services.

Even under the auspices of the 12(3)(a) industrial exception, a worker cannot use the word ‘engineer’ in their job title if they are not licensed to practice. Although there have been signs of right-to-title violations such as this in the nuclear industry, staff investigate and report on them when they are reported to PEO. PEO should communicate to employers and operators that job descriptions that include the title ‘engineer’ should clearly indicate that an applicant must be licensed by PEO to use the title. If a person is found to be using an engineering title without a licence, they could be liable for a fine up to \$10,000 (for a first offence).

**In conclusion, there is not enough evidence to justify seeking a modification to the industrial exception regarding the nuclear industry at this time.** Without gaining access to the records of nuclear facility operators, there is no way for PEO to determine which nuclear worker positions are staffed by workers with an engineering licence and the public harm in which this might result. At the same time, it is important to stress that the nuclear industry in Canada is extensively regulated by the Canadian Nuclear Safety Commission, which monitors nuclear operators, facilities, manufacturing processes and products, and which imposes specific requirements and liability schemes for nuclear power workers and generation. It is believed that the majority of engineering design work at nuclear generating facilities is regulated by PEO due to the very narrow scope of the industrial exception and the industry’s extensive use of engineering contractors. Without hard evidence of how the industrial exception’s application to the nuclear industry could cause public harm and considering the government’s traditional reticence to

**C-537-2.5**  
**Appendix A**

modifying the exception, we do not recommend proceeding further with the proposed action at this time.

# Briefing Note – Decision

C-537-2.6

## 2021 OPERATING BUDGET

**Purpose:** To review and approve the draft 2021 operating budget.

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

That Council approve the draft 2021 operating budget reviewed by the Finance Committee and as presented to the meeting at C-537-2.6 Appendix A.

**Prepared by** Chetan Mehta – Director, Finance

**Moved by** Lorne Cutler, P.Eng. – Chair, Finance Committee

### 1. Need for PEO Action

The Finance Committee completed its second review of the draft 2021 operating and capital budgets (“2021 budgets”) on October 22, 2020 and recommended that these be presented to Council for approval. As the next step in the business planning cycle, Council needs to approve the draft 2021 operating budget as presented.

The key highlights of the 2021 draft operating budget are summarized below and compared to the 2020 forecast. Total revenues in 2021 are budgeted at \$31.7m and total expenses for sustaining regular day to day or core operations are budgeted at \$30.2m, resulting in an excess of revenues over expenses of \$1.4m. In addition to these expenses, an additional spend of \$1.4m is budgeted for various projects and Council initiatives resulting in a surplus of \$15k. The details of special projects and Council initiatives may be seen in Page 7 of Appendix A.

Table 1 – Summary of key financials

	2021 Budget	2020 Forecast	2020 Budget
Revenue	\$31,670,538	\$30,097,907	\$31,404,712
Expenses - core operations	\$30,213,381	\$24,513,964	\$28,778,531
Excess of revenue over expenses	<b>\$1,457,157</b>	<b>\$5,583,943</b>	<b>\$2,626,181</b>
Spend on projects and Council initiatives	\$1,442,000	\$714,141	\$170,000
Excess of revenue over expenses	<b>\$15,157</b>	<b>\$4,869,802</b>	<b>\$2,456,181</b>
Cash Reserve	<b>\$20,549,465</b>	<b>\$19,947,143</b>	<b>\$14,331,020</b>

### Revenue

The 2021 budgeted revenue is planned to be \$32m representing an increase of \$1.6m or 5.2% over the 2020 forecasted revenue. The main factors contributing to the increase are:

- An increase in P. Eng. revenues of \$167k or 1% due to the relatively flat growth in P. Eng membership in 2021. This flat growth is due to the continued uncertainty of the impact of the ongoing pandemic. P. Eng revenues for 2020 are expected to be lower than budget by \$876k or 5% again, due to the impact of the pandemic.

- An increase in registration, exam and other fees of \$1.2m or 14.4% largely due to the collection of revenues for the NPPE exam which has been outsourced to APEGA. These monies are directly passed on to APEGA and show up as an expense in Purchased Services.
- An increase in 40 Sheppard revenues of \$134k or 5.5% due to the recovery of higher operating costs and slightly higher parking revenue.
- An increase of \$50k or 10% in investment revenue due to the expected performance of the investment portfolio.

### **Expenses**

The 2021 budgeted expenses for regular operations are planned to be \$30.2m which represents an increase of \$5.7m or 23% over 2020 forecasted expenses. Some of the reasons contributing to this increase are:

- An increase in employee salaries and benefits and retiree and future benefits of \$3m over the 2020 forecast due to an increase in headcount; a 3.5% increase in staff salary for merit increases / CPI adjustments and pension top-up contributions. After the increase, the FT headcount in 2021 will be 127 in comparison to the budgeted headcount of 112.
- An increase of \$1.2m for purchased services which is largely due to the monies paid to APEGA for the NPPE and to a lesser extent due to higher costs for catering, event meals and related expenses for hosting the AGM, OOH and VLC in Ottawa; costs for producing videos for the OPEA gala; higher costs for scanning licensing records, etc.
- An increase of \$825k for Chapters due to higher allotments in 2021; higher spend for the NEM (National Engineering Month); reinstatement of Chapter scholarships; and expenses for various events such as CLC, RCC meetings., etc.
- An increase of \$240k in Volunteer Business Expenses due to higher costs for meals, mileage, accommodation and travel related expenses for attending various events, committee meetings and conferences., etc.

The above are partially offset by:

- Reduction of \$333k in Amortization largely due to fewer capital projects in 2021 and the full amortization of some old equipment.
- Reduction of \$79k in 40 Sheppard expenses largely due to a decrease in depreciation, amortization of leasing costs and mortgage interest expense.

### **2. Proposed Action / Recommendation**

That Council approve the draft 2021 operating budget as presented.

### **3. Next Steps (if motion approved)**

On receiving Council approval, the 2021 operating budget will be used for supporting PEO operations in 2021.

### **4. Peer Review & Process Followed**

<b>Process Followed</b>	<p>The senior management team and staff began work on the operating and capital budgets for 2021 in July. A draft copy of the 2021 operating and capital budgets along with the 2020 forecast was completed in August and distributed to the Finance Committee prior to its meeting on Sept 10, 2020.</p> <p>During this meeting, the Finance committee met with the Director of Finance and the CEO/Registrar to review the first draft of the 2021 operating and capital budgets. Key highlights of the budgets were reviewed, and questions put forward by the Finance Committee members were answered.</p> <p>After discussion and inputs from staff, the Finance Committee concurred that the draft version of the 2021 operating and capital budgets be presented to Council for information and feedback at the Council meeting on September 25, 2020.</p> <p>The FIC met again on Oct 22, 2020 to review the draft 2021 operating and capital budgets which had been revised to incorporate additional inputs. After discussion, the Finance committee unanimously agreed that the revised draft 2021 operating and capital budgets be presented to Council for approval at Nov 20, 2020 Council meeting.</p>
<b>Council Identified Review</b>	Council approve the 2021 budgets as presented.

## 5. Appendices

- **Appendix A** – 2021 Draft Operating Budget -  
Projected Financial Statements 2021 to 2025
- **Appendix B** – 2021 Budget Assumptions

## Professional Engineers Ontario - DRAFT 2021 OPERATING BUDGET

## Variance Analysis - 2021 Budget Vs 2020 Forecast

C-537-2.6  
Appendix A

REF. NO	DESCRIPTION	2021 Bud	2020 Fcst	2020 Bud	2019 Act	Favourable (Unfavorable) / Variances			
						2021 Bud Vs 2020 Fcst		2020 Fcst Vs 2020 Bud	
						\$	%	\$	%
	REVENUE	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	P. Eng Revenue	18,818,601	18,651,625	19,527,320	16,617,881	166,976	0.9%	-875,695	(4.5)%
2	Appln, regn, exam and other fees	9,608,885	8,402,398	8,998,902	8,507,693	1,206,487	14.4%	-596,504	(6.6)%
3	40 Sheppard Revenue	2,568,052	2,433,884	2,423,490	2,063,933	134,168	5.5%	10,394	0.4%
4	Investment income	550,000	500,000	205,000	572,499	50,000	10.0%	295,000	143.9%
5	Advertising income	125,000	110,000	250,000	214,087	15,000	13.6%	-140,000	(56.0)%
6	<b>TOTAL REVENUE</b>	<b>31,670,538</b>	<b>30,097,907</b>	<b>31,404,712</b>	<b>27,976,093</b>	<b>1,572,631</b>	<b>5.2%</b>	<b>-1,306,805</b>	<b>(4.2)%</b>
7	<b>EXPENSES - CORE OPERATIONS</b>								
8	Salaries and benefits / Retiree and staff future benefits	16,170,157	13,167,903	14,250,018	11,948,676	-3,002,254	(22.8)%	1,082,115	7.6%
9	Purchased services	2,462,174	1,224,216	1,431,320	1,295,698	-1,237,958	(101.1)%	207,104	14.5%
10	40 Sheppard expenses	2,157,387	2,236,245	2,384,486	2,497,508	78,858	3.5%	148,241	6.2%
11	Computers and telephone	1,235,155	1,261,347	1,274,925	1,001,350	26,192	2.1%	13,578	1.1%
12	Chapters	1,065,095	240,020	937,210	942,292	-825,075	(343.8)%	697,190	74.4%
13	Engineers Canada	1,034,747	1,024,502	1,029,610	1,009,422	-10,245	(1.0)%	5,108	0.5%
14	Occupancy costs	1,018,882	906,613	939,455	845,733	-112,269	(12.4)%	32,842	3.5%
15	Legal (Corporate, Prosecution & Tribunal)	867,130	845,749	944,555	720,790	-21,381	(2.5)%	98,806	10.5%
16	Amortization	820,191	1,153,077	1,099,223	1,182,780	332,886	28.9%	-53,854	(4.9)%
17	Transaction fees	752,602	689,415	706,185	650,829	-63,187	(9.2)%	16,770	2.4%
18	Contract staff	563,658	392,379	1,001,397	551,099	-171,279	(43.7)%	609,018	60.8%
19	Volunteer expenses	444,085	204,318	820,025	614,032	-239,767	(117.4)%	615,707	75.1%
20	Postage and courier	352,398	288,122	501,140	417,773	-64,276	(22.3)%	213,018	42.5%
21	Consultants	289,120	296,376	436,100	255,675	7,256	2.4%	139,724	32.0%
22	Professional development	228,700	144,500	220,100	143,358	-84,200	(58.3)%	75,600	34.3%
23	Recognition, grants and awards	202,525	39,356	184,420	152,623	-163,169	(414.6)%	145,064	78.7%
24	Insurance	143,710	139,365	127,917	128,505	-4,345	(3.1)%	-11,448	(8.9)%
25	Advertising	130,250	75,100	100,250	74,808	-55,150	(73.4)%	25,150	25.1%
26	Office supplies	124,150	75,098	117,400	129,224	-49,052	(65.3)%	42,302	36.0%
27	Printing & photocopying	89,000	79,000	110,000	97,200	-10,000	(12.7)%	31,000	28.2%
28	Staff expenses	62,265	31,264	162,795	89,783	-31,001	(99.2)%	131,531	80.8%
29	<b>TOTAL EXPENSES - CORE OPERATIONS</b>	<b>30,213,381</b>	<b>24,513,964</b>	<b>28,778,531</b>	<b>24,749,158</b>	<b>-5,699,417</b>	<b>(23.2)%</b>	<b>4,264,567</b>	<b>14.8%</b>
30	<b>EXCESS OF REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>	<b>1,457,157</b>	<b>5,583,943</b>	<b>2,626,181</b>	<b>3,226,935</b>	<b>-4,126,786</b>	<b>(73.9)%</b>	<b>2,957,762</b>	<b>112.6%</b>
31	<b>EXPENSES - NON CORE OPERATIONS</b>								
32	Projects and Council initiatives (1)	1,442,000	714,141	170,000	298,827	-727,859	(101.9)%	-544,141	(320.1)%
	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>15,157</b>	<b>4,869,802</b>	<b>2,456,181</b>	<b>2,928,108</b>	<b>-4,854,645</b>	<b>(99.7)%</b>	<b>2,413,621</b>	<b>98.3%</b>

(1) Note: Refer to attached schedule for spend on projects and other non-core operational initiatives

**Professional Engineers Ontario - DRAFT 2021 OPERATING BUDGET****Variance Analysis - 2021 Budget Vs 2020 Forecast**

Ref. No.	Variance Explanation
1	Increase due to growth in membership which is expected to pick up slightly in comparison to 2020.
2	Increase due to expected increase in registrations, examination and monies from other licences.
3	Increase in 40 Sheppard revenues due to recovery of higher operating costs and slightly higher parking revenue.
4	Investment revenue expected to increase although fluctuations in market conditions could lead to lower yields.
5	A slight increase in advertising revenue is expected due to a marginal improvement in market conditions.
8	Increase in salaries and benefits due to hiring for new positions; filling current vacancies and COLA (Cost Of living Adjustments) and merit increases in 2021.
9	Purchased Services spend is higher in 2021 primarily due to higher costs for outsourcing the PPE (Professional Practice Exams) to APEGA; higher costs for technical exams; higher costs for meals, catering and hosting various events such as the AGM, VLC, OOH, etc.
10	Lower 40 Sheppard expenses due to decrease in depreciation, amortization of leasing costs and mortgage interest expense. This decrease is offset partially by an increase in janitorial costs; costs for repairs and maintenance and non-recoverable expenses.
11	Lower computers and telephone costs for service maintenance contracts, mobile telephones and general IT services. These costs are partially offset by higher spend on software support contracts; costs for teleconferencing and internet connectivity.
12	Increase in spend for Chapters costs due to higher allotments in 2021, an increase in Chapter scholarships, and higher spend on various chapter events such as CLC, National Engineering Month and Regional Congress activities.
13	This amount represents the allocation to Engineers Canada. The rate of \$10.21 paid per member remains unchanged.
14	Higher occupancy costs to reflect the increase in operating expenses.
15	Legal (corporate, prosecution and tribunal) expenses are expected to increase due to higher spend on corporate legal matters and regulatory compliance investigations. These are partially offset by lower spend on prosecution and discipline hearings.
16	There is a decrease in amortization costs due to fewer capital projects being initiated and completion of amortization for a historical major IT project in Q1 of 2020.
17	Transaction fees are expected to be higher in 2021 largely due to an expected increase in online payments resulting in higher transaction costs.
18	Higher spend on contract staff in various depts. to fill in staff absences due to maternity leave and for assisting with current backlog.
19	Increase in volunteer expenses for travel, accommodation, mileage, and air/train fare, registrations etc. for attendance at various committee meetings and events.
20	Increase in postage and courier costs in 2021 for mailing licences and licensing related correspondence.
21	Spend on consultants for PEAK program, Govt. liaison program, auditor, fund manager, etc. for regular operations is expected to be largely in line with prior years.
22	Increase in training and professional development costs due to higher outlay for staff and volunteer training and development.
23	Higher spend in 2021 due to the sponsorship of OPEA gala; spend on staff service awards which are held once every two years and spend on PR items for volunteers.
24	Slight increase in insurance costs due to higher property and D&O premiums.
25	Advertising costs are expected to increase in 2021 due to spend on advertising for staff recruitment and general corporate communications.
26	Expected spend on files, folders, binders and other office and meeting supplies.
27	Printing and photocopying costs in 2021 are expected to increase marginally once normal operations are resumed.
28	Expected spend on staff business expenses for travel and accommodation for various events, meetings, including 2021 AGM.

**Professional Engineers Ontario**  
**Statement of Projected revenues and expenses**  
**for the years ending December 31 - DRAFT**

	2019 ACTUAL	2020 FORECAST	2021 BUDGET	2022 PROJECTION	2023 PROJECTION	2024 PROJECTION	2025 PROJECTION
<b>REVENUE</b>							
P. Eng Revenue	\$16,617,881	\$18,651,625	\$18,818,601	\$19,194,973	\$19,578,872	\$19,970,450	\$20,369,859
Appln, regn, exam and other fees	8,507,693	8,402,398	9,608,885	10,089,329	10,593,796	11,123,485	11,679,660
40 Sheppard Revenue	2,063,933	2,433,884	2,568,052	2,440,071	2,440,655	2,507,797	2,570,206
Investment income	572,499	500,000	550,000	561,000	572,220	583,664	595,338
Advertising income	214,087	110,000	125,000	125,938	126,882	127,834	128,792
	<b>\$27,976,093</b>	<b>\$30,097,907</b>	<b>\$31,670,538</b>	<b>\$32,411,311</b>	<b>\$33,312,425</b>	<b>\$34,313,231</b>	<b>\$35,343,855</b>
<b>EXPENSES</b>							
Salaries and benefits / Retiree and staff future benefits	11,948,676	13,167,903	16,170,157	16,493,560	16,823,431	17,159,900	17,503,098
40 Sheppard expenses	2,497,508	2,236,245	2,157,387	1,902,038	1,910,660	1,946,626	1,984,709
Purchased services	1,295,698	1,224,216	2,462,174	2,536,039	2,612,120	2,690,484	2,771,199
Amortization	1,182,780	1,153,077	820,191	844,797	870,141	896,245	923,132
Engineers Canada	1,009,422	1,024,502	1,034,747	1,065,789	1,097,763	1,130,696	1,164,617
Computers and telephone	1,001,350	1,261,347	1,235,155	1,272,210	1,310,376	1,349,687	1,390,178
Chapters	942,292	240,020	1,065,095	1,097,048	1,129,959	1,163,858	1,198,774
Occupancy costs	845,733	906,613	1,018,882	1,039,260	1,060,045	1,081,246	1,102,871
Legal (Corporate, Prosecution & Tribunal)	720,790	845,749	867,130	884,473	902,162	920,205	938,609
Transaction fees	650,829	689,415	752,602	775,180	798,435	822,389	847,060
Volunteer expenses	614,032	204,318	444,085	452,967	462,026	471,267	480,692
Contract staff	551,099	392,379	563,658	580,567	597,984	615,924	634,402
Postage and courier	417,773	288,122	352,398	362,970	373,859	385,075	396,627
Consultants	255,675	296,376	289,120	297,794	306,727	315,929	325,407
Recognition, grants and awards	152,623	39,356	202,525	208,601	214,859	221,305	227,944
Professional development	143,358	144,500	228,700	235,561	242,628	249,907	257,404
Office supplies	129,224	75,098	124,150	127,875	131,711	135,662	139,732
Insurance	128,505	139,365	143,710	148,021	152,462	157,036	161,747
Printing & photocopying	97,200	79,000	89,000	91,670	94,420	97,253	100,170
Staff expenses	89,783	31,264	62,265	64,133	66,057	68,039	70,080
Advertising	74,808	75,100	130,250	134,158	138,182	142,328	146,598
	<b>24,749,158</b>	<b>24,513,964</b>	<b>30,213,381</b>	<b>30,614,709</b>	<b>31,296,008</b>	<b>32,021,058</b>	<b>32,765,048</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE before undernoted</b>	<b>\$3,226,935</b>	<b>\$5,583,943</b>	<b>\$1,457,157</b>	<b>\$1,796,603</b>	<b>\$2,016,417</b>	<b>\$2,292,173</b>	<b>\$2,578,807</b>
<b>EXPENSES - NON CORE OPERATIONS</b>	298,827	714,141	1,442,000	890,000	500,000	500,000	500,000
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>\$2,928,108</b>	<b>\$4,869,802</b>	<b>\$15,157</b>	<b>\$906,603</b>	<b>\$1,516,417</b>	<b>\$1,792,173</b>	<b>\$2,078,807</b>

**Professional Engineers Ontario**  
**Statement of financial position projection**  
**for the years ending December 31 - DRAFT**

	<b>2019 ACTUAL</b>	<b>2020 FORECAST</b>	<b>2021 BUDGET</b>	<b>2022 PROJECTION</b>	<b>2023 PROJECTION</b>	<b>2024 PROJECTION</b>	<b>2025 PROJECTION</b>
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	3,031,510	8,644,040	8,644,040	8,644,040	8,644,040	8,644,040	8,644,040
Marketable securities at fair value	11,303,103	11,303,103	11,905,424	12,277,279	12,920,217	14,353,508	16,504,891
Cash & marketable securities	14,334,613	19,947,143	20,549,465	20,921,319	21,564,257	22,997,548	25,148,931
Accounts receivable	767,025	767,025	767,025	767,025	767,025	767,025	767,025
Prepaid expenses, deposits & other assets	691,349	614,316	538,783	463,250	387,717	312,212	236,679
	15,792,987	21,328,484	21,855,273	22,151,594	22,718,999	24,076,785	26,152,634
Capital assets	33,301,183	31,546,692	29,946,265	29,467,750	29,327,966	29,399,449	29,402,407
	<b>49,094,170</b>	<b>52,875,176</b>	<b>51,801,538</b>	<b>51,619,344</b>	<b>52,046,965</b>	<b>53,476,234</b>	<b>55,555,041</b>
<b>LIABILITIES</b>							
<b>CURRENT</b>							
Accounts payable and accrued liabilities	2,024,830	2,024,830	2,024,830	2,024,830	2,024,830	2,024,830	2,024,830
Fees in advance and deposits	11,048,555	11,048,555	11,048,555	11,048,555	11,048,555	11,048,555	11,048,555
Current portion of long term debt	1,088,796	1,088,796	1,088,796	1,088,796	362,904	-	-
	14,162,181	14,162,181	14,162,181	14,162,181	13,436,289	13,073,385	13,073,385
<b>LONG TERM</b>							
Long term debt	3,629,292	2,540,496	1,451,700	362,904	-	-	-
Employee future benefits	6,575,000	6,575,000	6,575,000	6,575,000	6,575,000	6,575,000	6,575,000
	10,204,292	9,115,496	8,026,700	6,937,904	6,575,000	6,575,000	6,575,000
Net Assets	24,727,697	29,597,499	29,612,657	30,519,259	32,035,676	33,827,849	35,906,656
	<b>49,094,170</b>	<b>52,875,176</b>	<b>51,801,538</b>	<b>51,619,344</b>	<b>52,046,965</b>	<b>53,476,234</b>	<b>55,555,041</b>

**Professional Engineers Ontario**  
**Statement of projected cash flows**  
**for the years ending December 31 - DRAFT**

	2020	2021	2022	2023	2024	2025
<b><u>Operating</u></b>	<b>FORECAST</b>	<b>BUDGET</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>
Excess of revenue over expenses - operations	4,869,802	15,157	906,603	1,516,417	1,792,173	2,078,807
Add (deduct) items not affecting cash						
Amortization	2,143,982	2,070,351	1,928,440	1,979,184	2,031,827	2,086,442
Amortization - other assets (leasing)	77,033	75,533	75,533	75,533	75,533	75,533
<b>Total Operating</b>	<b>7,090,817</b>	<b>2,161,041</b>	<b>2,910,575</b>	<b>3,571,134</b>	<b>3,899,532</b>	<b>4,240,783</b>
<b><u>Financing</u></b>						
Repayment of mortgage	-1,088,796	-1,088,796	-1,088,796	-1,088,796	-362,932	-
<b>Total Financing</b>	<b>-1,088,796</b>	<b>-1,088,796</b>	<b>-1,088,796</b>	<b>-1,088,796</b>	<b>-362,932</b>	<b>-</b>
<b><u>Investing</u></b>						
<b><u>Additions to Capital Assets:</u></b>						
Additions to Building (Recoverable)	-319,491	-219,924	-199,925	-89,400	-103,309	-89,400
Additions to other Capital Assets (F&F, IT, Phone, AV, etc.)	-70,000	-250,000	-1,250,000	-1,750,000	-2,000,000	-2,000,000
<b>Total Investing</b>	<b>-389,491</b>	<b>-469,924</b>	<b>-1,449,925</b>	<b>-1,839,400</b>	<b>-2,103,309</b>	<b>-2,089,400</b>
<b>Net Cash Increase/(Decrease) during the year</b>	<b>5,612,530</b>	<b>602,321</b>	<b>371,854</b>	<b>642,938</b>	<b>1,433,291</b>	<b>2,151,383</b>
<b>Cash, beginning of year</b>	<b>3,031,510</b>	<b>8,644,040</b>	<b>9,246,362</b>	<b>8,644,040</b>	<b>9,286,978</b>	<b>10,720,270</b>
<b>Cash, end of year</b>	<b>8,644,040</b>	<b>9,246,362</b>	<b>9,618,216</b>	<b>9,286,978</b>	<b>10,720,270</b>	<b>12,871,652</b>
<b>Cash/Investments, end of year</b>	<b>19,947,143</b>	<b>20,549,465</b>	<b>20,921,319</b>	<b>21,564,257</b>	<b>22,997,548</b>	<b>25,148,931</b>
<b>Comprised of:</b>						
Cash	8,644,040	8,644,040	8,644,040	8,644,040	8,644,040	8,644,040
Investments	11,303,103	11,905,424	12,277,279	12,920,217	14,353,508	16,504,891
	<b>19,947,143</b>	<b>20,549,465</b>	<b>20,921,319</b>	<b>21,564,257</b>	<b>22,997,548</b>	<b>25,148,931</b>

**Professional Engineers Ontario**  
**40 Sheppard Ave. - Statement of projected revenues and expenses**  
**for the years ending December 31 - DRAFT**

<b>Description</b>	<b>2020 FORECAST</b>	<b>2021 BUDGET</b>	<b>2022 PROJECTION</b>	<b>2023 PROJECTION</b>	<b>2024 PROJECTION</b>	<b>2025 PROJECTION</b>
Rental income	866,751	850,656	845,718	828,152	863,080	891,101
Operating cost	1,716,567	1,917,777	1,810,990	1,843,208	1,886,242	1,930,474
Property tax	382,473	447,690	447,409	453,217	462,282	471,527
Parking income	141,025	144,000	143,100	141,570	140,400	140,400
Other space rent	111,213	107,310	110,224	110,224	110,224	110,224
<b>TOTAL REVENUE</b>	<b>3,218,028</b>	<b>3,467,434</b>	<b>3,357,441</b>	<b>3,376,372</b>	<b>3,462,229</b>	<b>3,543,727</b>
Less PEO Share of CAM & Tax	784,145	899,382	917,370	935,717	954,432	973,520
<b>TOTAL REVENUE excluding PEO share of CAM &amp; Tax</b>	<b>2,433,884</b>	<b>2,568,052</b>	<b>2,440,071</b>	<b>2,440,655</b>	<b>2,507,797</b>	<b>2,570,206</b>
Utilities	486,686	544,351	555,238	566,343	577,670	589,223
Property taxes	438,912	447,690	456,644	465,777	475,092	484,594
Amortization	632,492	548,371	375,417	394,188	413,898	434,592
Payroll	258,166	263,329	268,596	273,968	279,447	285,036
Janitorial	212,922	226,125	230,648	235,261	239,966	244,765
Repairs and maintenance	148,137	157,034	150,693	153,707	156,781	159,917
Property management and advisory fees	50,000	50,000	50,000	50,000	50,000	50,000
Road and ground	21,883	28,243	14,604	14,896	15,194	15,497
Administration	25,867	26,418	26,946	27,485	28,035	28,596
Security	20,128	21,685	22,118	22,561	23,012	23,472
Insurance	24,961	27,004	27,544	28,095	28,657	29,230
<b>TOTAL RECOVERABLE EXPENSES</b>	<b>2,320,153</b>	<b>2,340,250</b>	<b>2,178,449</b>	<b>2,232,280</b>	<b>2,287,751</b>	<b>2,344,923</b>
Interest expense on note and loan payable	117,721	103,213	27,653	791	-	-
Amortization of building	388,293	388,293	388,293	388,293	388,293	388,293
Amortization of leasing costs	77,033	75,533	75,533	75,533	75,533	75,533
Amortization of non-recov cap	98,695	98,940	98,940	98,940	98,940	98,940
Other non-recoverable expenses	18,495	50,540	50,540	50,540	50,540	50,540
<b>TOTAL OTHER EXPENSES</b>	<b>700,237</b>	<b>716,519</b>	<b>640,959</b>	<b>614,097</b>	<b>613,306</b>	<b>613,306</b>
<b>TOTAL EXPENSES</b>	<b>3,020,390</b>	<b>3,056,769</b>	<b>2,819,408</b>	<b>2,846,377</b>	<b>2,901,057</b>	<b>2,958,229</b>
Less PEO Share of CAM & Tax	784,145	899,382	917,370	935,717	954,432	973,520
<b>TOTAL EXPENSES excluding PEO share of CAM</b>	<b>2,236,245</b>	<b>2,157,387</b>	<b>1,902,038</b>	<b>1,910,660</b>	<b>1,946,626</b>	<b>1,984,709</b>
<b>NET INCOME</b>	<b>197,639</b>	<b>410,665</b>	<b>538,034</b>	<b>529,995</b>	<b>561,171</b>	<b>585,497</b>

**Professional Engineers Ontario**  
**2021- 2025 Spend on projects and Council initiatives**

S. No	Projects and Council initiatives	2019 Actuals	2020 Budget	2020 Forecast	2021	2022	2023	2024	2025
1	HR and governance related expenses	\$275,969	\$160,000	\$491,200	\$650,000	-	-	-	-
2	30 by 30 TF and other Council Initiatives	\$22,858	\$10,000	\$1,610	\$10,000	-	-	-	-
3	IT Digital Assessment and Roadmap	-	-	\$30,000	-	-	-	-	-
4	IT initiatives due to COVID	-	-	\$10,000	\$10,000	-	-	-	-
5	Digitize Paper Application files (Note 1)	-	-	\$10,000	\$100,000	\$890,000	-	-	-
6	Human Resources Information System	-	-	\$10,000	\$53,000	-	-	-	-
7	O365 migration	-	-	\$78,000	\$234,000	-	-	-	-
8	Aptify Enhancements	-	-	-	\$125,000	-	-	-	-
9	Chapter websites upgrade	-	-	-	\$65,000	-	-	-	-
10	Portal Upgrade	-	-	-	\$75,000	-	-	-	-
11	Council Speaker Queuing App	-	-	-	\$20,000	-	-	-	-
12	Contractors for IT initiatives	-	-	\$113,331	\$100,000	-	-	-	-
13	Various other initiatives (TBD)	-	-	-	-	-	\$500,000	\$500,000	\$500,000
<b>Total</b>		<b>\$298,827</b>	<b>\$170,000</b>	<b>\$714,141</b>	<b>\$1,442,000</b>	<b>\$890,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>

**Note:**

- 1) These spend estimates may change as additional details on the project become available

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Appendix B



**Professional Engineers**  
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# **Professional Engineers Ontario**

## **2021 Operating and Capital Budget Assumptions**

## 2021 Budget Assumptions

This document presents key assumptions for revenues, operating expenses and capital expenses related to PEO's 2021 operating and capital budgets.

### A. General Assumptions

In line with previous years, Council-directed projects will be funded from the operating reserve. It is assumed that in 2021, PEO will be able resume normal operations regardless of whether staff return to office; continue to work from home or work in a hybrid mode that allows for both working from home and the office.

### B. Capital Expenditure Assumptions

PEO's capital expenditures in 2021 are expected mainly to be for the fitting out of the 5<sup>th</sup> floor space to accommodate additional staff. In addition, expenditures may also be undertaken to refit a meeting area for staff on the 8<sup>th</sup> floor.

#### Technology Projects

PEO expects traditional IT capex costs to shift to operating expenditures with the move to a digital/cloud first subscription-based model for applications. In addition, a majority of hardware will no longer be purchased, instead a leasing model will be used. For a more proactive model of budgeting, it will be assumed that a 5% technology contingency will be added to the yearly technology budget to cover unexpected costs.

#### Building improvements – recoverable

Critical and key repairs and upgrades to common areas of the building per the recommendations by BGIS shall be undertaken in 2021. Some of these projects are Parking Garage Repairs, Exterior wall repairs, Roofing replacement; Fire Protection Equipment, etc.

#### Facilities

Funding will be made available for additional furniture or equipment necessary.

### C. Revenue Assumptions

Based on prior member statistics and current trends, the budget assumptions for the 2021 budget are:

#### 1. Membership levels, fees and dues

- All fees, including P.Eng. fees, EIT fees, application fees, registration fees, limited license fees and provisional license fees will continue to be billed per the current fee schedule in place.
- Net growth rate in the number of full-fee P.Eng. members is expected to be in the range of 1 to 2 per cent assuming the resumption of normal licensing operations.
- Net growth rate in the number of retirees and partial fee members is expected to be in the range of 2 per cent to 3 per cent.
- Miscellaneous revenue from enforcement-related activities, regulatory recoveries, and administrative fees will be factored in the 2021 budget.

#### 2. Investment income

PEO's fund manager does not predict returns over a twelve-month cycle. Given the expected volatility in global markets in light of the uncertainties associated with Covid-19 pandemic, returns of under 3 per cent can be expected.

## 2021 Budget Assumptions

### **3. Advertising income**

Advertising revenue is expected to fall in 2021 to under \$100,000. Revenue for the first three issues in 2019 is expected to be around \$21,821. Ad revenue for the year ended December 31, 2019 was \$214,087.

### **4. Rental income from 40 Sheppard**

As things stand, recovery income should remain in line with total recoverable expenses. However, depending on the situation with the Covid-19 pandemic, some tenants may claim distress and seek rent deferrals or waivers. Appropriate adjustments shall be made once additional information is available.

## **D. Expense Assumptions**

### **1. Salaries**

Salaries in 2021 to be budgeted to increase by 3.5 per cent supported by salary market research data. This increase is comprised of:

- 2.5 per cent for a Consumer Price Index (CPI) adjustment; and
- 1 per cent for a merit/equalization pool.

### **2. Benefits**

Benefits include health, vision and dental benefits. For the budget, a premium increase of 4.5 per cent has been assumed based on the information received from the benefits provider.

### **3. PEO pension plan**

The pension plan contribution for 2021 will be based on the three - year mandatory funding valuation conducted by PEO's actuary, Buck Consultants. Based on the inputs provided by Buck Consultants, employer costs are projected to be no more 24% per cent of gross salary in comparison.

### **4. Statutory deductions**

These include Canada Pension Plan (CPP), Employer Health Tax (EHT) and Employment Insurance (EI). For 2021, it is anticipated that CPP increases to 5.45% per cent. EHT remains at 1.95% per cent and EI is expected to remain unchanged at 2.5% per cent.

### **5. Other assumptions**

- The non-labor / programs spending increase is assumed to be at the forecast inflation of 2.5 per cent and all programs will be subject to evaluation.
- Chapter spending may vary outside of the range of the forecasted inflation rate, depending on a review of chapter business plans for 2021, chapter bank balances and regional business demands.
- The Engineers Canada assessment rate is expected to remain unchanged.
- It is expected that the nature and volume of complaint, discipline, and enforcement files, as well as claims against PEO will remain consistent with previous years.
- These assumptions may be revised as more information on the Covid-19 pandemic and data on various projects and spend items become available.

### **6. 40 Sheppard Expenses**

Expenses include operating expenses (recoverable and non-recoverable) and financing expenses. Total recoverable tenant expenses are expected to increase by approximately 3 per cent.