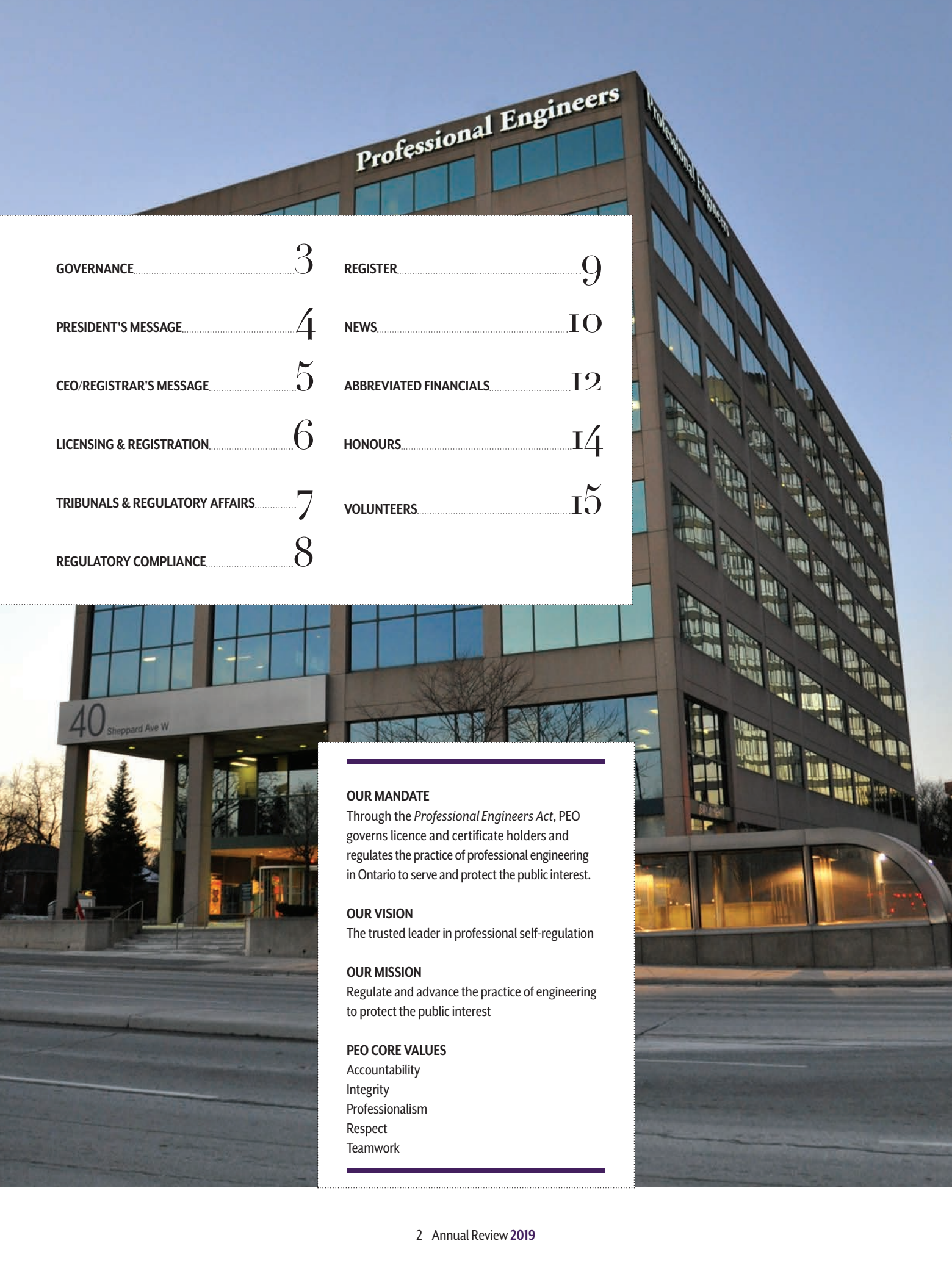






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40 Sheppard Ave W

OUR MANDATE

Through the *Professional Engineers Act*, PEO governs licence and certificate holders and regulates the practice of professional engineering in Ontario to serve and protect the public interest.

OUR VISION

The trusted leader in professional self-regulation

OUR MISSION

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

PEO CORE VALUES

- Accountability
- Integrity
- Professionalism
- Respect
- Teamwork

Governance

PEO Council provides overall direction for the regulator and profession. It is accountable to the public through the Ministry of the Attorney General to uphold PEO's duty to protect the public interest. Council comprises elected professional engineers and members appointed by the office of the Attorney General of Ontario. Not all of the appointed members are professional engineers. Together with Council, PEO operates with an appointed CEO/ registrar and approximately 110 employees.

PEO COUNCIL 2019/2020

Officers

President

Nancy Hill, P.Eng., LLB, FEC, FCAE

Past President

David Brown, P.Eng., FEC, BDS, C.E.T., IntPE, MCSCE

President-elect

Marisa Sterling, P.Eng., FEC

Vice president (elected)

Christian Bellini, P.Eng., FEC

Vice president (appointed)

Iretomiwa Olukiyesi, P.Eng.

Executive Members

Sandra Ausma, PhD, P.Eng.

Lorne Cutler, MBA, P.Eng.

Leila Notash, PhD, P.Eng., FEC

Warren Turnbull, P.Eng., FEC

COUNCILLORS

Councillors-at-large

Gregory Wowchuk, P.Eng.

Sandra Ausma, PhD, P.Eng.

Leila Notash, PhD, P.Eng., FEC

Northern Region councillors

Ramesh Subramanian, PhD, P.Eng., FEC

Serge Robert, P.Eng., FEC

Eastern Region councillors

Guy Boone, P.Eng., FEC

Randy Walker, P.Eng.

East Central Region councillors

Keivan Torabi, PhD, P.Eng.

Arthur Sinclair, P.Eng.

Western Region councillors

Gary Houghton, P.Eng., FEC

Wayne Kershaw, P.Eng., FEC

West Central Region councillors

Lisa MacCumber, P.Eng., FEC

Warren Turnbull, P.Eng., FEC

Lieutenant governor-in-council appointees

Arjan Arenja, MBA, P.Eng.

Robert Brunet, P.Eng.

Lorne Cutler, MBA, P.Eng.

Qadira C. Jackson Kouakou, BA, BSW, LLB

Iretomiwa Olukiyesi, P.Eng.

Nadine Rush, C.E.T.

Marilyn Spink, P.Eng.

Sherlock Sung

Engineers Canada Directors

Annette Bergeron, P.Eng., FEC

Christian Bellini, P.Eng., FEC

Danny Chui, P.Eng., FEC

Kelly Reid, P.Eng., IACCM CCMP

Changiz Sadr, P.Eng., FEC



PEO EXECUTIVE STAFF

CEO/Registrar

Johnny Zuccon, P.Eng., FEC

Deputy registrar, licensing and registration

Vacant

Deputy registrar, regulatory compliance

Linda Latham, P.Eng.

Deputy registrar, tribunals and regulatory affairs

Johnny Zuccon, P.Eng., FEC

Chief Administrative Officer

Vacant

Director, communications

David Smith

Director, finance

Chetan Mehta, MS, MBA

Director, information technology

Michelle Wehrle

President's Message



Nancy Hill, P.Eng., LLB, FEC, FCAE
President, 2019-2020

A LOOK BACK AT A WATERSHED YEAR

It has been an honour and a privilege to serve as PEO's 100th president—and seventh woman president—for the 2019-2020 Council year. It has been an exciting year, particularly taking steps towards a comprehensive modernization project that will ensure PEO remains relevant and effective as an engineering regulator in the 21st century.

I hope that everyone is safe and healthy. In response to the COVID-19 epidemic, Council held its first ever virtual meeting on March 20, 2020. With the cooperation of Council and significant work in advance by staff, it was business as usual in many ways. In view of the pandemic, Council also made the decision to conduct the first ever electronic annual general meeting. During this crisis, PEO and Council is finding new ways of working, which highlights both our strengths and weaknesses.

In response to PEO's external regulatory performance review, which was undertaken in early 2019 and which found notable gaps in our regulatory performance, Council unanimously accepted the report at its first meeting of the 2019-2020 term and committed to an action plan to address the report's recommendations. The review found a mixed picture of our performance—we met just under half of the reviewer's regulatory standards,

with notable weaknesses in licensing and registration—but they also provided a way forward; including 15 recommendations that help chart a path for renewal and to improve PEO's regulatory performance. Council accepted that there is room for improvement and is committed to making the significant changes necessary to enhance PEO's legislative mandate. Council also agreed that this is PEO's highest priority for the foreseeable future. Implementing the action plan, which was approved at the September meeting, will require several years, potential legislative changes and significant heavy lifting from both staff and Council, so we have also committed to both organizational change at the operational level, and governance renewal at Council, to ensure our underlying structure is adequate for the tasks ahead.

From a Council perspective, implementing the recommendations will require strong leadership and governance from Council. And our governance structure—how PEO oversees itself and sets strategies and priorities—will also require thoughtful renewal and change.

We began this work at our June workshop, examining PEO's public interest role; the role of regulators versus associations; and the roles of Council, the registrar and staff (policy versus operation). We also discussed the kind of Council we need to be: one focused on oversight and advisory roles, setting goals for the organization and overseeing performance. To that end, we decided to engage a governance advisor—Governance Solutions Inc. (GSI)—to help us develop sound governance and leadership practices and ensure we continue to act in the public interest. Since last fall, GSI has attended all Council meetings, providing coaching on governance culture and practices; clarifying roles and responsibilities; and offering guidance around agenda creation, priority setting and ensuring we maintain an appropriate public interest focus. They have also provided ongoing governance training for Council, the Executive Committee and myself, and acted as a parliamentarian during Council meetings to ensure rules of order are followed and to assist me in my role as chair.

And to ensure we maintain momentum in our renewal efforts as we introduce a new Council for 2020-21, GSI has also given us a two-year roadmap, highlighting recommended key steps and milestones to help build and maintain our governance

effectiveness. Council approved in principle the 22-point governance workplan, agreed to hire a governance consultant to help Council implement the steps and to appoint the Executive Committee to oversee the modernization process. Other steps include ongoing enhanced governance training for Council; a new councillor orientation program including governance content; reporting and oversight metrics; reassessing and realigning committees depending on whether they fill a regulatory, governance or neither role; and both the terms/tenure of councillors and the president. It also suggests reviewing the size and balance (between engineers and lay members) of Council, with a recommendation to reduce its size to 11-14.

At our March 20, 2020 Council meeting, Council voted to implement these important changes, signaling its commitment to both improving its governance effectiveness and PEO's broader modernization project. I consider this to be a satisfying capstone to my term as president; we accomplished much over the past year, but they're just the preliminary steps to a longer-term effort.

Bolstering Council's governance together with our work building PEO's regulatory performance is important if we're to meet the external review recommendations. The status quo, continuing to do things the way we always have, is not good enough. We must function as an oversight board and leave operations to the registrar and staff—trust, but verify. However, I'm confident that following the governance roadmap will result in a modernized Council that's focused on high-level strategy, guiding PEO as a regulatory leader. These are important steps, if we're to remain relevant as an engineering regulator. The profession is advancing exponentially, with new disciplines and technologies emerging regularly; and a strong, appropriately focused Council is key to building a PEO that's up to the task of regulating modern engineering.

Thank you for giving me the opportunity to serve the regulator and profession as president. I wish incoming president Marisa Sterling, P.Eng., FEC, much success during her term as she continues the important work of implementing the governance roadmap and the regulatory review action plan, and helping to usher in a new phase in PEO's history.

When I was appointed by Council as CEO/registrar in February 2019, I was handed a mandate of delivering change unprecedented in PEO's nearly 100-year history. No small task, I would argue. The journey of change that PEO has since embarked on amounts to an enterprise-wide transformation on three major paths designed to provide us with clarity of purpose.

PATH #1—OPERATIONAL REVIEW

In the fall of 2018, Council took a bold step and voluntarily commissioned a review of our regulatory performance. The review assessed our performance against our statutory mandate and legislative requirements, internal policies and the standards of good regulation across our core regulatory functions: licensing and registration; complaints, discipline, compliance and enforcement; and professional standards. The decision to subject ourselves to an external review and to make the findings public, sent a clear message that we, as a regulator, are committed to fulfilling our mandate as effectively and efficiently as possible. The report, released publicly in June 2019, provided 15 recommendations on how to improve PEO's regulatory performance and revealed that we have a lot of work to do to measure up to the identified and researched best standards for regulators.

In September, I presented Council with a high-level action plan to address these recommendations. The plan, which Council subsequently approved, defines PEO's change vision and provides guiding principles that will serve as the ground rules for our transformation. A key element of the plan is an activity filter that will provide a consistent and objective mechanism to determine and classify the functions of activities and outputs from committees, chapters, subcommittees and working groups, and assess if these activities and outputs relate to professional regulation, board governance or neither. This undertaking will be used to ensure that all change initiatives are collectively and appropriately aligned and will help to define our clarity of purpose—the cornerstone of any enterprise-wide transformation. Next steps include the development of recommendations by the CEO/registrar for Council on the assignment of responsibilities to either Council or the CEO/registrar for outputs classified as regulatory or related to governance. Further evaluation by Council will be required on the outputs classified as neither regulatory nor related to governance to determine appropriate accountabilities, performance measurement options and reporting.

PATH #2—ORGANIZATIONAL REVIEW

As we plan to address the recommendations from the external review, we also must take into consideration structural changes to our operational organization that are necessary to ensure the appropriate capacity and agility to achieve our objectives. Building a sustainable future for PEO requires a transition strategy that is controlled and measured. To this end, we engaged Western Management Consultants to carry out an organizational review to gauge our current capacity and to better position the organization to strategically manage the change process. The final report, which was presented to staff early in 2020, indicates the need to reorganize and rebuild the administrative organization while continuing to deliver services. This includes consolidating corporate services functions as well as core operational departments. Work has begun to assess the recommendations and potential approaches to enhance the focus, alignment and performance of the organization in support of PEO's mandate.

PATH #3—ENHANCED GOVERNANCE

Council also took significant steps to enhance its performance. In June, it committed to engaging a governance advisor to provide independent expertise to assist Council and the president/chair with developing and maintaining sound governance and leadership practices. As a result, Governance Solutions Inc. (GSI) was retained in September and their work has included assisting in clarifying roles and responsibilities; the development and priority-setting of Council meeting agendas; attending all Council meetings as an observer and as a parliamentarian, offering post-meeting feedback, guidance and process improvement; and clarifying governance objectives and outcomes through



Johnny Zuccon, P.Eng., FEC
CEO/Registrar

targeted training sessions. GSI will provide Council with a recommended governance roadmap early in 2020 that targets specific areas for improvement and change.

My expectation is that success on these three major paths will provide us with the focus necessary to ensure that our discussions, actions and accountabilities are always directed towards PEO's public interest mandate. Our journey will not be a short one. It will take years. But we have made great strides so far and are moving the dial in the right direction to becoming a better, more modern and more effective regulator.





Licensing & Registration

PEO protects and serves the public interest by ensuring all licensed professional engineers are qualified—and by licensing those who qualify.

Individuals may not call themselves a professional engineer, an engineer, a P.Eng. or use any similar title that may lead to the belief that they are qualified to practise professional engineering unless they are licensed by PEO.

Companies and individuals may not offer or provide engineering services to the public unless they obtain a PEO certificate of authorization.

FINANCIAL CREDIT PROGRAM CHANGES

In 2019, the Engineering Intern Financial Credit Program (FCP) was restructured so that eligible participants will no longer have their application fee and first year of enrolment in the Engineering Intern (EIT) program waived immediately. Rather, as of May 1, 2019, eligible participants will have the cost of their application fee and first year of enrolment in the EIT program (should they chose to enroll) credited towards payment of their registration and initial P.Eng. licence fees once they have been approved for a licence.

2019 LICENSING STATISTICS

Total P.Eng. applications

6852

male 82% / female 18%

Total applications for P.Eng. licence received from CEAB candidates

3327

male 80% / female 20%

Total applications for P.Eng. licence received from non-CEAB candidates

2982

male 85% / female 15%

Total number of P.Eng. applications processed and approved

4102

male 83% / female 17%

New P.Eng. licences approved for CEAB graduates

2117

male 81% / female 19%

New P.Eng. licences approved for non-CEAB graduates

938

male 84% / female 16%

P.Eng. licences approved for transfers

915

P.Eng. licences approved for reinstatements

120

New limited licences issued

27

New certificates of authorization issued

513

New consulting engineering designations issued

45

Tribunals & Regulatory Affairs

PEO protects and serves the public interest by conducting dispute resolution and hearings; preparing performance guidelines as benchmarks for quality of service in the engineering profession; and preparing performance standards in regulation.

The Discipline Committee (DIC) hears and determines allegations of professional misconduct or incompetence against a PEO licence holder or a holder of a certificate of authorization.

2019 DIC STATS

Matters referred to discipline.....	7
Pre-hearing conferences held.....	5
Matters pending (caseload).....	10
Written final decisions issued.....	7

The Fees Mediation Committee (FMC) deals with fee disputes between PEO licence and certificate of authorization holders and their clients. There were no mediations or arbitrations conducted or applications for mediations/arbitrations received in 2019.

The Registration Committee (REC) conducts formal hearings between the registrar and applicants for licensure.

2019 REC STATS

Requests for hearings	8
Pre-hearing conferences held.....	5
Matters pending (caseload).....	6
Hearings completed	1
Written final decisions issued.....	1

PEAK PROGRAM

At its June meeting, Council operationalized the Practice Evaluation and Knowledge (PEAK) program as a continuing program with program rules and voluntary format remaining unchanged.

In September, Council approved a motion directing the registrar to propose the legislative framework needed for a mandatory continuing professional development program and to review the PEAK program to ensure a program that is pedagogically sound, has measurable and achievable goals and is proportionate to the need to maintain public trust in the profession. This direction followed recommendations from the external review of PEO's regulatory activities, the recommendation

A complainant may apply to the Complaints Review Councillor (CRC) for a review of the treatment of the complaint after a decision has been made by the Complaints Committee.

2019 CRC STATS

Applications for review	2
Notices to conduct a review.....	1
Dismissals without a review..... (dismissal report)	4
CRC review reports issued.....	0
Caseload.....	8
Examinations under section 26(1).....	1

PRACTICE GUIDELINES APPROVED

In November, Council approved publication of two practice guidelines: *Design Evaluation and Field Review of Demountable Event and Related Structures* and *Preparing As-Built and Record Documents*.

The purpose of the demountable structures guideline is to define best practices for engineers who do structural designs, design evaluations or general review for demountable event and related structures. The purpose of the record documents guideline is to offer practitioners guidance on the professionally acceptable way of preparing record drawings or documents.

from the coroner's inquest into the death of Scott Johnson and the commissioner's report from the inquiry into the mall collapse in Elliot Lake, Ontario. Council has made no decision to make continuing professional development mandatory.

The PEAK program is designed to better inform PEO on the engineering practice profiles of its licence holders while encouraging individual continuing knowledge development. The voluntary program also helps meet the public's demand for accountability from PEO.

➡ **Complete information on the PEAK program is available at www.peopeak.ca.**

Regulatory Compliance

PEO protects and serves the public interest by disciplining professional engineers found guilty of professional misconduct and taking enforcement action against unlicensed individuals who illegally describe themselves as engineers. Similarly, the regulator can prosecute companies or entities who illegally provide engineering services to the public.

COMPLAINTS

In order to protect the public, PEO investigates complaints against licence holders for failure to meet their professional and ethical obligations as set out in the *Professional Engineers Act*. Its complaints process is intended to deal with the incompetence or professional misconduct of engineering practitioners related to the practice of professional engineering, to ensure the public interest is served and protected.

2019 ACTIVITY

Complaints filed

121

Complaints disposed of by the committee

90

Referred to Discipline Committee

7

Not referred to Discipline Committee and no other action taken

66

Not referred to Discipline Committee and other action taken

17

Jurisdiction of PEO's Discipline Committee (DIC) is triggered upon a decision of the Complaints Committee (or Council or Executive Committee) to refer a matter to the DIC for determination. The DIC hears and determines allegations of professional misconduct or incompetence against a PEO licence holder or a holder of a certificate of authorization.

ENFORCEMENT

Enforcement is action PEO takes against individuals or entities who practise engineering without a licence or lead others to believe they are qualified to do so, or who offer engineering services without holding a certificate of authorization (C of A). With few exceptions, only PEO licence holders can practise professional engineering, and only people or entities holding Cs of A issued by PEO can offer or provide professional engineering services to the public.

Charges relating to three enforcement files resulted in one prosecution that was completed at the end of 2018 and three prosecutions completed in 2019:

- In January, the Ontario Court of Justice in Toronto fined Mohammed Hasan Abuzour and his company, Geotech Engineering Corporation, for submitting proposals offering services within the practice of professional engineering while not holding either a certificate of authorization or a licence from PEO.

- In January, the Ontario Court of Justice in Whitby fined Amr Adel Moustafa Robah and Revival Design and Management Group for unlawful use of a professional engineer's seal. Robah had earlier been fined by the Ontario Court of Justice in Toronto in December 2018 for related offences in Durham Region.

- In March, the Ontario Court of Justice in Toronto fined Cosimo Polidoro for use of the title "P.Eng." in relation to his employment as a construction superintendent while not holding a licence or a temporary licence. Polidoro had been previously fined for similar offences in 2016.

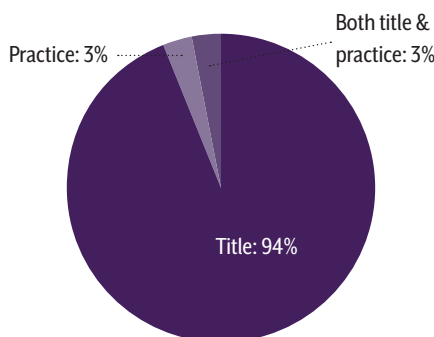
2019 ACTIVITY

File carry-over from previous year.....	327
Files opened.....	267
Files closed.....	270
Files to carry over at December 31.....	324

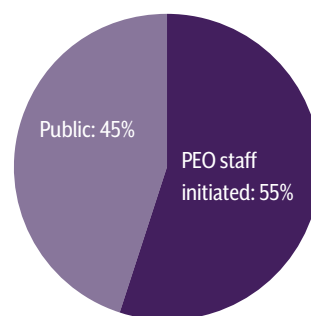
ENFORCEMENT PROSECUTIONS 2019

Matters from previous year.....	3
Charges or applications filed.....	0
Matters withdrawn.....	0
Court prosecution.....	4
Out-of-court settlements.....	n/a
Matters carried over at December 31.....	0

VIOLATION TYPE %



SOURCE OF INQUIRY %



Register

Under the authority of the *Professional Engineers Act*, PEO governs over 91,000 licence and certificate holders and regulates professional engineering in Ontario in order that the public interest may be served and protected. PEO is also mandated to carry out the following additional objects under the act:

1. establish, maintain and develop standards of knowledge and skill;
2. establish, maintain and develop standards of qualification and standards for the practice of professional engineering;
3. establish, maintain and develop standards of professional ethics; and
4. promote public awareness of the role of PEO.

As of December 31, 2019, PEO's register included:

Total P.Eng. licences **85,857**

75,781  **10,076** 

Engineering interns **14,694**

11,508  **3,186** 

Certificates of authorization **5,861**

Consulting engineer designations **964**

925  **39** 

Limited licences **359**

309  **50** 

Temporary licences **81**

77  **4** 

Provisional licences **19**

16  **3** 

News

EXTERNAL REGULATORY REVIEW

In February, work began on an external regulatory performance review to identify any gaps between PEO's current practices and the process, procedures and policies exhibited by the best regulators. This voluntary initiative was undertaken following a 2018 Council decision to undergo an independent review to ensure PEO is fulfilling its mandate as set out in the *Professional Engineers Act*.

Led by Harry Cayton, an international advisor to the United Kingdom-based Professional Standards Authority (PSA), an organization recognized for their expertise in developing international standards for regulatory effectiveness and applying them to professional regulatory bodies around the world, the review assessed PEO's performance against its statutory mandate and legislative requirements, internal policies and the standards of good regulation across its core regulatory functions:

- Licensing and registration;
- Complaints, discipline, compliance and enforcement; and
- Professional standards.

During the review, Cayton and his team conducted a series of meetings with PEO staff, volunteers and external stakeholders (including the Ontario Society of Professional Engineers, Consulting Engineers Ontario and the Attorney General's office); and observed a Council meeting and several regulatory and non-regulatory committee meetings.

The report, which was received by Council at its June 21, 2019 meeting, provides 15 recommendations on how to improve PEO's regulatory performance. PEO Council accepted the report in its entirety and committed to implementing all recommendations. At its June meeting, Council directed the registrar to develop a high-level action plan to implement the recommendations from the external regulatory performance review. The registrar subsequently presented a three-year action plan to Council at its September meeting. The plan, which Council approved, serves as a component of an overall renewal strategy that also includes implementing the structural changes to PEO's operational organization required to produce the capacity and agility needed to achieve the objectives; and integrating the work of a governance advisor to assist Council in enhancing its governance capabilities.

The plan defines PEO's change vision and provides guiding principles that will serve as the ground rules for the regulator's transformation and modernization. A key element of the plan is the development of an activity filter that will provide a consistent and objective mechanism to determine and classify the functions of activities and outputs from committees, chapters, subcommittees and working groups; and assess if these activities and outputs are related to professional regulation, board governance or neither.

At its November meeting, Council approved a staff-produced activity filter to assess each activity and related output(s) and classify each as being regulatory, related to governance or neither. The results of this assessment and output categorization were to be presented to Council in February 2020.

☛ **For full details on the External Regulatory Performance Review, please visit peo.on.ca/latest-news/external-regulatory-performance-review**

ORGANIZATIONAL REVIEW

While addressing the recommendations from the external regulatory performance review, PEO also conducted a review of its operation structure in 2019 to ensure the regulator has the appropriate capacity and agility to achieve its objectives. To assist in this, PEO engaged Western Management Consultants to carry out an organizational review to gauge PEO's current staff capacity and to better position the organization to strategically manage the change process. The final report was presented to PEO in early 2020.

ENHANCED GOVERNANCE

In September, Governance Solutions Inc. was engaged to provide independent expertise to assist Council and the president/chair with developing and maintaining sound governance and leadership practices. Their work has included assisting in clarifying roles and responsibilities; developing and priority-setting of Council meeting agendas; attending all Council meetings as an observer/parliamentarian; offering post-meeting feedback, guidance and process improvement; and clarifying governance objectives and outcomes through training.

FEE INCREASE

In a move to keep in line with inflation, PEO raised its licence fees for the first time since 2008. Effective May 1, 2019, all fees listed in By-Law No. 1—including those related to P.Eng. licences, certificates of authorization, consulting engineer designations, seals and engineering intern (EIT) membership, as well as those for applications and exams—rose by approximately 20 per cent. The increase was in line with the 20 per cent inflation rate over the past decade and helped cover PEO's operating deficit in 2019. The 2019 fee increases are one-time fee increases. Any future fee increases will be decided upon by PEO Council.

The bylaw changes exclude for the time being two new fees approved by Council in November 2018. These include interviews to waive technical examinations and a \$10 credit card convenience fee. These new fees may be implemented later.

☛ **For full details on fee, FCP and by-law changes go to: peo.on.ca/knowledge-centre/frequently-asked-questions/peo-fee-and-financial-credit-program-fcp-changes-faqs**

JOHNNY ZUCCON APPOINTED REGISTRAR

On February 7, Johnny Zuccon, MAsc, P.Eng., FEC, was appointed as PEO registrar by Council. He had been serving as interim registrar since February 2018. Zuccon has a 23-year tenure with the regulator, including 15 years as a member of the senior management team. His regulatory experience includes deputy registrar, tribunals and regulatory affairs; deputy registrar, standards and regulations; director of professional affairs, and manager, external relations. In June, Council approved the title of the chief staff officer position to be "CEO/Registrar" to align with the industry standards.

RADIOHEAD CORONER'S INQUEST

PEO sought and received standing at the March/April coroner's inquest into the death of Scott Johnson at a 2012 Radiohead concert. Bernard Ennis, P.Eng., PEO's director, policy and professional affairs gave testimony at the inquest to explain PEO's mandate and its guidelines relating to the engineer's seal, professional practice and general review of construction.

The inquest concluded on April 10, after 12 days of testimony, with 28 recommendations, many of which were aimed at PEO. Among those directed at PEO were:

- Ensuring that PEO's guidelines make explicitly clear, among other things, that drawings should be clear and consistent, explain key elements in plain language, include a disclaimer that they cannot be relied upon unless they are signed and sealed, and should include build details; that engineers should meet with those responsible for construction to ensure a thorough understanding of the drawings; and that all critical components of the structure must be subjected to a "rational sampling" process;
- Requiring that all engineers annually declare the engineering areas in which they work;
- Mandatory continuing professional development;
- Developing specialized criteria for engineers working in demountable event structures; and
- Making clear that the engineer sealing the design of a demountable event structure is presumed to be responsible for the entire structure unless otherwise stated on the drawing.

A plan to implement the inquest recommendations was presented to Council at its June meeting. At its November meeting, Council considered two of the 21 inquest recommendations directed at PEO as many of the recommendations had already been incorporated into the guideline

Design Evaluation and Field Review of Demountable Event and Related Structures, which Council subsequently approved at the same meeting. The first recommendation involved creating a specialist designation for professional engineers who design and inspect demountable event structures, which PEO staff and the Professional Standards Committee advised against. Instead, Council approved a new practice guideline (*Design Evaluation and Field Review of Demountable Event and Related Structures*) which describes best practices for engineering work on demountable structures and reflects lessons learned from the recommendations of the coroner's inquest.

The second recommendation was for PEO to implement mandatory annual reporting by all licensed engineering practitioners of practice information, such as their current practice status and area of engineering practice so PEO is aware of the engineering areas in which practitioners work. At the Council meeting, Council approved this recommendation and directed the registrar to seek amendments to the *Professional Engineers Act* and take other necessary actions to implement this new process.

CENTRALIZED BANKING FOR CHAPTERS

In 2019, PEO created a plan to revise how funds from its chapters will be managed, including adopting more centralized controls and financial oversight to reduce administrative burdens on chapter volunteers. As of January 1, 2020, chapter funds will be centrally held and disbursed in accordance with budget allocations to individual chapters and ordinary expense-handling procedures. Funds held by chapters were remitted to the centralized account but remain available to the chapters from which they were sourced.

Abbreviated Financials

2019

2018

**STATEMENT OF OPERATIONS AND CHANGES IN
NET ASSETS, YEAR ENDED DECEMBER 31, 2019**

\$

\$

REVENUE

P.Eng. revenue	16,617,881	15,731,903
Application, registration, examination and other fees	8,507,693	6,966,526
Building operations (Note 4)	2,063,933	2,058,844
Investment income	572,499	64,460
Advertising income	214,087	270,005
	27,976,093	25,091,738

EXPENSES

Staff salaries and benefits/retiree future benefits(Note 9)	11,948,676	11,778,442
Building operations (Note 4)	2,497,508	2,494,427
Purchased services	1,295,698	1,620,259
Amortization	1,182,780	1,210,440
Engineers Canada	1,009,422	982,774
Computers and telephone	1,001,350	968,239
Chapters (Note 13)	942,292	817,850
Occupancy costs (Note 4)	845,733	885,083
Legal (corporate, prosecution and tribunal)	720,790	1,072,994
Transaction fees	650,829	544,817
Volunteer expenses	614,032	726,230
Contract staff	551,099	305,197
Postage and courier	417,773	529,756
Consultants	255,675	235,196
Recognition, grants and awards	152,623	141,498
Professional development	143,358	86,057
Office supplies	129,224	134,263
Insurance	128,505	127,030
Printing	97,200	102,310
Staff expenses	89,783	88,055
Advertising	74,808	99,268
	24,749,158	24,950,185

Excess of revenue over expenses before the undernoted	3,226,935	141,553
Council discretionary reserve expenses (Note 8)	298,827	18,472
Excess (deficiency) of revenue over expenses	2,928,108	123,081
Remeasurement and other items (Note 6)	4,647,153	934,800
Net assets, beginning of year	17,152,436	16,094,555
NET ASSETS, END OF YEAR	24,727,697	17,152,436

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

2019**2018**

\$

\$

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019**ASSETS**

Current assets

Cash in interest-bearing accounts	3,031,510	2,773,438
Accounts receivable	767,025	433,467
Prepaid expenses and deposits	363,272	404,162
Other assets	328,077	456,308

4,489,884

4,067,375

Marketable securities, at fair value

11,303,103

6,819,008

Capital assets (Note 3)

33,301,183

34,615,613

49,094,170

45,501,996

LIABILITIES

Current liabilities

2,024,830

2,215,435

Accounts payable and accrued liabilities (Note 15)

11,048,555

9,250,525

Fees in advance and deposits

1,088,796

5,607,000

Current portion of long-term debt (Note 5)

14,162,181

17,072,960

LONG-TERM

Long-term debt (Note 5)

3,629,292

—

Employee future benefits (Note 6)

6,575,000

11,276,600

24,366,473

28,349,560

Net assets (Note 7)

24,727,697

17,152,436

TOTAL LIABILITIES AND NET ASSETS

49,094,170

45,501,996

Contingencies (Note 16)

Approved by Council

STATEMENT OF CASH FLOWS, YEAR ENDED DECEMBER 31, 2019**OPERATING ACTIVITIES**

Excess of revenue over expenses 2,928,108 123,081

Add (deduct) items not affecting cash

Amortization 2,243,632 2,208,919

Amortization - other assets 178,563 77,339

Employee future benefits expensed 1,017,653 1,222,000

Change in unrealized losses (gains) on

marketable securities (337,636) 181,017

Losses (Gains) on disposal of marketable securities 25,596 (24,005)

6,055,916

3,788,351

Change in non-cash working capital items (Note 10)

1,314,757

608,314

7,370,673

4,396,665

FINANCING ACTIVITIES

Payout of previous mortgage (Note 5) (5,441,000) —

Proceeds from refinancing of mortgage (Note 5) 5,443,952 —

Repayment of mortgage (Note 5) (891,864) (980,000)

Contributions to employee future benefit plans (1,072,100) (949,700)

(1,961,012)

(1,929,700)

INVESTING ACTIVITIES

Net change in marketable securities (4,172,055) (169,321)

Additions to capital assets (929,202) (1,745,717)

Additions to other assets (50,332) (132,391)

(5,151,589)

(2,047,429)

Increase in cash 258,072 419,536

Cash, beginning of year 2,773,438 2,353,902

CASH, END OF YEAR 3,031,510 2,773,438

Honours

ORDER OF HONOUR

Thirteen exceptional engineers were invested into PEO's Order of Honour on May 3 in recognition of their longtime volunteer leadership to PEO and the profession.

STERLING AWARD

PEO presented the 2019 G. Gordon M. Sterling Engineering Intern Award to Kaela Shea, EIT. The award celebrates professional leadership achievements of engineering interns and funds leadership development training.

ONTARIO PROFESSIONAL ENGINEERS AWARDS

Nine high-achieving awardees and one outstanding project shared the spotlight on November 16 at the 72nd Ontario Professional Engineers Awards (OPEA) gala in Toronto. Co-presented by PEO and the Ontario Society of Professional Engineers, the annual event brings together industry innovators, business leaders and policy-makers to celebrate and be inspired by engineering excellence and innovation. Since 1947, the awards have saluted Ontario engineers who have made significant contributions to the profession and their community.

S.E. WOLFE AND V.G. SMITH AWARDS

Recipients of PEO's S.E. Wolfe Thesis Award and V.G. Smith Award were honoured during the regulator's AGM luncheon. The S.E. Wolfe Thesis Award, presented to a licence holder whose thesis was awarded the highest mark of those presented in 2019, was awarded to Kamlesh Dave, P.Eng., for his engineering report, *Comparison of Experimental Test and Computational Modelling of High Density Polyethylene to Set Reliable Input for Future Element Simulation*. He received a mark of 91 per cent.

The V.G. Smith Award, which is presented to an engineer who achieved registration during the past year by examination and possessed the highest standing of those completing exams that year, was presented to Li Ju Xue, P.Eng. She successfully completed her exams with an average mark of 80 per cent.



PEO honoured newly inducted Order of Honour recipients (top row, left to right) Rabiz N. Foda, P.Eng., FEC, Peter John Broad, P.Eng., FEC, Gordon Ip, P.Eng., FEC, Donald Lewis Marston, P.Eng., JD, FEC, Luc Roberge, P.Eng., FEC, David Robinson, P.Eng., FEC; and (bottom row, left to right) John Douglas Glover, P.Eng., FEC, Roger Jones, P.Eng., FEC, Wayne Peter Kershaw, P.Eng., FEC, Sardar Asif Khan, P.Eng., FEC, Joseph Lawrence Adams, P.Eng., FEC, and Narayana Pillai Asogan, P.Eng., FEC. Missing from photo is William (Bill) Jackson, P.Eng., FEC.



2019 Ontario Professional Engineers Award winners (clockwise from top left): Milos Popovic, PhD, P.Eng., Milica Radisic, PhD, P.Eng., Brian Bonnick, P.Eng., Shoshanna Saxe, PhD, P.Eng., Jaime Libaque-Esaine, MBA, P.Eng., Scott Goobie, P.Eng. (on behalf of Bombardier), Ronald Sidon, MBA, P.Eng., Zheng Hong Zhu, PhD, P.Eng., Irene Sterian, P.Eng. and John McPhee, PhD, P.Eng.

Volunteers

In 2019, more than 1000 professional engineers, engineering interns and others volunteered their time to work on behalf of PEO. This includes those who served on Council, committees and their sub-committees, task forces, the Government Liaison Program, and PEO chapter leaders and volunteers, as well as those who represented PEO on external boards and advisory groups, and volunteered for chapter-sponsored programs.

PEO gratefully recognizes and thanks all those who have served the profession in a wide variety of activities and events throughout the year.

☛ For a full list of PEO volunteers in 2019, please visit: www.peo.on.ca/volunteers/2019-volunteers

COMMITTEES AND TASK FORCES

PEO committees can be legislated, regulated or appointed. Legislated and regulated committees are set out, along with their missions, in the *Professional Engineers Act*, R.S.O. 1990, chapter P.28, or Regulation 941/90. Under the act, PEO Council is also permitted to appoint committees to address specific needs. These standing committees are mandated for an indefinite term, but their membership is appointed periodically by Council. Council also creates task forces to undertake specific tasks. Task forces exist only as long as necessary to finish their task.

Annual reports of PEO committees, task forces and task groups for 2019 will be posted on our website at www.peo.on.ca/about-peo/committees-and-task-forces/annual-reports-committees-task-force

CHAPTERS

PEO's 36 chapters connect members-at-large with PEO Council and provide a local presence for

engineering. In 2019, chapter volunteers organized licence presentation ceremonies, hosted technical seminars and social events, provided a forum for members to exchange knowledge and ideas and offered professional networking activities.

Members involved in chapter activities also continued a long-standing tradition of donating their time, energy and expertise to promoting awareness among grade school students of the engineering profession and the role of science, technology, engineering and math in their daily lives.

☛ For more information on 2019 chapter activities, please visit individual chapter websites: www.peo.on.ca/about-peo/chapters-and-regional-offices/visit-chapter-websites

GOVERNMENT LIAISON PROGRAM

The main objective of PEO's Government Liaison Program (GLP) is to ensure that government, PEO licence holders and the public continue to recognize its regulatory mandate, in particular its contributions to maintaining the highest level of professionalism among engineers working in the public interest. Ultimately, the goal is to have government view PEO as a partner and understand and support PEO's policy direction.

In 2019, the GLP enjoyed another successful year promoting PEO's legislated mandate to decision makers in government.

☛ For a full review of 2019 GLP activities, please see the 2019 GLP annual review: www.peo.on.ca/sites/default/files/2020-03/2019AnnualReviewGLP.pdf





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