



Professional Engineers
Ontario

2023

2023
ANNUAL REVIEW

**REGULATING FOR A SAFE
AND DIVERSE ONTARIO**

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Submitted to the
LIEUTENANT GOVERNOR IN COUNCIL

Date: JULY 25, 2024



OUR MANDATE

PEO regulates the practice of professional engineering and governs those individuals and organizations that it licenses under the authority of the *Professional Engineers Act* to serve and protect the public interest.

OUR VISION

To be the trusted leader in professional self-regulation.

OUR MISSION

Regulate the practice of professional engineering in Ontario to safeguard life, health, property, economic interests, the public welfare and the environment.

PEO CORE VALUES

Accountability
Integrity
Professionalism
Respect
Teamwork

PEO's core values are intended to inform the behaviour of its licence holders, staff and volunteer leaders in their everyday activities and interactions.



ABOUT PEO AND GOVERNANCE

REGULATING THE ENGINEERING PROFESSION TO SERVE AND PROTECT THE PUBLIC

Established on June 14, 1922, PEO is the licensing and regulating body for professional engineering in the province. PEO operates under the authority of the *Professional Engineers Act* (PEA) to serve and protect the public interest by setting and upholding high academic, experience and professional practice standards for the engineering profession. Individuals licensed by PEO are the only people permitted by law to undertake and assume responsibility for engineering work in Ontario.

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 statutory duty to regulate the practice of engineering and govern the engineering profession in the public interest. Council is comprised of elected professional engineers and Councillors appointed by the Lieutenant Governor in Council. Council provides high-level strategic direction and control to ensure PEO is fulfilling its mandate. Under the act, Council appoints a CEO/registrar who in turn is responsible for overseeing staff to administer the organization and carry out its functions at an operational level.

[Click here to meet the 2023-2024 PEO Council](#)



PRESIDENT'S MESSAGE



ROYDON FRASER, PhD, P.ENG., FEC
PEO PRESIDENT 2023-2024

It was an honour to serve as PEO president over 2023. Not only was it our first year into our second century regulating the engineering profession in Ontario, it was also our first year into our 2023-2025 strategic plan.

With its emphasis on improving licensing processes, organizational performance, governance effectiveness and renewed vision, this plan builds on our commitment to a transformation that began in 2018, with the voluntary commissioning of an independent regulatory performance review.

Over 2023, Council made key decisions supporting our strategic goals.

In March, we approved a motion eliminating the Canadian experience requirement for licensure. Removing the requirement put us in compliance with new regulatory requirements under the *Fair Access to Regulated Professions Act*; and removed a potential licensing barrier to internationally educated engineering graduates.

Through ongoing engagement with stakeholders, PEO will continue work improving our licensing process. In November, Council agreed to review the need for the current time-based experience requirement to improve the fairness and efficiency of the licensing process. This followed a September Council decision allowing PEO to consider parallel experience requirements to the Competency-Based

Assessment (CBA). That motion also asked the Regulatory Policy and Legislation Committee (RPLC) to provide Council with a plan and timeline for engaging the expertise of those who have served on our volunteer Experience Requirements Committee to consider an apprentice/intern pathway as an alternative to CBA. Volunteers with expertise will also provide input on the possible reduction of the four-year experience requirement.

I am pleased to see that PEO is committed to continuous improvement in our approach to licensure.

A strong, effective Council needs robust information and evidence to support quality decision making. To strengthen the information coming before Council and our committees, in June we adopted a Policy Development Framework to guide our work developing policy based on a proper evaluation of risk, solid evidence, and a thorough analysis of options and impacts.

The new framework, coupled with conducting a regulatory impact assessment (covering the public benefit; equity, diversity and inclusion; and financial impact) each time a new policy initiative is proposed, will help ensure we have the best evidence to make informed decisions.

Related to this, in November, Council approved a new Governance Scorecard to support our oversight of operations, and which reports on 12 quantitative indicators aligned to PEO's core regulatory functions. The scorecard will support our use of evidence-based information in our decision-making process and help staff and Council track operational activities and priorities that align with the strategic plan.

In 2022, I proposed the strategic plan goal to *Refresh PEO's vision to ensure all stakeholders see relevance and value in PEO*. Work began last summer, with help from 99 Vision Advisory Group volunteers from among licence holders. They generated 62 potential preliminary Vision Statements that were refined to common themes including Empowerment and Excellence in Engineering; Equity, Diversity, and Inclusivity; Public Safety and Trust; Leadership in Innovation and Change; and Self-governance. In 2024, a shortlist of Vision Statements and an interpretive document will be created for consideration.

I would like to thank all volunteers who contributed to this process. A vision guides an organization to achieve its mission, and this new statement will describe what PEO aspires to achieve in the decades to come and align us around a common purpose and direction. Ultimately, this initiative seeks to develop a long-term vision statement to sustain PEO until 2050.

I thank both my Council colleagues and PEO staff. All your efforts and insights over 2023 have brought us ever closer to our end goals.

Thank you for giving me the opportunity to serve PEO and the profession as president. I wish incoming president Greg Wowchuk, P.Eng. much success during his term as he guides Council over the important work of regulating the profession and fulfilling our strategic plan goals.

CEO/REGISTRAR'S MESSAGE



JENNIFER QUAGLIETTA, P.ENG., MBA, ICD.D
CEO/REGISTRAR

What a privilege it was to step into the role of CEO/registrar as PEO was gearing up to implement its 2023–2025 Strategic Plan. While 2023 was a historic year for PEO in many ways, our journey to becoming a trusted leader in professional self-regulation began in 2018, just ahead of our 100th anniversary, when the wheels for transformation were put in motion. PEO's three transformational pillars—operational effectiveness, organizational alignment and governance renewal—were predicated on the realization that changes were necessary if PEO was to achieve its change vision of becoming a professional, modern regulator that delivers on its statutory mandate and is supported by a governance culture that consistently makes decisions that serve and protect the public interest. These pillars have been guiding our journey of transformation ever since 2019, and today they form the basis of our three-year strategic plan, which I refer to as our North Star.

Perhaps our greatest achievement in 2023 was the realization of our goal to improve PEO's licensing process without compromising public safety. In May we successfully implemented our new licensing requirements, which will allow us to comply with the *Fair Access to Regulated Professions and Compulsory Trades Act* (FARPACTA), mandating the province's regulatory bodies

outside the healthcare sector to make a decision for 90 per cent of internationally trained applicants within six months (30 days for mobility applicants), acknowledge receipt of complete applications within 10 days and remove Canadian experience requirements. PEO went further and applied these standards for all applicants, regardless of where they obtained their experience and education.

In another move to improve our regulatory performance, in January 2023 we successfully transitioned our continuing professional development program, PEAK, from a voluntary program to a mandatory requirement for most P.Eng. and limited licence holders. Our preliminary stats indicate that the implementation of our mandatory PEAK program was a success.

In March 2023 I introduced PEO's operational plan to Council—our governing board—to help councillors track progress on our four strategic plan goals: improving PEO's licensing process without compromising public safety, optimizing PEO's organizational performance, implementing a continuous governance improvement program and refreshing PEO's vision to ensure our stakeholders see relevance and value in PEO. I am happy to share that we completed all 23 activities flowing from the goals, including:

- Implementing a FARPACTA-compliant licensing process, with 95 per cent of complete applications acknowledged in 10 days and licensing decisions made on time for 99 per cent of applications (1.1.2) and communicating our new licensing changes (1.1.3);
- Rolling out mandatory PEAK throughout 2023 while introducing improvements for 2024, with a 76.5 per cent compliance rate (1.2.1);
- Monitoring the equity, diversity and inclusion (EDI) of our licensing process, notably through our continuing gender audit of PEO's licensing process and internal operations and PEO's partnering with Indigenous and Community Engagement to develop strategies to increase Indigenous representation amongst PEO licence holders. Additionally, PEO has hired an EDI manager to implement PEO's Anti-Racism and Equity Code (1.3.1);
- Continuing PEO's digital transformation roadmap, with the introduction of digital licences, digital volunteer recognition badges and eight organizational-wide cybersecurity activities for staff (2.2.1);
- Improving PEO's communication strategy, notably through the introduction of the PEO Chapter Event Engagement model (4.1.3);
- The development of a strong customer service model, which answered 18,108 queries throughout the year, including over 9500 for PEAK (2.3.7); and
- The development and approval of PEO's policy development framework and the creation of the Strategic Stakeholder Advisory Committee, both of which will help PEO establish an effective policy development framework (2.1.1).

Towards the end of 2023, Council approved the use of the Governance Scorecard, which tracks 12 key indicators that fall under regulatory operations, policy, finance and strategy and

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organizational culture. The colour-coded chart will allow Council to stay on top of PEO's achievements and ongoing performance.

I want to congratulate the PEO team—our employees, volunteers, Council and stakeholders—for a successful

2023. The past year was a year of accomplishments for PEO, and it was also one of many significant changes. As we continue in our pursuit of becoming a trusted, modern, effective regulator, I see a clear path forward to not just achieving our change vision but also to achieving regulatory excellence in the name of protecting Ontarians.

OPERATIONAL PLAN STATUS REPORT AS OF NOVEMBER 2023

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

NOTE: Initiatives indicated with an * are progressing per plan against a completion timeline of December 2023

2023 REGISTER AND PROTECTING THE PUBLIC

MEET PEO'S LICENCE HOLDERS, ENGINEERING INTERNS (EITS) AND CERTIFICATE OF AUTHORIZATION HOLDERS

As of December 31, 2023, PEO's register included:



Total P.Eng. licences: 86,966
(men 75,116) (women 11,843)
(non-binary 7)



Consulting engineer designations: 840
(men 796) (women 44)



Engineering interns: 13,766
(men 10,770) (women 2986)
(non-binary 10)



Limited licences: 353
(men 303) (women 50)



Temporary licences: 66
(men 61) (women 5)



Building design specialist: 160
(men 148) (women 12)



Certificates of authorization: 6009



Temporary certificates of authorization: 17

Note: Provisional licences were discontinued in 2022. All active registrations were closed in 2023, when provisional licence holders were approved for P.Eng. licensure following the removal of the Canadian experience requirement.

UNLICENSED PRACTICE:

Taking action against unlicensed individuals who illegally describe themselves as engineers. Similarly, PEO can prosecute companies or entities who illegally provide engineering services to the public

2023 UNLICENSED PRACTICE FILES

430

Files carried over from previous year

489

Files closed

366

Files opened

307

Files to carry over at January 2, 2024

PROTECTING THE PUBLIC IN 2023

PEO's mandate, as described in the *Professional Engineers Act* (PEA), is to ensure the public is protected and individuals and companies providing engineering services uphold a strict code of professional ethics and conduct.

OVER 2023, PEO PROTECTED AND SERVED THE PUBLIC BY:

LICENSING

Ensuring all licensed professional engineers are qualified—and by [licensing](#) all who qualify



NEW LICENCE AND CERTIFICATE OF AUTHORIZATION HOLDERS IN 2023:

4397

New P.Eng. licence holders
(men: 82%) (women 18%)

927

New P.Eng. licence transfers

500

New certificate of authorization holders

2023 UNLICENSED PRACTICE PROSECUTIONS

5

Matters from previous year

5

Charges or applications filed

0

Matters withdrawn

0

Matters resolved by undertaking

5

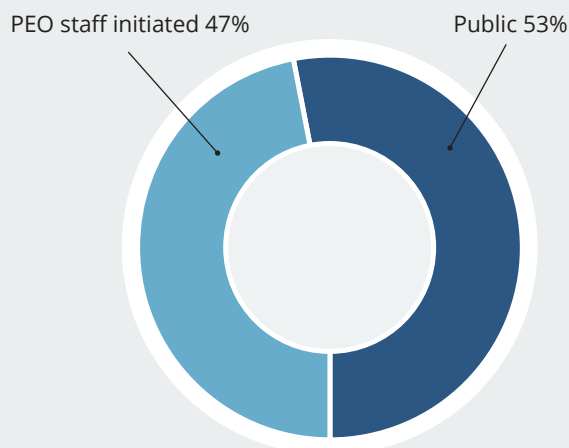
Court prosecution

6

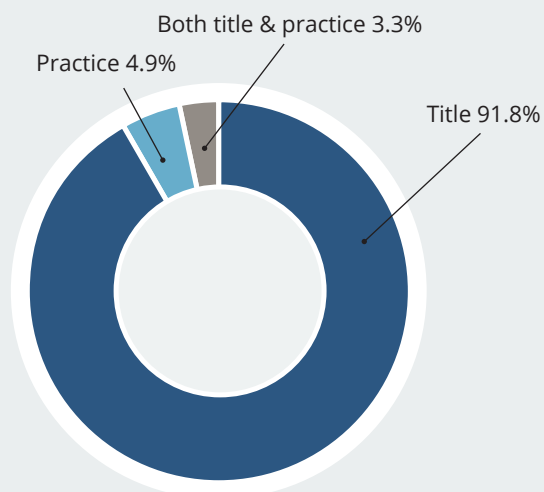
Matters carried over at Dec 31

- ▶ [Winchester man and company fined \\$10,000 for use of professional engineer's seal](#)
- ▶ [Nova Scotia company fined \\$17,500 for use of a professional engineer's seal](#)
- ▶ [New Brunswick man fined \\$50,000 for use of a professional engineer's seal](#)
- ▶ [Ontario man ordered to refrain from representing himself as a professional engineer](#)

Unlicensed practice stats continued



SOURCE OF INQUIRY



VIOLATION TYPE

2023 DISCIPLINE COMMITTEE STATS

DISCIPLINE

Disciplining licence holders and certificate of authorization holders found guilty of professional misconduct or incompetence



9

Matters referred to discipline

6

Pre-hearing conferences held

10

Matters pending (caseload)

9

Written decisions issued

2023 COMPLAINTS STATS

90

Complaints filed

50

Complaints disposed of by the Committee

11

Referred to Discipline Committee

30

Not referred to Discipline Committee and no other action taken

9

Not referred to Discipline Committee and other action taken



COMPLAINTS

Investigating all complaints brought to PEO about unprofessional, inadequate or incompetent conduct of licence and certificate of authorization holders



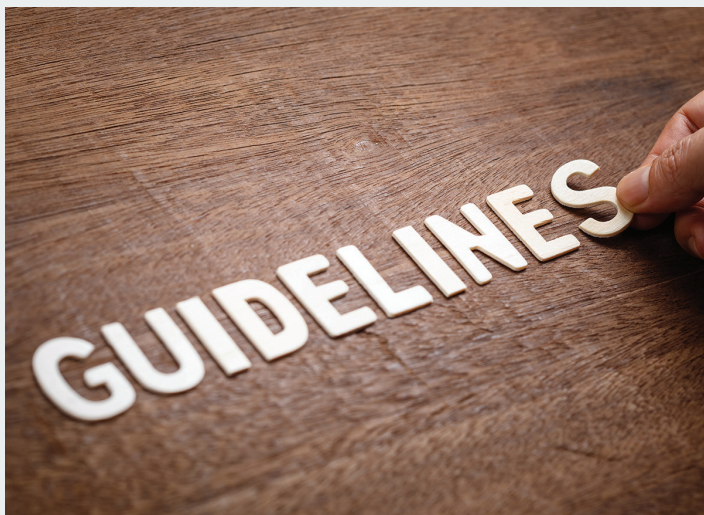
PERFORMANCE GUIDELINES/ STANDARDS:

Preparing performance [guidelines](#) as benchmarks for quality of service in the engineering profession; and preparing [performance standards](#) in regulation

NEW/UPDATED PRACTICE BULLETIN IN 2023:



[Practice Advisory Bulletin #7
Regulation Changes to Tower Crane
Inspections under O. Reg. 213/91
under the Occupational Health and
Safety Act December 20, 2023](#)



PEO LAUNCHES PRACTICE GUIDELINES AND STANDARDS SUBSCRIPTION SERVICE

In July, PEO's practice advisory team launched a [free practice guidelines and standards subscription service](#) that licence holders can tailor to their specific practice needs. Subscribers receive specific guidelines, standards and advisory bulletins related to their practice and interests.

Click here for complete 2023
PEO regulatory statistics



2023 HIGHLIGHTS

2023–2025 STRATEGIC PLAN: MODERN REGULATION FOR A SAFE AND DIVERSE ONTARIO

In 2022, PEO released our [2023–2025 Strategic Plan](#). With an emphasis on licensing processes, organizational performance, governance effectiveness and renewed vision, the strategic plan supports our change vision to become a professional, modern regulator that delivers on its statutory mandate and is supported by a governance culture that consistently makes decisions that serve and protect the public interest.

The foundation of this plan is rooted in PEO's commitment to a transformation that began in 2018 with the voluntary commissioning of an independent regulatory performance review. The strategy for this work rests on three pillars:



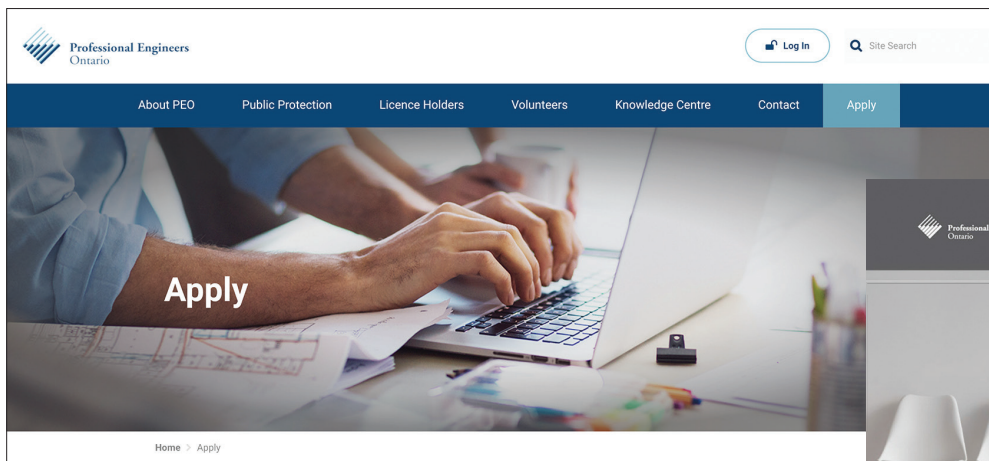
Our four 2023–2025 strategic goals describe the specific work we are undertaking over the next three years in pursuit of our change vision. PEO's 2023–2025 Strategic Plan goals include:

-  Improving PEO's licensing processes without compromising public safety
-  Optimizing organizational performance
-  Implementing a continuous governance improvement program
-  Refreshing PEO's vision to ensure all stakeholders see relevance and value in PEO

PEO is also ensuring all work towards these goals reflect values of equity, diversity and inclusion, in line with our [Anti-Racism and Equity Code](#).

PEO is accountable to government and the public as we work to deliver our change vision. The following pages summarize our efforts and activities towards achieving our strategic goals.

IMPROVING PEO'S LICENSING PROCESSES WITHOUT COMPROMISING PUBLIC SAFETY



PEO INTRODUCES NEW LICENCE APPLICATION PROCESS

On May 15, [PEO launched a new licence application process](#) that aims to make applying for an engineering licence more efficient, transparent and fair for all applicants. The changes helped to ensure PEO's compliance with recent amendments to the *Fair Access to Regulated Professions and Compulsory Trades Act* (FARPACTA).

'Am I Ready to Apply?'

The new process begins with candidates completing PEO's new [Am I Ready to Apply?](#) survey app—the first step prospective applicants take in the PEO licensing process. The app uses a questionnaire to guide prospective applicants to see if they may have the necessary academic and experience qualifications to apply. If the app determines they meet the qualifications, they're invited to begin the application process through the PEO portal.

What to know about PEO's new licence application process

- **Application eligibility**—Prospective applicants must demonstrate the required academic and experience qualifications before applying.
- **Academic requirements**—The academic requirement to apply for a P.Eng. licence is a bachelor's degree in an engineering program accredited by the Canadian Engineering Accreditation Board (CEAB) or a bachelor's degree that meets PEO's acceptance criteria plus successful completion of a confirmatory examination program.
- **Experience requirements**—At the time of application, candidates are required to demonstrate completion of 48 months of experience that meets requirements for engaging in the practice of professional engineering, as evidenced by a [competency-based assessment \(CBA\)](#). CBA is a tool that assesses readiness for licensure by examining 34 engineering competencies across several categories (technical, communication, project management, professional accountability, etc.) in which all professional engineers must be competent to support effective practice and public safety.

PEO's new application process ensures applicants will receive a registration decision within six months of submitting a completed licence application.



4397

P.Eng. licences issued (including new process, pre-May 15 legacy and transfers)

99%

of licence applications received registration decisions within FARPACTA-driven requirements

95%

of applications acknowledged as complete within 10 days

PEO removes Canadian experience requirement for licensure

In tandem with the introduction of PEO's new licence application process, [on May 15 the regulator also stopped requiring 12 months of Canadian engineering experience for licensure](#). The change was announced at a joint PEO-Ministry of Labour, Immigration, Training and Skills Development press conference on May 23. The change makes PEO one of the first regulators to remove Canadian experience requirements from its licensing process. The Canadian experience requirement was formally removed from our Regulation 941 under the PEA on November 18, following Council and Cabinet approval.

Inventory management plan

Although the new licensing process is designed to benefit new applicants, PEO must process licensing applications of those who applied before the new process took effect, ensuring these applicants benefit as much as possible from the revised approach. All existing provisional licence (PL) holders with the required 48 months of professional engineering work experience have been issued a P.Eng. licence, as they satisfy PEO's current licensing rules with the removal of Canadian experience requirements. In the fall, PEO licensing staff began contacting legacy applicants who are close to achieving licensure to invite them to complete a CBA towards licensure.

Engineering Intern (EIT) program suspended

In May, PEO announced the [suspension of the voluntary engineering intern \(EIT\) program for new licence applicants](#). Because the required engineering work experience under PEO's new licensing process must be acquired before applying, the EIT program, which was designed to assist applicants as they acquired work experience, was no longer viable in its current form. PEO recognized this impact; and, over the summer, [surveyed key stakeholders to obtain feedback on the program's suspension](#). The surveys asked about the value of the program to engineering employers and EITs, and recommendations if a new version of the EIT program were to be developed. Survey responses will help PEO determine how prospective professional engineers can be best supported on their path to licensure.

MANDATORY CPD LAUNCHES JANUARY 1, 2023

PEO's [mandatory continuing professional development \(CPD\) program was introduced on January 1, 2023](#), when the Council-approved mandatory requirement via section 51.2 of Regulation 941 under the PEA took effect. The new regulation section describes how PEO can administer, monitor and enforce CPD. The mandatory CPD program is administered through the [Practice Evaluation and Knowledge \(PEAK\) program](#). Beginning from 2023, all professional engineers and limited licence holders in Ontario are required to complete the program to maintain their licence.

PEO's mandatory CPD requirements include:

- A practice evaluation to evaluate a licence holder's practice and determine their target CPD hours;
- A professional practice module, to learn about professional practices and regulatory processes; and
- A CPD report to declare the professional development activities a licence holder has completed over the year. (This requirement applies to practising licence holders who are assigned CPD hours or non-practising licence holders who opt-in to complete CPD hours.)

76.5%

compliance for Practice Evaluation and Professional Practice Module PEAK requirements

9500

inquiries addressed about PEAK program

Although it was a mandatory requirement, PEO did not actively enforce PEAK compliance in 2023. This approach allowed licence holders to ease into the new requirement, familiarize themselves with the enhanced PEAK information system and adjust to the calendar-based timeline.

PEAK consultations and changes for 2024

Over the summer, PEO surveyed licence holders to better understand how they perceive the program. [Survey results](#) will also inform development of the program's future features. The survey was completed by approximately 15,500 respondents.

PEAK exemption for fee remission enrollees

At its September meeting, PEO Council approved a policy change [exempting licence holders who are on fee remission from all annual CPD requirements](#). The policy change automatically exempted all 13,000 fee remission enrollees—97 per cent of whom are retired—from the PEAK program starting in 2024. The decision followed consultations with licence holders and PEO's own risk-based analysis, which determined there is a low risk to public safety if those enrolled in PEO's fee remission program do not participate in PEAK because they are already prohibited from practising while on fee remission. Those in fee remission are still subject to the PEA and its regulations in all other respects.

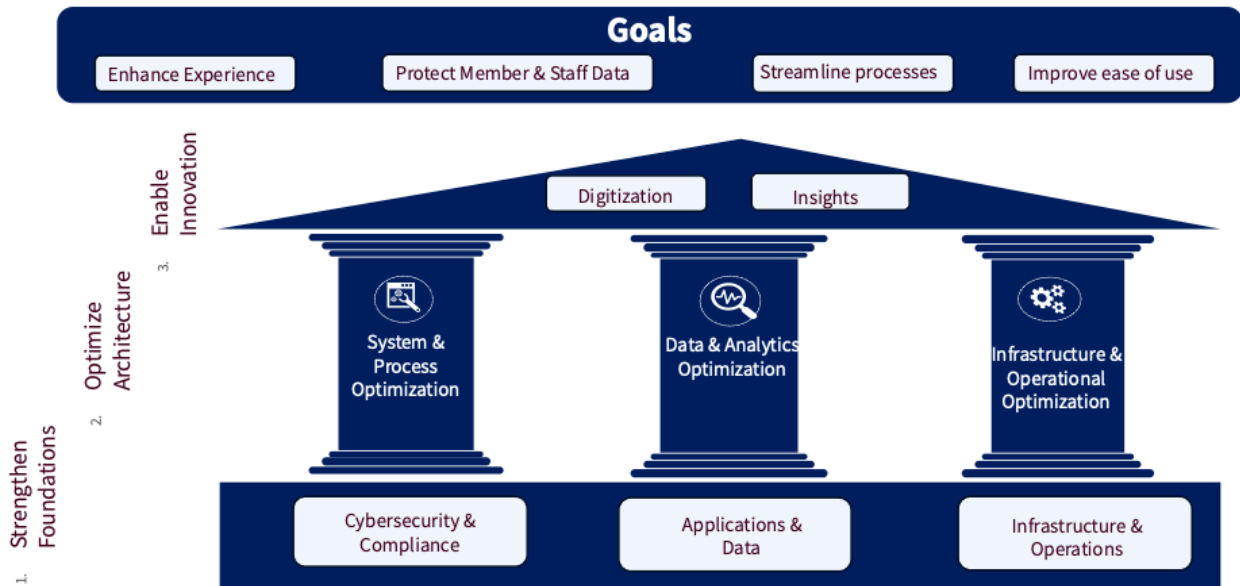
Additional PEAK program features/updates for 2024

Over the fall, PEO announced [additional changes to the PEAK program for 2024](#), including expanding CPD admissibility criteria to include supplementary learning such as project management, contract administration, business management, leadership, communications and health and safety that supports core engineering practice activities. While 20 per cent of CPD may come from supplementary learning, 80 per cent of required CPD hours must come from core engineering learning.

PEO also reminded licence holders of its commitment to enforce mandatory CPD based on PEAK, starting at some point in 2024. Enforcement will eventually include administrative suspensions for those who are non-compliant, as well as an audit program to ensure requirements are being met.

OPTIMIZING ORGANIZATIONAL PERFORMANCE

Digital transformation at PEO



Digital transformation journey

Over 2023, PEO continued to evolve to meet the needs of the public and respond to an increasingly complex cybersecurity landscape. PEO's Digital Transformation Roadmap supports the delivery of the 2023–2025 Strategic Plan and operational deliverables by leveraging technology as a key enabler. It aims to enhance licence holder and staff experience, protect member and staff data, streamline processes and ensure ease of use.

Digital transformation areas of focus include cybersecurity and compliance to protect against potential threats; application architecture changes to improve performance and data quality enhancements to ensure reliability; as well as infrastructure and operational augmentation to maintain stability. Innovation will be further enabled through process-optimization, leveraging technology where appropriate, and through the creation of deeper data insights. With these key changes, PEO strives to continue to serve the public and ensure we deliver optimal service as a regulator.

Selected 2023 highlights include:

- Developing and approving the 2023–2025 Digital Transformation framework;
- Introducing digital volunteer recognitions badges;

- Introducing digital licences; and
- Implementing operational improvement to strengthen cybersecurity.

PEO advances plan to update six practice guidelines

PEO has [developed a prioritized schedule to review and possibly revise its current practice guidelines](#) and standards and develop new ones to ensure these resources are current and relevant to engineering practice. In 2023, PEO staff began revising six guidelines identified as needing updating. The guidelines include: *Services of the Engineer Acting Under the Drainage Act*; *Professional Engineers Providing Mechanical and Electrical Engineering Services in Buildings*; *Professional Engineers Providing Services With Respect to Road, Bridges and Associated Facilities*; *Professional Engineers Providing Land Development/ Redevelopment Engineering Services*; *Professional Engineers Providing Geotechnical Engineering Services*; and *Engineering Services to Municipalities*. Appropriate stakeholder input will inform the revision process for each of these guidelines.

IMPLEMENTING A CONTINUOUS GOVERNANCE IMPROVEMENT PROGRAM

Governance/Council updates

PEO's governance improvement goal continues the work of the Governance Roadmap, a Council-approved plan with key steps and milestones to enhance Council's governance effectiveness. The strategic plan outlines three sub goals for its governance improvement program:

1. *Improving orientation for councillors and PEO's executive leadership team.*

The goal is to provide onboarding training to new councillors and relevant staff to facilitate understanding of PEO's mandate and expectations pertaining to their role and responsibilities, including on Council and on the governance committee they are appointed to.

2. *Ensuring committees and Council have the necessary evidence to support quality decision making.*

This goal is aimed at ensuring committees and Council have the necessary evidence to support quality decision making. This includes conducting a regulatory impact assessment (covering the public benefit; equity, diversity and inclusion; and financial impact) every time a new policy initiative is proposed.

And recognizing that it is essential to establish a policy framework and guiding principles to develop, implement, monitor and evaluate policies driven by various internal and external priorities, Council adopted a Policy Development Framework in June. The framework is a part of a series of tools that will be created to ensure PEO's regulatory policy decisions are based on a proper evaluation of risk, solid evidence, a thorough analysis of options and impacts, avoid unnecessary barriers and involve stakeholders in the policy development process.

3. *Establishing metrics for governance performance, which include principles of equity, diversity and inclusion and implementing an annual review.*

This goal establishes metrics for governance performance, including a framework to regularly evaluate the effectiveness of Council, its meetings and its governance committees and identify opportunities for improvement. The plan outlines an intent to implement an annual assessment of Council effectiveness with the assistance of a data analyst.

In addition, the plan suggests providing ongoing training to Council that is informed by the outcomes of its annual

PROFESSIONAL ENGINEERS ACT UPDATES

On December 4, 2023, the *Less Red Tape, More Common Sense Act, 2023* (Bill 139) passed third reading in the legislature and received Royal Assent from the lieutenant governor. [Schedule 15 of this act contains amendments to the PEA designed to modernize and improve operational and procedural performance.](#)

PEO's request to the government for these changes was approved by PEO Council in February. The changes include:

- Replacing paragraph 13 of subsection 7(1) to give Council the authority to make regulations, subject to Cabinet approval, requiring holders of all types of licences and certificates of authorization to provide information necessary for mandatory initial and annual reporting and audits;
- Amending subsection 14(2)(b) to more expressly allow the registrar to refuse to issue a licence to an applicant who does not meet the requirements or the qualifications for the issuance of the licence set out in the regulations;
- Amending subsections 19(3), 24(4) and 43(1) to provide PEO with the ability to deliver documents by email to licensees, applicants and holders; and

- Amending subsections 33(10) and (11) to improve the efficiency of the Complaints Committee by allowing it to take action on a registrar's investigation report without needing to undertake further investigation, specifically, to refer or not refer the matter to the Discipline Committee, or other actions within the authority of the PEA.

The government also made the following changes to the PEA:

- Amending subsection 7(1) and adding a new section 46 to provide the registrar with the authority to approve forms for the purposes of the PEA and require their use. This is a housekeeping item that was also referenced during discussions with the government of changes to Regulation 941 to remove the Canadian experience requirement (as per the policy intent approved by Council on March 31, 2023); and
- Replacing references to the "attorney general" by "minister," as requested by the government.

evaluations, including needs identified by councillors, so it can effectively address identified opportunities for improvement through ongoing education. Once established, this work will continue in an ongoing capacity with the assistance of the Governance and Nominating Committee and PEO staff.

Council Governance Scorecard

In alignment with the strategic objective of implementing a governance improvement program, over 2023 PEO developed a Governance Scorecard, which reports on 12

quantitative indicators aligned to PEO's core functions of Regulatory Operations, Policy, Finance, and Strategy and Organizational Culture. The scorecard was approved by Council at its November meeting.

The Governance Scorecard, introduced in 2024, was developed to support Council's use of evidence-based information in its decision-making process through quantitative indicators and help staff and Council track operational activities and priorities that align with PEO's 2023–2025 Strategic Plan.

KEY GOVERNANCE MILESTONES		
FEBRUARY/ MARCH	• Council approves elimination of the one year of Canadian experience requirement for licensure	• Council stands down the Advisory Committee on Volunteers, Education Committee and Education Conference Planning Subcommittee, Equity and Diversity Committee, External Honours Subcommittee and Gala Advisory Committee (both part of the Awards Committee), PEO-OAA Joint Liaison Committee, PEO-OSPE Joint Relations Committee and Volunteer Leadership Conference Planning Committee
APRIL	• PEO hosts virtual 2023 AGM	• 2023-2024 Council term begins
JUNE	• Council adopts policy development framework	• Council approves Council elections reforms to increase transparency and fairness
SEPTEMBER	• Council approves exempting licence holders who are on fee remission from annual CPD requirements • Council approves hosting 2024 AGM in a hybrid (virtual/in-person) format	• Council passes motion to allow consideration of parallel experience requirements for licensure
NOVEMBER	• Council approves policy development plan to examine four-year experience requirement for licensure • Council approves revised guideline <i>Professional Engineers Providing Acoustical Engineering Services in the Land-Use Planning Process</i> • Council approves new Council Governance Scorecard	• Council stands down licensing, enforcement and professional standards committees. The committees will be replaced with a newly created Strategic Stakeholder Advisory Group, charged with providing input, guidance and recommendations on potential strategies and activities related to PEO's regulatory mandate

REFRESHING PEO'S VISION TO ENSURE ALL STAKEHOLDERS SEE RELEVANCE AND VALUE IN PEO



From left: PEO Past President Nick Colucci, P.Eng., FEC; Attorney General Doug Downey, LL.M., LL.B.; and Jennifer Quaglietta, P.Eng., MBA, ICD.D.

Stakeholder engagement

PEO has committed to serving both operational requirements and Council's policymaking needs through meaningful engagement with stakeholders.

Our new external relations department was created to develop a strategic approach to stakeholder relations where regular, coordinated and meaningful engagement is maintained with government, co-regulatory bodies, licence holders and others. All of this will better inform PEO policies, practices and strategic initiatives.

Over 2023, staff engaged on priority issues with several key stakeholders, including the attorney general, the Ontario fairness commissioner, Engineers Canada, Ontario Society of Professional Engineers (OSPE), Black Engineers Canada and Engineering Deans Ontario. This engagement reinforces ongoing, two-way communication and helps us address any gaps or potential risks in our operations. Priority issues for external stakeholder engagement have included assessing impacts of PEO's mandatory CPD requirement for licence holders and our new FARPACTA-compliant licence process.

In 2023, PEO surveyed licence holders on how they perceive the new CPD requirement and conducted presentations to chapters, licence holders, industry and others on the new requirement and associated program elements. Our FARPACTA-related work saw regular contact with stakeholders, most notably the Office of the Fairness Commissioner and the attorney general. This contact informs our path to compliance and ensures our licensing changes meet both the spirit and intent of the amended legislation. Other key stakeholders, such as universities and colleges, newcomer agencies, engineering advocacy organizations, EITs, students and employers of engineers, were also informed of our progress as we continued to solicit feedback for consideration.

PEO's external relations work aims to align with both operations and governance. Input received will be documented to support various deliberations on relevant matters by staff, governance committees and Council. Such work will also strengthen our communication efforts as the feedback collected will be shared with the communications department so it can be addressed in broader messaging to all stakeholders as required.

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vision statements received

Ultimately, our engagement efforts will help ensure PEO continuously delivers and communicates well-considered and credible regulatory outcomes that align with its mandate of protecting the public interest while also maintaining public confidence in its regulatory role.

2050 vision statement

Last year, [PEO began work on a new vision statement](#) describing what PEO aspires to achieve in the decades to come and aligns stakeholders around a common purpose and direction.

In summer 2023, more than 200 licence holders responded to a call for volunteers to participate in the 2050 visioning process, with all invited to participate as advisory group members. The first round of consultations saw participation from 99 volunteer members across 10 advisory groups. Each advisory group developed proposed vision statements, which were further refined during a second round of consultations. A shortlist of 20 statements was developed at that time.

In August, an external project team was created to guide the facilitation and logistical support of the groups' efforts and ongoing stakeholder engagement. This team, including representatives from PEO volunteers, Engineers Canada, OSPE and engineering faculties and students, is ultimately responsible for proposing the vision statement to Council for consideration. The project team is supported by the advisory groups and will guide, provide feedback and evaluate the results. The breadth of experience and perspectives provided by group members and stakeholders will feed into an iterative process of analysis, design and evaluation that is planned to conclude in early 2024.

Ultimately, this initiative seeks to develop a long-term vision statement to sustain PEO until 2050.

STRENGTHENING EQUITY, DIVERSITY AND INCLUSION

30 by 30

Engineers Canada's 30 by 30 initiative seeks to raise the percentage of newly licensed engineers in Canada who are women to 30 per cent by 2030. PEO's 30 by 30 Task Force was formed in 2018 and established metrics in several key areas. The task force was stood down in 2021, with 30 by 30 work transferred to PEO staff and operationalized through the external relations department. At its annual 30 by 30 check-in in September, PEO announced that in 2022, women engineers represented 20.5 per cent of newly licensed engineers in Ontario while representing 18.4 per cent of all applicants for licensure that year. Since 2018, the percentage of newly licensed engineers who are women has increased from 17.8 per cent; however, since 2020, that percentage has stagnated at just above 20 per cent, never hitting the 21 per cent mark. Additionally, between 2018 and 2022, the percentage of overall women applicants for licensure has also stagnated, dropping slightly from 19.4 per cent in 2018 to 18.4 per cent in 2023. Council made a 10-year commitment to track and measure progress toward the 30 by 30 goal.

Gender audit

To further data collection, PEO contracted experts from the University of Toronto's Rotman School of Management, Sonia Kang, PhD, and Joyce He, PhD, in 2021 to conduct a gender audit of PEO's licensing process and internal operations. In 2022, Drs. Kang and He reported their preliminary findings, which indicated that although women are as successful as men in the academic and National Professional Practice Exam components for licensure, women may not be as successful as men at completing the required 48 months of engineering experience for licensure. The second stage began in the fall of 2023, interviewing past, current and potential applicants for licensure. Questions focused on activities related to satisfying the experience requirement and feedback related to the new FARPACTA-compliant licensure model. A second wave of interviews commenced in November, with questions focusing on goals and plans to become licensed and barriers encountered during the process.



Anti-Racism and Equity Code

In 2022, Council approved a policy code to help prevent issues of systemic racism and discrimination in all aspects of PEO's work. The [Anti-Racism and Equity \(ARE\) Code](#) promotes policy development approaches that initially prioritized the most marginalized communities, including Black, Indigenous and other racialized populations, and focused on developing strategies to counter any systemic discrimination impacting persons based on gender identity. The ARE Code stems from the work of PEO's Anti-Racism and Anti-Discrimination Exploratory Working Group (AREWG). In 2023, staff began work to operationalize outcomes from the AREWG project, including a key deliverable to ensure that PEO's policies and operations achieve the aims set out in the ARE Code. In November, PEO hired an Equity, Diversity and Inclusion (EDI) manager to oversee implementation of the code. From a regulatory standpoint, PEO remains dedicated to ensuring its licensure process reflects its EDI commitments.

In September, PEO began partnering with Indigenous and Community Engagement (ICE), an Indigenous consulting firm whose mission is to deliver socio-economic change through reconciliation efforts. ICE is working with PEO staff and AREWG to conduct a series of Indigenous consultations and help develop strategies in line with PEO's ARE Code. Indigenous Peoples represent over three per cent of Canada's workforce yet represent under one per cent of Canada's engineers.

ABBREVIATED FINANCIALS

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS, YEAR ENDED DECEMBER 31, 2023

	2023 \$	2022 \$
Revenue		
P. Eng. revenue	20,419,085	20,283,903
Application, registration, examination and other fees	10,799,527	10,348,205
Building operations (Note 4)	2,522,215	2,413,344
Investment (loss) income	2,450,361	(586,793)
Affinity program (Note 6)	1,140,377	—
Chapter revenues	183,548	134,816
Advertising income	56,266	77,922
	<u>37,571,379</u>	<u>32,671,397</u>
Expenses		
Staff salaries and benefits/retiree and future benefits (Note 10)	14,755,423	14,339,852
Building operations (Note 4)	2,181,367	2,088,204
Purchased services	2,031,333	1,620,689
Legal (corporate, prosecution and tribunal)	1,889,585	1,369,996
Computers and telephone	1,502,568	1,515,379
Contract staff	1,155,291	795,590
Engineers Canada	1,033,732	1,013,057
Chapters (Note 13)	987,561	817,516
Occupancy costs (Note 4)	868,604	769,050
Transaction fees	795,656	770,105
Consultants	510,595	497,066
Amortization	471,094	575,519
Volunteer expenses	297,730	191,178
Professional development	221,746	79,044
Postage and courier	177,842	272,015
Insurance	144,885	166,296
Recognition, grants and awards	138,143	56,653
Office supplies	72,264	47,930
Staff expenses	66,710	63,275
Printing	57,000	50,218
Advertising	30,583	38,390
	<u>29,389,712</u>	<u>27,137,022</u>
Excess of revenue over expenses before the undernoted	8,181,667	5,534,375
Council discretionary and strategic plan projects (Note 9)	<u>3,879,859</u>	<u>3,463,329</u>
Excess of revenue over expenses	4,301,808	2,071,046
Remeasurement and other items (Note 7)	1,198,300	(2,353,119)
Net assets, beginning of year	<u>34,205,646</u>	<u>34,487,719</u>
Net assets, end of year	<u>39,705,754</u>	<u>34,205,646</u>

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

The above information is an abbreviated version of PEO's 2023 financial statements. The full report appears in the Spring 2024 issue of *Engineering Dimensions* and on PEO's website.

STATEMENT OF FINANCIAL POSITION, AS AT DECEMBER 31, 2023

	2023	2022
	\$	\$
Assets		
Current assets		
Cash	8,986,393	7,585,346
Accounts receivable	914,468	1,012,188
Prepaid expenses and deposits	471,016	436,251
Other assets	36,496	101,167
	<u>10,408,373</u>	<u>9,134,952</u>
Marketable securities	29,112,173	27,117,590
Capital assets (Note 3)	<u>27,213,403</u>	<u>28,423,601</u>
	<u>66,733,949</u>	<u>64,676,143</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 15)	2,233,693	3,589,143
Fees in advance and deposits	12,370,498	12,169,554
Current portion of long-term debt (Note 5)	362,904	1,088,796
	<u>14,967,095</u>	<u>16,847,493</u>
Long-term		
Long-term debt (Note 5)	—	362,904
Employee future benefits (Note 7)	12,061,100	13,260,100
	<u>27,028,195</u>	<u>30,470,497</u>
Commitments and contingencies (Notes 12 and 16)		
Net assets (Note 8)	<u>39,705,754</u>	<u>34,205,646</u>
	<u>66,733,949</u>	<u>64,676,143</u>

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

STATEMENT OF CASH FLOWS, YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess of revenue over expenses	4,301,808	2,071,046
Add (deduct) items not affecting cash		
Amortization	1,318,134	1,410,942
Amortization—other assets	64,671	70,152
Employee future benefits expensed	1,375,100	1,314,300
Change in unrealized losses (gains) on marketable securities	(1,514,609)	1,453,489
Losses (gains) on disposal of marketable securities	225,128	(115,400)
	<u>5,770,232</u>	<u>6,204,529</u>
Change in non-cash working capital items (Note 11)	<u>(1,091,551)</u>	<u>1,233,115</u>
	<u>4,678,681</u>	<u>7,437,644</u>
Financing activities		
Repayment of mortgage (Note 5)	(1,088,796)	(1,088,796)
Contributions to employee future benefit plans	(1,375,800)	(1,305,800)
	<u>(2,464,596)</u>	<u>(2,394,596)</u>
Investing activities		
Net change in marketable securities	(705,102)	(8,632,266)
Additions to capital assets	(107,936)	(144,769)
	<u>(813,038)</u>	<u>(8,777,035)</u>
(Decrease) increase in cash	1,401,047	(3,733,987)
Cash, beginning of year	7,585,346	11,319,333
Cash, end of year	<u>8,986,393</u>	<u>7,585,346</u>

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

Click here to meet PEO's 2023 volunteers. >



VOLUNTEERS

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

In 2023, more than 900 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 subcommittees, 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 recognizes and thanks all those who have served the profession in a wide variety of activities and events throughout the year.

CHAPTERS

PEO's 36 chapters connect members-at-large with PEO Council and provide a local presence for engineering. Over 2023, chapter volunteers promoted STEM education and careers at local schools, organized licence presentation ceremonies, hosted technical seminars and social events, provided virtual forums for members to exchange knowledge and ideas and offered professional development and networking activities.

The 2023 Chapter Leaders Conference and Government Liaison Program Training Summit were held in November. At the event, PEO announced our new Chapters Event Engagement Model, which includes plans for PEO staff to regularly attend chapter events across Ontario.

For more information on chapter activities, visit individual chapter websites. >



Top photo: GLP training participants and panelists (from left) Reza Mahmoudipour, Penelope Williams, Mississauga-Malton MPP Deepak Anand and Zainab Al-Faesly.

Bottom photo: Participants at the North Bay Engineering Day Symposium, which addressed climate change and health in northern Ontario.

GOVERNMENT LIAISON PROGRAM

The Government Liaison Program (GLP) engages volunteers to help ensure that elected members of all parties are aware of how PEO fulfills its regulatory mandate, in particular its contributions to maintaining the highest level of professionalism among engineers working in the public interest. The goal is to have the government view PEO as a partner in delivering key policy priorities.

For a full review of 2023 GLP activities, see the 2023 GLP Year in Review.



HONOURS



2023 Order of Honour ceremony. From left: Lily Yan, Thomas Chong, Annette Bergeron, Richard Christie, Shirley Turnbull and Warren Turnbull.

ORDER OF HONOUR

The [Order of Honour](#) recognizes PEO volunteers, including both professional engineers and others, who have made valuable contributions to the engineering profession. In 2023, four engineer volunteers were inducted into the Order in the [Member](#) and [Officer](#) categories during a [virtual presentation](#) on June 22, 2023.

2023 Order of Honour inductees:

Officer: [Annette Bergeron, P.Eng., FEC, FCAE](#)
[Warren Turnbull, P.Eng., FEC](#)

Member: [Lindsay Keats, P.Eng., FEC](#)
[Thomas Chong, M.Sc., P.Eng., FCAE, FEC, PMP,](#)
[Lean Six Sigma](#)

G. GORDON M. STERLING ENGINEERING INTERN AWARD

The recipient of the 2023 G. Gordon M. Sterling Engineering Intern Award, which celebrates professional leadership achievements of engineering interns and funds leadership development training, was also recognized at the June 2023 virtual ceremony. The recipient is [May Marefat, PhD, EIT](#)

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

In November, Council discontinued the [S.E. Wolfe Thesis Award](#) and [V.G. Smith Award](#) following a review after the launch of PEO's new licensing process. The awards were available to new licence holders who completed a Specific Examination Program (SEP) for licensure, which no longer exists under the new licensing process.



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