

LOGO PLAN

SCALE: 1/4" = 1'0"

PROJECT Annual Report of the Ontario Society of Professional Engineers 2001

PRESENTED To the Annual General Meeting of the Society

DATE Saturday May 11, 2002

LOCATION Crowne Plaza Don Valley, Toronto, ON



Mission, vision and values

Our mission is to advance the interests of professional engineers in Ontario by:

- Advocating on behalf of engineers and our profession;
- Providing members with a sense of belonging and mutual support;
- Supplying valued and innovative services; and
- Offering quality professional training.

Our vision is to be a strong, progressive organization that champions a community of engineers.

We believe...

- Our Society serves the interests of engineers and the engineering profession;
- Cooperation with other engineering bodies is required to achieve our goals; and
- Our staff are partners in our success.

Message from the Chair

Robert A. Goodings, P.Eng.



32' – 0"

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I am pleased to address the province's engineers in this, our first-ever Annual Report.

As we review the progress we have made over the preceding fiscal year, I believe we should also pause to thank those who helped us achieve the many milestones we reached in 2001.

On the eve of our Annual General Meeting, we will take time to honour the Society's founders. This group of 30 plus dedicated engineers worked on committees, held innumerable meetings and led the debate within the profession on the need for a separate advocacy and member service organization. Their commitment, leadership and courage are the foundation upon which this organization was built.

The Board of Directors we elected in 2001 built on the momentum initiated by our founders. I feel privileged to have been their Chair and owe them a tremendous debt of gratitude for their hard work over the past 12 months. We must also not forget our friends at Professional Engineers Ontario who have worked with us from our inception and supported us every step of the way. And, lastly, we would not have been able to accomplish what we have without the support of a growing number of engineers who lent us their time, their support and their enthusiasm. We have seen our membership numbers increase substantially in one year, rising from just over 1,000 engineers in January 2001 to well over 4,000 by year's end. By joining the Society, these engineers have sent a clear signal that they believe in our mission. We look forward to welcoming thousands more of their colleagues as full members in the years to come.

This support – from our founders, our partners and our members – has allowed us to take what was merely a concept of a member service and advocacy organization a year ago and begin to build it into a functioning organization with an office, a small staff and big plans for the future.

One of the Society's first milestones of 2001 was the election of our first Board of Directors in May. When we took over from the interim appointed Board, we realized our number one priority was to put the Society on the path towards growth and self-sufficiency and that we would have to make significant progress towards this goal in our current fiscal year.

The newly-elected Board recognized that staff leadership was the key to this goal. We immediately moved to find and hire a Chief Executive Officer who could help take the vision of the province's engineers and transform it into a working, progressive and dynamic organization. After a thorough search, we hired Randall Pearce and, with his assistance, we began an inclusive process that would help us write our first-ever Strategic Plan.

The Plan's initiatives were crafted and fine-tuned by 100 engineers from across Ontario and are built on solid research that identifies the challenges currently facing the profession. Our Plan will, in the coming years, build an organization that will change the way in which we perceive our profession and how we are perceived by the public, the media and governments. As we do so, we will allow the Society to reach its goal of sustainability by the end of 2003.

We began to reach out to the world beyond engineering in 2001, raising our profile with governments and the public. One of our most important achievements in this regard was our appearance before the Walkerton Inquiry in the late summer and early autumn. The Inquiry's presiding judge welcomed our views, respecting the Society's unique perspective as the organization representing the professionals who plan, design and often oversee the province's water systems. As someone who has spent his entire engineering career working with water and wastewater systems, I was proud to have the opportunity to offer our profession's perspective on that horrible tragedy and help the government and communities across Ontario benefit from our expertise and recommendations.

As I step down as Chair after our Annual General Meeting, I take great pride in what we have achieved in 2001. I believe our progress in the past year shows just what we are capable of when we work through our advocacy organization. I look forward to the future accomplishments of our growing community of engineers as we continue to build a voice for the profession.

Yours truly,

Robert A. Goodings, P.Eng.

Message from the
Chief Executive Officer
Randall T. Pearce, MPA



A

To learn about the genesis of professional associations in Canada, we would normally hit the history books and turn to the nineteenth century. Doctors joined forces to create the Canadian Medical Association in 1867, the same year Canada was founded. Lawyers formed the Canadian Bar Association in 1896. Accountants banded together to form the Canadian Institute of Chartered Accountants in 1902. However, a new chapter was begun with the incorporation of the Ontario Society of Professional Engineers on April 5, 2000.

To be given an opportunity to form a new professional body for professional engineers in the twenty-first century is among the rarest and richest opportunities I can imagine. So, it was with enthusiasm that I accepted the offer to serve as the first full-time Chief Executive Officer of the Society in August 2001. Although I only came on board for the last five months of the year, I believe we made significant headway in planning the future of our nascent organization in that time. More importantly, we have established some important operating principles that will guide our work.

To chart our course ahead, we looked at where we had come from. To carry forward the principles which gave birth to the Society – to be member-driven, to build a voice for engineers, to create a community of engineers – we began by listening. We traveled across Ontario to listen to members and students talk in focus groups about their professional lives and we asked thousands more to give their opinions online. Against this backdrop of member opinion, we sketched a picture of public opinion on engineers and engineering issues by polling the general public and interviewing key opinion leaders. It is through multi-stakeholder research that we are able to chart the future course of the Society between the two shoals of member and public opinion.

However, being a member-driven organization involves much more than passively listening – it requires active engagement. It is for that reason we engaged members from every corner of the province and the profession in meeting the challenges—including the challenge of meeting public expectations—revealed through the research findings. The result was our first Strategic Plan. We have integrated this founding principle into our day-to-day operations by ensuring that there is member oversight and involvement in each and every Society initiative.

To that end, we have been developing a system of volunteer oversight which provides meaningful input

into our processes while keeping the administrative burden to a minimum. In addition to the standing committees one would normally expect to find in a voluntary-sector organization, we have established the role of board monitor. Board monitors work with staff to provide direction on initiatives that are in development or have yet to mature to the point where a task force can be appointed. This concept has worked well in the areas of technology, member services and advocacy. In addition, we formed limited-life task forces and working groups covering safe water, globalization and mobility and relations with PEO chapters.

One member recently compared the process of building the Society into a voice for engineers to “designing and building an airplane while flying it.” While we are taking the time to craft well-thought out plans, we have had to deliver on immediate member and public expectations. While we have been building our capacity as an advocacy organization, we have had to respond to issues of the day. With the invaluable assistance of our Chair, Robert A. Goodings, P.Eng., the engineering profession was well-represented at two sets of hearings into the Walkerton tragedy. At the end of the year, we assembled a group of politically-interested engineers to draft questions for the Ontario Progressive Conservative leadership candidates on science and technology issues.

Creating a sense of community for engineers is a particular challenge in the engineering profession, given its diversity. It was at the Society's board table that we first glimpsed the power of a number of engineers, drawn from every sector and level within the profession, working together to hammer our common approaches and positions. The power of unity through diversity is one which we will want to carry forward into all of our Society's operations.

I owe a tremendous debt of thanks to my Board and staff who helped me settle into this role that is new for both me and the Society. Our Society could not have progressed without the dedication and commitment of these two talented groups. With your support, I am confident we will continue to write history as we tackle the challenges of the future.

A handwritten signature in blue ink, appearing to read "Randall T. Pearce". The signature is fluid and cursive, with a long horizontal stroke at the end.

Randall T. Pearce, MPA
Chief Executive Officer

2001 - A Year to Build

2001 was a year in which the Society began building a voice for engineers in Ontario. Here are a few examples of some of the initiatives we undertook over those 12 months:

Society elects first Board

Following the referendum vote that created the Society in February 2000, an interim Board was appointed. It spent considerable time and energy in the early months of 2001 preparing for the election of the Society's first Board of Directors.

Nominations opened in January 2001 for all nine seats on the new Board. Three of these positions would be elected for a one-year term, three others for two years and a final three for a full, three-year term. As the one-and two-year terms of office come to a close in the coming years, these positions will be replaced with Directors elected for full, three-year terms, ensuring that one-third of the Society's Board will be newly elected each year.

The nomination process attracted a large number of candidates whose names appeared on ballots that were sent in March 2001 to every professional engineer in Ontario. Completed ballots were counted in April and the newly-elected Directors were presented to the May 12, 2001 Annual General Meeting of the Society. The Board's subsequent election of officers saw the appointment of Robert A. Goodings, P.Eng., as Chair, Jennifer Moylan, P.Eng. as Treasurer and Clare Morris, P.Eng., as Vice-Chair and Secretary.

Ontario Engineering Competition reaches out to students

As part of the transfer of non-regulatory functions from Professional Engineers Ontario, the Society assumed a significant role in supporting the Ontario Engineering Competition, an "engineering Olympics" open to students from the province's accredited university engineering programs.

The 2001 competition, held in late February at the University of Guelph, saw teams of students compete in a range of award categories. The Society sponsored the Explanatory Communications category, in which students attempted to explain complex science and engineering processes in plain language. Our highly-visible support highlighted our commitment to welcome students into the engineering profession.

Society takes lead with Engineering Week and Heroes programs

When the provincial government mandated the separation of the regulatory and advocacy/service functions of the engineering profession, Professional Engineers Ontario agreed to focus on its licensing and regulatory role and transfer its non-core programs to the Society.

One of the most prominent of these was the Secretariat of the Ontario Committee of National Engineering Week and the Engineers are Everyday Heroes campaign. The Society assumed responsibility for both programs on June 1, 2001. Engineering Week is a Canada-wide week of activities that focuses public and student attention on the engineering profession. The Heroes campaign airs vignettes on TV Ontario and uses other educational resources to inform school-age children about engineering.

Career Centre finds new home

The Society began providing members with a major employment resource when the employment advisory service was transferred from PEO to the Society on August 1, 2001.

On October 1, we announced new features and resources that would augment the on-line job board, including career planning resources, on-line discussion groups, information on severance and other employment issues and support for foreign-trained engineers looking for Canadian work experience.

In the four-month period to the end of 2001, the Career Centre received over 200 postings for engineering positions and attracted thousands of monthly visitors, making it one of the most popular professional sites on the web for Ontario's licensed engineers.

Helping foreign-trained engineers integrate into the profession

As the Society developed its career support services, we encountered a challenge currently facing all regulated professions in Ontario, namely: How can we help recent immigrants who want to continue working in their professions when they come to Canada? Many immigrants who want to begin a new life in Canada are admitted because they have years of training and work experience in professional fields like engineering. Yet, they often face barriers when looking for work because of different workplace norms, cultural differences or expectations that have little to do with their professional qualifications.

While licensing, regulatory standards and the protection of public safety remains very much the responsibility of PEO, the Society could pursue a range of other options. We were encouraged by the research we conducted in the fall in which 59% of Ontario engineers urged us to help their foreign-trained colleagues integrate



into the profession. We began exploring possible partnerships with various levels of government in order to develop a transition program that the Society could design and deliver. As 2001 drew to a close, we had received very strong expressions of interest from both the federal and provincial levels of government and we will continue to pursue these partnerships in 2002.

Society begins to advocate for the profession

Through the research we conducted in September and October, engineers told us that the most important thing we could do for them was to speak out on their behalf to governments, the media and the general public. We began to find our voice in March when the Society provided the Walkerton Inquiry with a report entitled *Safe Drinking Water & the Role of Professional Engineers*. We subsequently applied for and received standing at Part Two of the hearings into the tragedy and Chair Robert A. Goodings, P.Eng., appeared before the Inquiry in August and September.

Among the 15 recommendations we made to the inquiry was one that the province should enact demand-side legislation to ensure that engineers are involved in the design and oversight of all Ontario water systems. Chair Goodings pointed out that the involvement of professional engineers in water systems has been steadily declining in past decades.

Building on our advocacy around Walkerton, the Society struck a Safe Water Task Force to look at broader water issues in late 2001. The group was made up of Ontario water systems engineers, hydrologists and consultants and began working to offer the profession's perspective on a number of issues related to safer water for Ontarians.

Also later in the year, the Society responded to members concerns by striking a Globalization and Mobility Task Force that was charged with looking at the licensing requirements for engineers in jurisdictions outside Canada. The Task Force expects to post practical information on our website for engineers seeking to pursue opportunities outside of Ontario.

Involving engineers across Ontario

The Society continued to have a regular and productive dialogue with PEO and set up a joint body to investigate how both groups could foster the participation of engineers in every region of the province. The joint Province-Wide Participation Working Group was formed with this purpose in mind in late 2001 and immediately began holding productive discussions with representatives from both organizations from across Ontario.

Our By-laws require the Board to be representative of Ontario's geographic diversity. To meet this requirement, the Society created six geographic regions that correspond to current federal and provincial electoral boundaries. This work was completed well in advance of the Board election scheduled for early 2002 to ensure that candidates would be drawn from a representative mix of Ontario regions.

Research leads to first Strategic Plan

In September, the Society invested in a comprehensive public affairs research program that would provide a key input into our strategic planning process.

We began by engaging one of Canada's foremost independent research firms, Ipsos-Reid Group, to find out what engineers, engineering students, the public and opinion leaders thought of the profession. They conducted focus groups with engineers and students in cities across the province and then used the information from those groups to construct and implement several different opinion surveys. This included polling the Ontario public, interviewing journalists and government decision-makers and – most importantly – gathering detailed feedback from thousands of Ontario engineers through an on-line questionnaire.

Once we had a good idea of the challenges facing the profession, our next step was to involve members in planning the Society's future. Composed of equal numbers of participants from PEO chapters and OSPE common interest sectors, a group called the "Committee of One Hundred" met at the Society's Annual General Assembly in Mississauga on November 17. Engineers from across the province heard a detailed report from Ipsos-Reid and brainstormed in small groups about the challenges identified through the research. Their work became the first draft of our Strategic Plan. This draft was circulated to all Committee members for feedback within ten days of the Assembly's end and the final version was then approved in principle at the Society's December Board meeting.

The Outlook for 2002 - Building a Voice for Engineers

As 2001 drew to a close, it became apparent that 2002 will be a significant year in the Society's future. The Board, volunteers and staff have done considerable work to lay a solid foundation for our future growth. In the coming year, members should look for initiatives first outlined in our Strategic Plan, including increasingly visible advocacy, new member services and a range of professional development offerings. If you haven't already, please join us as we continue to build a voice for engineers in Ontario.



Balance Sheet

As of December 31, 2001

Auditors' Report On Summarized Financial Statements

To the Members of the
Ontario Society of Professional Engineers

The accompanying balance sheet and statements of operations and changes in net assets are derived from the complete financial statements of the Ontario Society of Professional Engineers as at December 31, 2001 and for the year then ended on which we expressed an opinion without reservation in our report dated February 22, 2002. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosure required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the completed financial statements available upon request from the Society's offices.

PKF Hill LLP

PKF Hill LLP
Chartered Accountants
Toronto, Ontario
February 22, 2002

ASSETS

Current assets	2001	2000
Cash	\$ 79,287	\$ 39,448
Short-term investments (operating reserve)	–	630,000
Marketable securities (operating reserve) (market value \$806,198)	800,689	–
Accounts receivable	13,218	–
GST receivable	–	11,678
Prepaid expenses	18,057	10,620
Due from Professional Engineers of Ontario	109,071	23,859
	1,020,322	715,605
Capital assets	129,182	84,317
	\$ 1,149,504	\$ 799,922

LIABILITIES AND NET ASSETS

Current liabilities	2001	2000
Accounts payable and accrued liabilities	\$ 51,491	\$ 10,462
Deferred revenue	2,500	–
	53,991	10,462
Net assets		
Invested in capital assets	129,182	84,317
Operating reserve (internally restricted)	800,689	630,000
Current operations (unrestricted)	165,642	75,143
	1,095,513	789,460
	\$ 1,149,504	\$ 799,922

Statement of Operations

Year Ended December 31, 2001

Revenue

Membership fees	\$ 1,530,952	\$ 22,725
Investment income	24,200	3,776
Career centre	21,730	–
	1,576,882	26,501

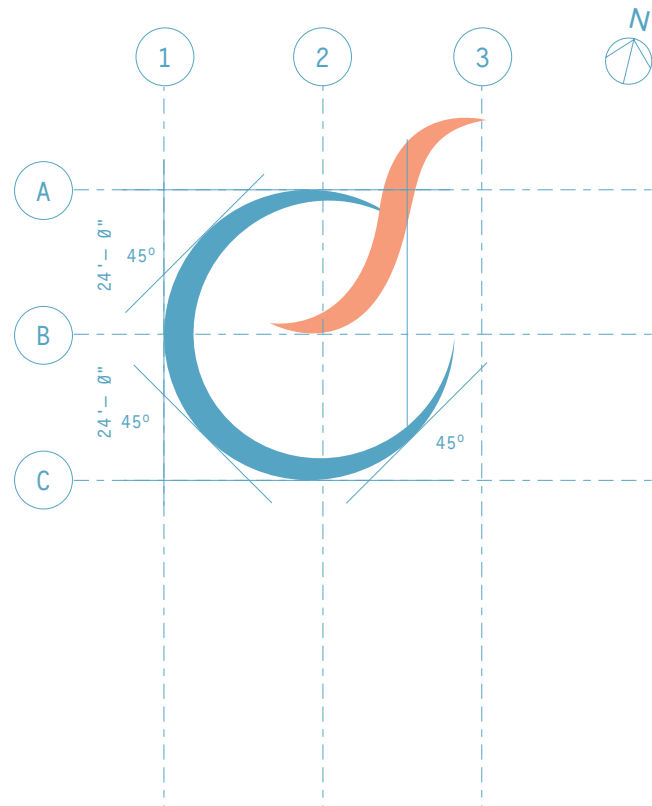
Expenses

Salaries and fees	643,208	71,497
Printing and stationery	112,240	18,534
Elections	95,943	–
Research	90,950	–
Rent	57,730	16,078
Amortization	53,606	4,929
Office and general	50,696	2,896
Postage	50,420	469
Advertising and promotion	48,029	12,674
Audit and legal	47,597	7,007
General assembly	29,520	13,051
Consulting	25,071	12,500
Meetings	21,035	1,564
Auto and travel	10,375	5,377
Professional development	8,030	1,000
Insurance	5,860	–
Telephone	5,250	2,635
Bank charges	683	107
Expense reimbursement by Professional Engineers of Ontario	(85,414)	–
	1,270,829	170,318
Excess (deficiency) of revenue over expenses from operations	306,053	(143,817)
Grant from Professional Engineers of Ontario	–	933,277
Excess of revenue over expenses	\$ 306,053	\$ 789,460

Statement of Changes in Net Assets

Year Ended December 31, 2001

	2001			2000	
	Invested in Capital Assets	Operating Reserve (Internally restricted)	Current Operations (Unrestricted)	Total	Total
Net assets, beginning of year	\$ 84,317	630,000	75,143	\$ 789,460	\$ –
Excess (deficiency) of revenue over expenses	(53,606)	–	359,659	306,053	789,460
Inter-fund transfer	98,471	170,689	(269,160)	–	–
Net assets, end of year	\$ 129,182	800,689	165,642	\$ 1,095,513	\$ 789,460



Recognizing those who served in 2001

The Society would like to thank the following people for their contribution in 2001. Without their support and commitment the Society's success would not be possible.

2000-2001 Appointed Board of Directors

Jeremy Cook, P.Eng., Chair
Robert A. Goodings, P.Eng., Secretary
Maximus H. Perera, P.Eng., M.A.Sc.,
MBA, Treasurer
Stewart Crampton, P.Eng.
C. Todd Springer, P.Eng., M.A.Sc.,

2001-2002 Elected Board of Directors

Robert A. Goodings, P.Eng., Chair
M. Clare Morris, P.Eng., Vice-Chair
and Secretary
Jennifer Moylan, P.Eng., Treasurer
Chris Cragg, P.Eng., MBA
Catherine Karakatsanis, P.Eng.
Cindy Krenosky, P.Eng.
Patrick Quinn, P.Eng.
Christian Snejdar, P.Eng.
Daniel J. Young, P.Eng., M.Eng.

STANDING AND SPECIAL COMMITTEES OF THE BOARD

Audit and Investments Committee

Jennifer Moylan, P.Eng., Chair
Daniel J. Young, P.Eng., M.Eng.
Chris Cragg, P.Eng., MBA

Board Honouraria Committee

Paul Martin, P.Eng., Chair
Chris Roney, P.Eng.
John St. Marseille, P.Eng.

Premises Task Force

M. Clare Morris, P.Eng., Chair
Chris Cragg, P.Eng., MBA
Jennifer Moylan, P.Eng., Treasurer
Daniel J. Young, P.Eng., M.Eng.

SOCIETY TASK FORCES

Globalization and Mobility Task Force

Lionel LaRoche, P.Eng., Ph.D., Chair
Jim Beechinor, MBA
Andy Donlan, P.Eng., MBA
Catherine Karakatsanis, P.Eng.
Oleg Kenchin, P.Eng., Ph.D.
Ed Matikainen, P.Eng., MBA
Todd Springer, P.Eng., M.A.Sc.
Zoran Tijardovic, P.Eng.
George Wesko, P.Eng.

Safe Water Task Force

Robert A. Goodings, P.Eng., Chair
Hershel Guttman, P.Eng.
Jim Merritt, P.Eng.
Andre Proulx, P.Eng.
Dr. David Rudolph, P.Eng., Ph.D.
Ken Wallenius, P.Eng.

SOCIETY REPRESENTATIVES ON EXTERNAL BOARDS AND COMMITTEES

Consulting Engineers Ontario Shortage of Civil Engineers Task Force

Wai Cheng, P.Eng.

National Engineering Week Ontario Steering Committee

Cindy Krenosky, P.Eng.
Habib Sambar, P.Eng.

OSPE/PEO Province-wide Participation Working Group

M. Clare Morris, P.Eng., Chair
Mike Crutchley, P.Eng.
Chris Farrow, P.Eng.
Scott Gibbs, P.Eng.

PEO/OACETT Joint Management Board

M. Clare Morris, P.Eng.

Professional Engineers Awards Committee

Daniel P. Couture, P.Eng.
Catherine Karakatsanis, P.Eng.

SOCIETY STAFF

Randall T. Pearce, MPA, Chief Executive Officer
Stephen Jack, P.Eng., Director, Member Services
Alex Gill, Director, Public Affairs
Joyce Rowlands, Director, Public Affairs*
Valerie Browne, Manager, Administration
Kathie Debren, Coordinator, Office Services
Wilf Flagler, Manager, Career Centre
Frank Sabir, P.Eng., Manager,
Information Services
Andrea Vecera, Coordinator,
Programs and Services

** seconded from PEO for a fixed period*



ONTARIO
SOCIETY
OF PROFESSIONAL
ENGINEERS

Ontario Society of Professional Engineers

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