



Professional Engineers
and Geoscientists of BC

Corporate Practice in BC

**Accountability and public trust: what it means for
engineering and geoscience organizations**

Backgrounder

June 6, 2016

Background

The matter of corporate registration and regulation has been a longstanding issue within the engineering and geoscience communities. Since its inception in 1920, APEGBC has been responsible for maintaining standards of entry and practice for individual professionals. However, the association currently has no similar regulatory authority over engineering and geoscience organizations, even though policies and procedures implemented by these organizations have a fundamental influence on professional practice.

Across Canada, many other jurisdictions have the ability to regulate practice at an organizational level through certificates of authorization or permits to practice. BC and Quebec¹ are the only jurisdictions where engineering and geoscience organizations are not regulated under legislated authority. For those jurisdictions that do have this authority, some regulate all companies that provide engineering and geoscience products and services, and others are restricted to certain sectors.

Early APEGBC Council discussions about the regulation of corporate practice in BC began with the Closkey Commission, which reviewed the Station Square Mall collapse in Burnaby in 1988. The commission recommended, in part, that companies, partnerships, firms and other associations that provide professional engineering services to the public should be required under the Act to be registered; and that such organizations should face deregulation for unethical, unprofessional or incompetent practice. In 1991, following an in-depth review of the Closkey Commission and its recommendations, APEGBC voiced its support for both recommendations and requested amendments to the *Engineers and Geoscientists Act (Act)* to enable them.

In 1993, the Province amended the *Act* to introduce Certificates of Authorization—a licence allowing companies to offer and provide professional engineering services to the public—however, this single amendment only partially accomplished the goal of the recommendations. Without a second amendment to make it illegal for companies to practice without a Certificate of Authorization, nothing in the *Act* prevents companies from operating without such certificates. Certificates of Authorization remained voluntary and there was no widespread support to implement them.

In September 2014, APEGBC conducted a public opinion poll to assess public awareness of APEGBC and what it does, and to determine what APEGBC activities are most important to the public. Eighty one percent of those surveyed indicated that they believed an important function of APEGBC was to regulate firms to ensure they have qualified professionals and standards for quality assurance.

¹ Note. Quebec is considering a review of corporate regulation as a result of the recent events with the Charbonneau Commission.

What problem are we looking to solve?

The practice of professional engineering and professional geoscience in BC is influenced at two fundamental levels—through individual APEGBC professionals, and through the organizations employing those professionals. While APEGBC has a number of programs targeting the practice of individual professionals, to date, the only program APEGBC has in place to address the influence organizations have on the practice of the professions is the voluntary Organizational Quality Management Program. Results from quality management audits carried out by APEGBC on engineering and geoscience organizations to date have indicated that there is a clear need for improving quality management practices at an organizational level.

Why now?

The issue of corporate regulation is raised on an ongoing basis by members and organizations that look to APEGBC to ensure that practitioners and companies within various sectors meet the same quality assurance standards, particularly whenever major incidents involving engineering or geoscience in BC or elsewhere occur. In June of 2015, the BC Ministry of Energy and Mines contacted APEGBC to request a summary of issues related to the potential regulation of companies that carry out professional engineering and geoscience activities. The ministry is exploring this option as a possible outcome of the Mount Polley Mine Dam incident, and has expressed significant interest in APEGBC's evaluation of this issue.

Motivated by these factors, Council began re-examining the issue of corporate practice last year with a focus on how APEGBC could help positively influence, and uphold, the quality of service provided by engineering and geoscience organizations for the good of the BC public.

APEGBC's primary duty is to protect the public's interest. The regulation of engineering and geoscience organizations in BC could enhance APEGBC's ability to better deliver on this duty.

How is APEGBC planning to review different corporate practice regulatory models?

The association's primary duty of public protection remains central to its consideration of this issue. Also key is ensuring individual members' and industry's perspectives are heard.

To meet these requirements, APEGBC's Council established an Advisory Task Force on Corporate Practice that will guide the process of concept development and member and stakeholder consultation.

The Task Force is conducting a comprehensive review of the issue, consisting of: the history of corporate regulation, associated legislation, and an assessment of existing regulatory models in Canada and elsewhere.

Advisory Task Force on Corporate Practice

The work of the Task Force is guided by a Terms of Reference that was approved by Council, and sets out their purpose: through consultation with members and stakeholders, to examine

the issue of regulating companies, organizations, and/or individuals that provide professional engineering and geoscience services, and to deliver recommendations to Council on whether APEGBC should pursue regulatory authority in this area.

The Task Force is comprised of APEGBC members, licensees and industry representatives, including government, manufacturing, construction, the Association of Consulting Engineering Companies - BC (ACEC-BC), and others. Appointments of all Task Force members are approved by Council and a membership list is available [on our website](#).

Consultation

APEGBC's Council has asked the Task Force to guide consultation activities and consider member and stakeholder feedback in order to develop an informed opinion on whether APEGBC should pursue regulatory authority for corporate practice.

Member and stakeholder consultation will include two stages:

- **Stage 1** (June to August 2016) focuses on early input from members and stakeholders to understand the issues and help guide the development and assessment of different regulatory models to explore during the review.
- **Stage 2** (September to November 2016) focuses on more detailed input from members and stakeholders on their preferences for non-regulatory and regulatory options for corporate oversight.

The consultation process is designed to keep members and stakeholders informed on the identification and assessment of options to be explored and provide meaningful opportunities for input in the review process. The feedback received from members and stakeholders will be shared with and help inform the Task Force's deliberations and recommendations to Council. Summaries that identify key themes, concerns, challenges, and opportunities will be presented to Council regularly.

After considering all input, the Task Force will deliver a final recommendation to Council in early 2017. Council will make the final decision whether or not to seek regulatory authority over corporate practice in BC.

Information and consultation opportunities will be widely communicated to members and stakeholders through email, articles in *Innovation* and APEGBC News, and through updates on our website on a regular basis.

More Information

Questions and requests for information can be directed to corporatepractice@apeg.bc.ca. A dedicated section of the APEGBC website has been launched to communicate all information on this issue. Please visit apeg.bc.ca/corporatepractice to learn more.