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**ELECTRICAL SAFETY AUTHORITY (2020 ANNUAL REPORT OF THE
AUDITOR GENERAL OF ONTARIO)
BACKGROUND MATERIAL FOR HEARINGS***

Prepared for:

Standing Committee on Public Accounts

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PREAMBLE

This research package has been prepared by Legislative Research with input from the Office of the Auditor General (the Auditor). It provides a brief summary and relevant documents for the Committee's hearings on the value-for-money audit, "Electrical Safety Authority," in the Auditor General's *2020 Annual Report*. It is recommended that Members refer directly to the audit report (see Appendix item 1) when quoting the Auditor.

OVERVIEW

The Electrical Safety Authority (ESA) was established by the Ontario government in 1999 with a mandate to improve public electrical safety. The ESA is a not-for-profit delegated authority responsible for:

- updating the Ontario Electrical Safety Code (Ontario Code);
- licensing electrical contractors and master electricians;
- inspecting installations to ensure that they comply with the Ontario Code;
- investigating and prosecuting those who perform illegal installations;
- overseeing the local distribution companies (distributors) to ensure they comply with relevant regulations; and
- overseeing the safety of electrical products sold in Ontario.

The ESA's workforce totals about 530 employees, roughly half of whom are inspectors. The ESA does not receive any funding from the government – rather, it is funded from fees that it charges for its work. The Ministry of Government and Consumer Services (Ministry) is responsible for overseeing the ESA.¹

Licensing

One of the functions of the ESA is the licensing of master electricians and contractors. There are two categories of electricians in Ontario: certified and master. While the ESA licenses master electricians, it does not license or regulate certified electricians. The ESA collects fees, administers exams and certifies master electricians. Under certain criteria, an individual or a business can become a licensed electrical contractor. The ESA licenses and renews the licenses of electrical contractors subject to a fee and certain criteria.²

Inspections

The majority of work done by the ESA involves the inspection of electrical installations. ESA inspectors (who are either certified or master electricians) perform three types of inspections:

¹ Office of the Auditor General of Ontario, pp. 1-2, 7.

² AG, pp. 8-9.

- Regular inspections – performed in response to notifications of new installations received by the ESA, these inspections account for around 90% of all inspections. The installations are selected for inspection based on a list of factors using a risk-based approach.
- Periodic inspections – only offered to industrial facilities, these inspections are usually conducted once a year. Electricity distributors, for example, are inspected at least once a year to ensure compliance with electrical distribution safety regulations.
- General inspections – not required by the Acts, these inspections can be performed by the ESA on request, or by electrical contractors themselves. Requests for inspections can range from private homes to federal facilities like airports and mines.

While regular and general inspections can be performed by any ESA inspector, periodic inspections are only performed by 66 dedicated inspectors located throughout the province.

When an unsafe installation is identified during an inspection, the ESA issues a notice to fix the installation as soon as possible. Inspectors are required to follow up on unsafe installations within 14 days (or 35 days if there is no immediate safety hazard) of issuing the notice to check whether the installation has been fixed. Once the installation is deemed fixed, a Certificate of Inspection is issued and the inspection is passed.

Another function performed by the ESA is the investigation of illegal installations, a situation arising when the ESA is not notified of an installation, or when the installation is done by an unlicensed installer. The ESA has 14 designated provincial offences officers, who can issue search warrants and compel evidence and prosecute individuals responsible for illegal electrical installations. Penalties for offenders range from a warning letter to a contractor's licence suspension and prosecution in a provincial court. If found guilty in a provincial court, parties can face up to one year in prison, and maximum fines of \$50,000 for individuals and \$1 million for a corporation.³

Oversight of Product Safety

All electrical products used or sold in Ontario must be tested for safety and certified by one of 35 accredited certification agencies overseen by the Standards Council of Canada. The ESA is responsible for ensuring the certification of the products. In case a manufacturer or seller is distributing uncertified electrical products in Ontario, the ESA can issue a letter outlining the steps necessary to comply with product safety regulations (non-compliance with the regulation can be prosecuted in a provincial court). The ESA can issue a product recall for commercial and industrial electrical products and has an agreement with Health Canada to report incidents involving consumer electrical products. A nationwide product recall for consumer electrical products can be coordinated by Health Canada when necessary.⁴

³ AG, pp. 10-13.

⁴ AG, p. 14

Incident Data Reporting

According to the Ontario Code, all serious electrical safety incidents (potentially resulting in a fatality, critical injury, or substantial damage to property) must be reported to the ESA within 48 hours of occurrence. The ESA then dispatches inspectors to these sites.

The ESA also gathers information on electricity-related fatalities from the Workplace Safety and Insurance Board, the Office of the Fire Marshal and the Office of the Chief Coroner. The consolidated statistics are published in the ESA's annual Ontario Electrical Safety Report.⁵

2020 AUDIT OBJECTIVE AND SCOPE

The objective of the audit was to “assess whether the Electrical Safety Authority (ESA) has effective processes and systems in place to:

- undertake safety activities, including inspections, licensing, investigation, enforcement and product approvals, in accordance with Part VIII of the *Electricity Act, 1998* (Act) and its regulations, and in a way that protects the safety of Ontarians;
- deploy its resources efficiently and effectively to carry out its electrical safety activities; and
- measure and publicly report on the effectiveness of the activities it undertakes to protect the safety of Ontarians.”⁶

The Auditor also “assessed whether the Ministry of Government and Consumer Services (Ministry) has effective oversight processes in place to monitor and confirm that the ESA effectively delivers on its responsibilities to protect the safety of Ontarians.”⁷

The audit focused mainly on operations between 2014 and July 2020. The audit team interviewed ESA staff responsible for inspecting installations, licensing electrical contractors and master electricians, investigating electrical incidents and prosecuting illegal installations. The ESA's senior management, inspectors, customer service representatives and the Chief Public Safety Officer were interviewed as well. The Ministry's oversight of the ESA was also examined.⁸

MAIN POINTS OF 2020 AUDIT

The Auditor found that, while the state of electrical safety in Ontario has improved over the last 10 years, the ESA “does not operate efficiently in carrying out its mandate to improve public electrical safety and focuses its costly

⁵ AG, p. 15.

⁶ AG, p. 16

⁷ Ibid.

⁸ AG, pp.16-17.

resources on inspecting less complex electrical installations.” In addition, “the ESA has been unsuccessful in preventing illegal electrical installations ... and it has not dealt with the widespread availability of online uncertified electrical products.”⁹ Notably, the Auditor found that the ESA:

- conducted unnecessary inspections, and did not utilize technology to make the inspections less costly;
- did not follow up on unsafe electrical installations and did not use a standardized checklist when conducting inspections;
- collected fees and issued certificates of inspection for installations it did not inspect; and
- does not provide access to information that could improve electrical safety, such as the names of licensed contractors who have done unsafe electrical installations in the past.

With regard to ministerial oversight, the Auditor found that “the Ministry of Government and Consumer Services has not fulfilled its oversight responsibilities to ensure that the ESA is operating efficiently, including monitoring that resources are deployed efficiently without compromising public safety.”¹⁰

AUDITOR GENERAL’S RECOMMENDATIONS AND POSSIBLE COMMITTEE QUESTIONS

Operations

The Auditor found that, at the time of the audit, the ESA inspected 67% of all installations it was notified about. A new, risk-based inspection approach was implemented in July 2020, with the goal of reducing the number of inspections by 10%. However, the ESA was still expecting to generate the same level of revenue. The Auditor concluded that, with no plans in place to change the fee structure, the ESA “will continue to collect inspection fees for electrical installations that it does not inspect in order to sustain the current size of its inspector workforce.”¹¹ Further, the salaries paid by the ESA to its inspectors are higher when compared to inspectors performing a similar role at another delegated authority in Ontario.

The Auditor also noted that the ESA rarely does remote inspections through the use of photos or videos, a process commonly used for inspection in other jurisdictions. Rather, the vast majority of the inspections are done in person, which incurs costs relating to inspector travel time and vehicle maintenance. In April 2020, the ESA began inspecting installations remotely due to COVID-19, but the measure is considered temporary.

The Auditor also raised concerns about the ESA’s high inspection fees that could discourage homeowners from having inspections, higher labour costs compared

⁹ AG, p.6

¹⁰ Ibid.

¹¹ AG, p. 19.

to other delegated authorities, and a costly meal reimbursement plan that does not follow the government's policy. Further, at the time of audit, the ESA was not in full compliance with the government's procurement policies.¹²

Auditor's Recommendation 1

To enable the resources of the Electrical Safety Authority (ESA) to be used more efficiently and effectively to improve public electrical safety, we recommend that the ESA:

- refine and further develop its new risk-based inspection approach so that it will result in fewer inspections of low-risk installations and more inspections of higher-risk installations;
- set a target for the reduction of low-risk inspections and publicly report on its performance against this target; and
- wherever possible without jeopardizing public electrical safety, conduct its inspections remotely.

Auditor's Recommendation 2

To enable the resources of the Electrical Safety Authority (ESA) to be used effectively and efficiently to improve public electrical safety, we recommend that the ESA

- review the fees the ESA charges for homeowner installation inspections with an aim to maintain public compliance with electrical safety laws;
- revisit the fee model as a whole to identify where fees can be reduced; and
- identify and implement changes to streamline its operations and reduce operational costs.

Auditor's Recommendation 3

To enable the resources of the Electrical Safety Authority (ESA) to be used more effectively and efficiently to improve public electrical safety, and to avoid any perceived or actual conflict of interest, we recommend that the ESA:

- negotiate with the union representing inspectors to more closely align its reimbursement policy with the Ontario government's Travel and Meal Reimbursement Directive to allow for meal reimbursements;
- as soon as possible provide its inspectors with additional guidance on reasonability of meal expenses; and

¹² AG, pp. 18-23.

- disallow any reimbursements for meals inspectors have with licensed electrical contractors.

Auditor's Recommendation 4

To demonstrate and confirm that the Electrical Safety Authority (ESA) operates economically while improving public electrical safety, we recommend that the ESA implement the changes needed to follow all the requirements of the Ontario Government's Procurement Directive as soon as possible.

Possible Committee Questions

1. Has the Electrical Safety Authority (ESA) refined its risk-based inspection approach so that fewer inspections of low-risk installations and more inspections of higher-risk installations are performed? Has a target been set for the reduction of low-risk inspections? If so, how is the ESA performing against this target?
2. Was the Electrical Safety Authority's fee model reviewed? Were steps taken to reduce the organization's operational costs?

Inspections

When receiving notifications of new electrical installations from a contractor, the ESA classifies the installations based on complexity. The ESA then inspects all complex installations, and a fraction of the simple installations. However, the Auditor found that the ESA inspected 45,000 more simple installations than necessary between 2015 and 2019.

The Auditor further found that ESA inspectors were issuing Certificates of Inspection without physically visiting the inspection sites, while still collecting the fees. Between 2014/5 and 2018/9, the ESA issued certificates to 133,000 uninspected installations, collecting around \$17 million in fees for these uninspected installations. The inspectors' workload has been increasing over the last decade, with inspectors not showing up to 13% of their scheduled inspections, on average.

While the ESA has a checklist to be followed by inspectors in a general inspection, such a checklist is not available for regular and periodic inspections. The Auditor noted that "by having a standardized checklist, inspectors could more consistently request photos of components of electrical installations to assess against the Ontario Electrical Safety Code."¹³

When the audit team reviewed the ESA's computer system for records on unresolved cases, they found that 30% of unsafe installations were not followed up on within the appropriate timeframe. The ESA was further found to lack in its monitoring of large industrial facilities' compliance with installation notification requirements.

¹³ AG, p. 26.

As for the ESA's oversight of electricity distributors, the Auditor found that the ESA has yet to implement 22 of the 54 action items proposed by a consultant in 2019. Among the items yet to be implemented are requirements relating to distributors submitting evidence that non-compliances were addressed, incident reporting, and following appropriate signing protocols.

The Auditor also noted that the ESA sometimes prioritizes general, non-mandatory inspections ahead of regular inspections (which the ESA is responsible for by law). Further, the ESA does not confirm that unsafe installations identified during the general inspections are fixed. In a few instances, the ESA did not follow up on installations that posed a serious risk of fire and/or electrocution.¹⁴

Auditor's Recommendation 5

To improve the public electrical safety inspection process and confirm that Electrical Safety Authority (ESA) inspectors are checking installations in accordance with its new risk-based inspection policy, we recommend that the ESA:

- put controls in place to ensure inspectors are not over-inspecting simple installations and under-inspecting more complex installations; and
- stop issuing certificates of inspection for installations that require a site visit but are not inspected.

Auditor's Recommendation 6

To help maintain public electrical safety by conducting thorough and consistent inspections of electrical installations, we recommend that the Electrical Safety Authority (ESA):

- change its inspection scheduling process to ensure that its inspectors are given the time needed to properly conduct all assigned inspections, and reduce the number of rescheduled inspections required that result from cancellations; and
- notify people if their scheduled inspections are cancelled.

Auditor's Recommendation 7

To help maintain public electrical safety through thorough and consistent inspections of electrical installations, we recommend that the Electrical Safety Authority:

- develop inspection standards and checklists as soon as possible;
- make its inspection standards and checklists publicly available; and

¹⁴ AG, pp. 23-31.

- establish a monitoring process to ensure that the new inspection standards are being followed.

Auditor's Recommendation 8

To protect the public from fire, electrocution and other possible harm from unsafe installations, we recommend that the Electrical Safety Authority:

- establish one clear policy on when follow-up must be conducted, addressing both regular and periodic inspections;
- test its computer systems for correct functioning, and accurate processing and display of all inspection information; and
- monitor that inspectors are doing follow-up inspections within the set timelines and that unsafe installations are fixed within the required time.

Auditor's Recommendation 9

To enhance public electrical safety, we recommend that the Electrical Safety Authority (ESA) verify that industrial facilities that switch from periodic to regular inspections are notifying the ESA of all of their electrical installations.

Auditor's Recommendation 10

To enhance public electrical safety, we recommend that the Electrical Safety Authority (ESA) promptly act to implement all of the action items from the consultant reviews of the ESA's oversight of local distribution companies (distributors) that have not yet been implemented.

Auditor's Recommendation 11

To ensure regulatory inspections are not negatively impacted by general inspection services that are not required by law, we recommend that:

- the Ministry of Government and Consumer Services assess the appropriateness of the Electrical Safety Authority conducting general inspection services to the public and stop them immediately if it finds this is inappropriate; and
- the Electrical Safety Authority follow up on any instances of non-compliance with the Ontario Electrical Safety Code in a timely manner, if general inspection services continue to be offered to the public.

Possible Committee Questions

3. Is the Electrical Safety Authority still issuing Certificates of Inspection for uninspected installations that require a site visit?

4. Has the Electrical Safety Authority developed publicly-available inspection standards and checklists? If so, is there a monitoring process to ensure compliance?
5. Were steps taken by the Electrical Safety Authority to ensure timely follow-up on unsafe installations?
6. What is the status of implementation of the action items from the consultant reviews of the Electrical Safety Authority's oversight of local distribution companies?
7. Has the Ministry of Government and Consumer Services assessed the appropriateness of the Electrical Safety Authority conducting general inspection services? If so, what was the conclusion of the assessment?

Illegal Electrical Installations

In Ontario, only ESA-licensed electrical contractors can offer electrical services to the public. It is also illegal to perform any kind of electrical installation without notifying the ESA. Nonetheless, the Auditor found that advertisements of illegal electrical work are widespread. The ESA had an employee dedicated to verifying the advertising electricians' ESA licence status, but the employee was not replaced after leaving the organization in 2017.

None of the 20 "for-hire electricians" contacted by the Audit team through online ads were licensed with the ESA. Multiple electricians offered a lower quote (\$200 less on average) under the condition that the ESA is not notified of the installation.

Over half of homeowners surveyed by the ESA in 2020 indicated that they had obtained electrical services from an electrician who was not legally allowed to offer electrical installations. The Auditor concluded that "the law that prohibits certified electricians and master electricians from offering their services to the public is one of the contributing factors to the widespread problem of illegal electrical installations."

The Auditor further found that major home insurers in Ontario do not require electrical installations to be inspected by the ESA. The same is true for the municipalities contacted by the Audit team; five Municipal Chief Building Officials said that they do not require proof of ESA inspection when a municipal inspection of a completed renovation is done. ESA inspections are only required when a newly-built home has to be connected to the distribution line for the first time.

While the ESA has spent around \$2.3 million on public awareness campaigns since 2015, surveys conducted from 2015 to 2020 found that almost half of homeowners surveyed did not know that only a licensed contractor can legally be hired to perform electrical installations. If anyone but a licensed contractor is hired, the homeowner might become liable for any injuries or damages that could occur during the installation.

As mentioned above, the ESA is responsible for investigating and prosecuting those who perform illegal electrical installations. However, the ESA has to go

through a provincial court to impose monetary fines. The Auditor noted that having the power to issue fines would “allow the ESA to more efficiently target those that perform illegal installations by issuing fines directly rather than going through lengthy court proceedings.”¹⁵

A 2017 ESA pilot project intended to curb illegal installation was found to have significant weaknesses, including the use of outdated information, delayed inspections, and an ineffective deterrence mechanism.¹⁶

Auditor’s Recommendation 12

To improve compliance with electrical safety laws and reduce the number of illegal electrical installations, we recommend that the Ministry of Government and Consumer Services together with the Electrical Safety Authority and industry stakeholders:

- reassess the current restrictions in Ontario where electrical work for the public can only be conducted by licensed electrical contractors to determine if other arrangements are possible for certified electricians and master electricians; and
- determine whether certified electricians or master electricians can be allowed to perform lower-risk installation work.

We also recommend the ESA in consultation with industry stakeholders review and establish reasonable licensing and inspection fees to address the illegal electrical installation market.

Auditor’s Recommendation 13

To reduce the occurrence of illegal electrical installations, we recommend that the Ministry of Government and Consumer Services together with the Electrical Safety Authority work with municipalities to determine whether the ESA inspections can be incorporated into the building permit assessment process.

Auditor’s Recommendation 14

To enhance public awareness about the risks associated with hiring unlicensed electrical contractors, we recommend that the Electrical Safety Authority:

- re-evaluate its approach to public awareness campaigns to better inform the public on the risks of hiring an unlicensed contractor; and
- educate the public on the differences between a certified electrician, master electrician, and a licensed electrical contractor.

Auditor’s Recommendation 15

To significantly reduce widespread illegal electrical installations, we recommend that:

¹⁵ AG, p. 35.

¹⁶ AG, pp. 31-37.

- the Ministry of Government and Consumer Services enable the Electrical Safety Authority (ESA) to directly issue monetary fines; and
- the ESA dedicate sufficient resources to review and follow up on all reported cases of illegal electrical installations.

Possible Committee Questions

8. Was the Electrical Safety Authority involved in a reassessment of the restrictions on conducting electrical work in Ontario? Was there a determination of whether certified electricians and master electricians should be allowed to perform low-risk installation work?
9. Has the Electrical Safety Authority re-evaluated its approach to public awareness campaigns to better inform the public on the risks of hiring an unlicensed contractor, or the differences between a certified electrician, a master electrician and a licensed electrical contractor?
10. Were steps taken by the Electrical Safety Authority to ensure that sufficient resources are dedicated to review and follow up on all reported cases of illegal electrical installations?
11. Has the Ministry of Government and Consumer Services enabled the Electrical Safety Authority to directly issue monetary fines?

Licensing and Product Safety

The ESA administers the exam that certified electricians must take to become master electricians. The Master Electrician Exam is comprised of 80 multiple choice questions pulled randomly from three question banks. The Auditor found that “the ESA does not have a sufficient number of questions in its question banks to produce enough unique exam offerings.”¹⁷ On average, 40% of questions were identical when comparing exams from different years. In addition, continuing education for certified and master electricians is not a licensing requirement, with the ESA not requiring master electricians to complete any mandatory training on changes to the Ontario Code.

As for the ESA’s responsibility to ensure electrical product safety, the Auditor found that “the ESA’s process to stop the sale of uncertified electrical products is not effective.”¹⁸ The availability of uncertified electrical products online is widespread, and the Auditor suggested that a surveillance program to monitor the large number of electrical products shipped into Ontario each day is not practical.

While reviewing a sample of 45 reports of uncertified electrical products received by the ESA, the audit team found that the ESA took the appropriate action (investigating and getting a certification agency report) in only 10 instances (or 22% of the reports).¹⁹

¹⁷ AG, p. 36.

¹⁸ AG, p. 38.

¹⁹ AG, pp 36-39.

Auditor's Recommendation 16

To strengthen its Master Electrician licensing process, we recommend that the Electrical Safety Authority more frequently update the Master Electrician exam with new questions.

Auditor's Recommendation 17

To enhance public electrical safety, we recommend that the Electrical Safety Authority work together with the Ministry Government and Consumer Services to:

- implement a continuing-education requirement as a condition of master electrician licensing; and
- work with the body that oversees the certification of electricians to discuss implementing a requirement for continuing education.

Auditor's Recommendation 18

In light of the wide availability of uncertified electrical products online, the Ministry of Government and Consumer Services, together with the Electrical Safety Authority and industry stakeholders, should review the current electrical product safety regulation and accordingly, adapt it to the current online market environment.

Auditor's Recommendation 19

To enhance electrical safety, we recommend that the Electrical Safety Authority:

- conduct a review, and develop and implement a plan to target the sale and use of unsafe electrical products in Ontario; and
- dedicate sufficient resources to review and follow up on all reported cases of unsafe electrical products being sold in Ontario.

Possible Committee Questions

12. Has the Electrical Safety Authority updated the questions for its Master Electrician exam?
13. What steps has the Electrical Safety Authority taken to implement a continuing-education requirement as a condition of master electrician licensing?
14. Does the Electrical Safety Authority have a plan in place to target the sale and use of unsafe electrical products in Ontario? Are sufficient resources dedicated to review and follow up on all reported cases of the sale of unsafe electrical products in Ontario?

15. Has the Ministry of Government and Consumer Services reviewed the current electrical product safety regulations in light of the current online market environment?

Public Access to Electrical Safety Information

During the audit, some gaps in the ESA's disclosure of safety-related information were identified. ESA employees who are asked to answer technical questions over the phone are not trained to do so, and would redirect the calls to inspectors. However, many of the calls would go unanswered due to the inspectors' busy schedule. Further, the ESA does not disclose unsafe past installations by contractors, nor whether a contractor's licence had been suspended in the past. Other gaps include incomplete information in the annual Safety Report, and underreporting of uncertified electrical products.²⁰

Auditor's Recommendation 20

To be more responsive to the public in providing timely information on electrical safety, we recommend that the Electrical Safety Authority:

- train staff to respond accurately and completely to all calls with technical questions and assign a sufficient number of employees to this responsibility;
- review its policy to increase disclosure of information to callers about licensed electrical contractors' past performance and licence status; and
- review the disclosure provided with respect to licensed entities by Technical Safety BC, and work with stakeholders to identify categories of additional information to be publicly disclosed on licensed electrical contractors.

Auditor's Recommendation 21

To provide Ontarians with complete and transparent information about the state of electrical safety in Ontario, we recommend that the Electrical Safety Authority annually report the results of its investigations of electrical safety incidents, its operational information and complete product safety information after it has been reviewed for accuracy.

Possible Committee Questions

16. Has the Electrical Safety Authority trained a sufficient number of staff to respond accurately to all calls with technical questions?
17. Was there a review of the Electrical Safety Authority's policy on the disclosure of information about licensed electrical contractors' past performance and licence status?

²⁰ AG, pp. 39-41.

Governance and Ministry Oversight

The ESA's governance structure and oversight by the Ministry was also examined. Notably, the ESA Board does not have a member representing consumers' interests. In addition, the member appointments process is not followed, with the ESA unable to provide the audit team with interview notes or completed score sheets for recently appointed members.

The administrative agreement between the ESA and the Ministry, signed in 2013, outlines the activities the ESA can engage in beyond its mandate. The agreement further requires the ESA to hire an external consultant to periodically verify that the additional work is not interfering with the ESA's mandate. The first review was done in 2019, and was found by the audit team to be lacking in scope, ignoring factors such as inspection scheduling and expenditure allocation. Further, the Auditor noted that "the Ministry has not used meaningful operational performance metrics to ensure that the ESA is operating effectively and in a cost-efficient way to carry out its responsibilities under the Acts."²¹

Auditor's Recommendation 22

To support the Electrical Safety Authority (ESA) in representing the interests of consumers, we recommend that the ESA replace the CEO Board position with a member position representing the interests of consumers.

Auditor's Recommendation 23

To demonstrate a transparent Board appointment process, we recommend that the Electrical Safety Authority (ESA):

- establish a documentation and recordkeeping process for the appointment of new Board members;
- establish a process to ensure Board members are independent from the ESA's management; and
- publicly disclose the salaries of all its Board members.

Auditor's Recommendation 24

To ensure that Electrical Safety Authority (ESA)'s non-mandatory services are not interfering with its responsibilities under Part VIII of the Electricity Act, 1998 and the Safety and Consumer Statutes Administration Act, 1996, we recommend that the ESA work with the Ministry of Government and Consumer Services to more precisely define and agree on the scope and level of review work that is required to be performed when engaging a third-party consultant.

Auditor's Recommendation 25

To confirm that the Electrical Safety Authority (ESA) is meeting its mandate to improve public electrical safety in a cost-effective way, we recommend that the Ministry of Government and Consumer Services:

²¹ AG, pp. 42-44.

- establish outcome measures and performance targets for the ESA that focus on cost efficiency and safety improvement in the electricity sector;
- on a regular basis, assess the ESA's performance against these targets; and
- take corrective actions when the ESA does not achieve the targets.

Possible Committee Questions

18. Has the Electrical Safety Authority established a documentation and recordkeeping process for the appointment of new Board members? Is there a process to ensure that Board members are independent from the ESA management?
19. Were steps taken by the Ministry of Government and Consumer Services to establish outcome measures and performance targets for the Electrical Safety Authority that focus on cost efficiency and safety improvement in the electricity sector?

APPENDIX

1. Auditor General, [Electrical Safety Authority – a Value-for-Money Audit in the 2020 Annual Report of the Auditor General of Ontario](#)
2. Auditor's [News Release](#).
3. Auditor's [Summary of Report \(One-pager\)](#).