

September 22, 2021.

Christopher Tyrell
Clerk of the Standing Committee on Public Accounts
Legislative Assembly of Ontario
Toronto, Ontario M7A 1A2

Dear Mr. Tyrell,

We are pleased to respond to your August 10, 2021 letter noting that the Standing Committee on Public Accounts will be reviewing the Value-for-Money Audit: Electrical Safety Authority (ESA) from the 2020 Annual Report of the Office of the Auditor General of Ontario on October 6, 2021.

As requested, please find attached the completed Summary Status Table that outlines the progress to date for the Auditor General's recommendations that were directed to the Electrical Safety Authority. A separate Summary Status Report will also be provided from the Ministry of Government and Consumer Services to reflect all the recommendations that were directed to the Ministry.

To support the Committee's work, I will be attending along with:

- Annette Bergeron, Chair of ESA's Board of Directors
- Earl Davison, ESA's Vice President of Operations
- Josie Erzetic, ESA's Chief Regulatory Officer and General Counsel
- Joel Moody, ESA's Chief Public Safety Officer

The Electrical Safety Authority will continue to work with the Ministry of Government and Consumer Services to address each of the recommendations identified by the Auditor General of Ontario.

Should you have any additional questions or require further information, please contact me.

Sincerely,



David Collie
President and Chief Executive Officer
Electrical Safety Authority

CC: Bonnie Lysyk, Auditor General of Ontario
Renu Kulendran, Deputy Minister, MGCS
Michèle Sanborn, Assistant Deputy Minister, MGCS
Annette Bergeron, Chair of the Board, ESA

Enclosure: Summary Status Table in Response to the Report of the Auditor General of Ontario (Value-for-Money Audit: Electrical Safety Authority)

Summary Status Table in Response to the Report of the Auditor General of Ontario
Value-for-Money Audit, 2020 Annual Report of the Auditor General, Electrical Safety Authority

	Auditor's Recommendation	Completed Undertaking	Outstanding Undertaking (including timeline)
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.	• ESA's new Risk Based Oversight program was implemented on July 6, 2020. Each notification is scored by risk level, with sample rates defined to assign resources. • A target is being implemented to measure effort against inspections by risk rating. • Remote inspection protocols launched and pilots developed to support and supplement the use of remote inspections. .	Target completion is Fall 2021. • The target visit rate for all wiring notifications will be established and the monthly results will be posted on ESA's website.

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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.	• Homeowner notifications versus contractor notifications have been compiled and analyzed. • Under Risk Based Oversight, ESA's fee model was reviewed and consulted on, with reduced fees taking effect on July 6, 2020. • ESA identified and implemented changes aimed at streamlining and reducing operational costs resulting in an effective reduction in operating expenses of 5%.	Target completion is Summer 2022. • ESA is reviewing comparable jurisdictions' fees and reviewing operational costs to identify opportunities to modify the fee model.
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;	• Notice was given to all inspectors regarding the reasonability of meal expenses on January 12, 2021. Meal expenses are monitored monthly. • Direction was given to all regulatory inspectors prohibiting meal purchases for Licensed Electrical Contractors on January 12, 2021.	Target completion is Spring 2023. • Meal reimbursements are a negotiated item within the Collective Agreement. This item will be actioned during the upcoming Collective Bargaining process, which will commence in Spring 2023.

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	• as soon as possible provide its inspectors with additional guidance on reasonability of meal expenses; and • disallow any reimbursements for meals inspectors have with licensed electrical contractors.		
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.	This Recommendation is fully implemented. ESA implemented changes to align with the Ontario Government's Procurement Directive. These changes include: implementation of vendor response evaluation guidance; performance evaluation and debriefing; incorporating the OPS' VOR; and records retention.	N/A

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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.	This Recommendation is fully implemented. • Risk Based Oversight was implemented July 6, 2020. Each wiring notification is scored by risk level, with sample rates defined to assign resources by risk level. The number of inspections completed by risk level is reported regularly and monitored by management. • Where a wiring notification is passed but not visited, the applicant receives a Certificate of Acceptance.	N/A

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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.	• Risk Based Oversight was implemented on July 6, 2020. This program enables ESA to reduce the number of physical inspections assigned to an inspector based on risk. • ESA has begun working on the design for building a scheduling function that only assigns inspectors the work they can accomplish in a day, based on risk and job content. • ESA inspectors have also begun advising applicants electronically via text or email, about changes to inspections. A pilot to expand this notification process on a wide basis began in April 2021.	Target completion is Fall 2023. • ESA will build the design for inspector scheduling through the development of scheduling tools that align assigned workload with inspector resources. • ESA will also develop and implement communication mechanisms to provide notice when an inspection cannot be completed as scheduled.
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 • establish a monitoring process to ensure that the new inspection standards are being followed.	Development of inspection standards and checklists for high volume inspections and defect types for regular and periodic inspections is underway.	Target completion is Fall 2021. • Finalize the checklists. • Publish the checklists on ESA's website. • ESA is developing and will finalize a best business practice with follow-up mechanisms that ensure standards are being adhered to.

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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.	• Inspector's guidelines for defect follow up at periodic inspection sites were completed to align with regular inspection sites. • ESA's systems were updated to display all required information and testing was completed to ensure the changes function correctly.	Target completion is Summer 2021. • Corporate procedures are being strengthened to align the defect follow-up process with the regular inspection processes. • ESA is monitoring the systems for correct functioning and strengthening internal requirements to manage activities of inspectors to follow-up on defects within established timelines.
9	To enhance public electrical safety, we recommend the ESA verify that industrial facilities that switch from periodic to regular inspections are notifying the ESA of all of their electrical installations.	A process has been developed to follow up on sites that are no longer part of the periodic inspections program known as Continuous Safety Services (CSS). This process is currently being piloted across all Regions.	Target completion is Fall 2021. ESA will review and make any adjustments to the pilot process in the fall of 2021 before finalizing.
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.	45% of the outstanding 22 action items referred to in the Auditor General's report are complete.	Target completion is Spring 2022. Complete the remaining outstanding action items.

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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.	• ESA has completed an analysis of its general inspections program to support the development of advice to the ministry on how services should be provided in the future. • The ministry will be provided with ESA's formal assessment in Fall 2021 for consideration.	Target completion is Summer 2022. • Review the assessment with MGCS to determine which general inspection services may cease. • Develop and implement next steps and possible changes in ESA's system.

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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.	• ESA has completed a review of current restrictions and potential categories of “lower-risk” electrical work. • An assessment of potential categories of lower-risk electrical installation work is complete. • The development of the Risk Based Oversight model included consultation. As a result, some fees were reduced; the reductions took effect on July 6, 2020.	Target completion is Fall 2022. • Stakeholder feedback will be sought on categories of lower-risk electrical work. Consultation is scheduled to take place September-November, 2021. Once all activities are complete, ESA will submit a final report to MGCS with a recommended approach. • ESA will review operational costs and consider further fee reduction opportunities to help address illegal installations.

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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 ESA inspections can be incorporated into the building permit assessment process.	Research and jurisdictional scans are complete. This included a review of the legislative and regulatory frameworks across Canada to identify any existing models where there may be linkages between building and electrical permit or inspection processes. Further, ESA conducted a detailed review of 444 municipalities in Ontario to identify existing linkages or references to ESA.	Target completion is Fall 2022. - ESA and MGCS will complete municipal engagement to better understand the current building permit and inspection process. (concludes in October). - ESA is developing a targeted consultation plan to engage key industry stakeholders in Winter 2022. The goal of the consultation is to obtain feedback on whether electrical notifications/ inspections may be incorporated into the building permit process and if so, at what point. Following which there will be a summary of all findings and a recommended approach provided to the ministry.

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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.	• ESA re-evaluated the approach towards public awareness campaigns and has made modifications where appropriate to enhance these campaigns. • New Licensed Electrical Contractor communications material to educate homeowners on ESA, and the differences between a certified electrician, master electrician and licensed electrical contractor have been developed.	Target completion is Summer 2022. • A new ESA communications campaign related to the safety importance of hiring a Licensed Electrical Contractor will be launched in Fall 2021. Part of this campaign will create awareness around the differences between an electrician, Master Electrician and a Licensed Electrical Contractor.
15	To significantly reduce widespread illegal electrical installations, we recommend that: The Ministry of Government and Consumer Services enable the 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.	• The ministry and ESA have completed comprehensive jurisdictional analysis of existing administrative monetary penalties frameworks to assess its applicability to the ESA. • Based on this research, the ministry has developed a proposal to bring forward for government decision-making to enable the ESA to issue monetary fines in support of a robust compliance regime. • ESA has added additional resources to its Compliance and Enforcement team and has implemented a process to review and respond to reported cases of illegal installations.	• ESA will continue to utilize existing compliance tools (e.g., notice violations) when addressing illegal electrical installations. • ESA will continue to track its review and response rate to reported cases of illegal electrical installations. • ESA and the ministry will continue to work closely to implement this recommendation which is on track for completion by Summer 2022.

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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.	A working group, consisting of internal and external experts, has reviewed and enhanced existing questions as well as created additional Master Electrician Exam questions. 208 new exam questions were created. Same have been reviewed with the Master Examining Committee of the ECRA Advisory Council to solicit stakeholders' perspectives.	Target completion is Summer 2022. ESA continues to work with the working group to finalize newly created questions, review existing questions for accuracy and consistency, and will report to the ECRA Advisory Council on the process.
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	• Jurisdictional scans as well as targeted stakeholder discussions regarding mandatory Continuous Education frameworks for Master Electricians were completed. • A report summarizing same has been submitted to MGCS.	Target completion is Fall 2022. • ESA and MGCS will prepare a final summary of findings and a recommended approach for the Continuous Education Framework. • MGCS and ESA will reach out to Skilled Trades Ontario to hold discussions, once it is operational.

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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.	- The ESA and the ministry have undertaken extensive research activities in support of this recommendation which includes a jurisdictional scan of comparable regulators and an assessment of relevant legislative frameworks. - The ESA and the ministry have also undertaken extensive stakeholder engagement, including the launch of a multi-sectoral working group, the Product Safety Task Force, which has held six meetings since inception to September 2021. The focus of the working group is to determine how the product safety regulation may be adapted to the current online market environment. - Preliminary discussions have also been held with Health Canada to assess the current roles of the federal and provincial government as regulators in this space.	- The ESA and the ministry are taking a phased approach for the completion of this recommendation to reflect the time needed to engage in multilateral discussions. - As part of the first phase of work, the ministry and the ESA will continue to review the current legislative framework to determine ways to address product safety concerns stemming from the proliferation of the online marketplace. - This includes completing targeted stakeholder engagement and developing options for consideration.

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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.	• A Product Safety Plan, which will guide the organization in the interim period, pending changes to the Product Safety Regulation has been developed, stakeholdered and finalized. It outlines an approach to target the sale and use of unsafe electrical products in Ontario (across both online markets and traditional retail channels). • Additional resources have been dedicated to review and follow up on reports. ESA has enhanced its ability to do so by utilizing a new database to track reported unsafe electrical products being sold in Ontario.	Target completion is Summer 2022. • ESA implemented the interim plan and continues consultation and engagement with key stakeholders to develop a long-term approach. • ESA will continue following up on all reported cases of unsafe electrical products being sold in Ontario and provide a summary of review and follow-up that was undertaken with respect to reported cases within the period following this recommendation.

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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.	• A knowledge base of existing publicly available technical information for public to access was developed. • ESA assessed its procedure on disclosing information to callers about licensed electrical contractors’ performance and status. • Information that Technical Safety BC shares on its website regarding electrical contractors was reviewed in addition to disclosure provided by other jurisdictions.	Target completion is Summer 2022. • ESA will implement training for staff on how to access and share technical information. ESA will also increase ease of access to this information on its website. • The procedure will be revised as necessary to coincide with the work being completed to identify categories of additional information that may be disclosed on Licensed Electrical Contractors. • The next step is to work with key stakeholders to seek feedback on categories of additional information that may be disclosed to the public.

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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.	- Some additional operational information was added to the fiscal year 2021 Annual Report. - The Ontario Electrical Safety Report (OESR) will report its investigations as an Appendix, which will also be available online. - A process to ensure the reporting of product safety is accurate has been implemented in the OESR.	Target completion is Summer 2022. ESA will continue to undertake a review of other jurisdictions and assess its current reporting with respect to investigations, operations and product safety information to determine what additional information may be added.
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.	ESA has made changes to its constating documents in order to facilitate this replacement.	Target completion is Fall 2021. ESA will initiate a process to recruit the new Board member.
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.	- The documentation and record keeping processes for appointing new Board members is complete. - ESA developed a process to ensure Board members are independent from ESA management.	Target completion is Summer 2021. - ESA has implemented the new processes. - Direction to ESA by MGCS on Board salary disclosure is pending.

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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.	ESA has reviewed the scope and level of review work that is required to be performed when assessing compliance with Schedule F of the Administrative Agreement.	Target completion is Spring 2022. • ESA will consult with external auditor regarding additional procedures that provide more detail and clarity on the evaluation of ESA's delivery of non-regulatory services. MGCS will be provided with the updated procedure. • ESA and the ministry will work closely to more precisely define the scope of future third-party consultant engagements and take any appropriate next steps.
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: • 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.	ESA and MGCS created a joint working group to review existing performance measures focused on cost efficiency and safety, also taking into account requirements of ESA's Administrative Agreement.	Target completion is Spring 2022. ESA and MGCS will work closely to establish outcome measures and performance targets for the ESA that focus on cost efficiency and safety improvement in the sector.