

**Ministry of Government and
Consumer Services**

**Ministère des Services
gouvernementaux et des
Services aux consommateurs**



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September 22, 2021

Christopher Tyrell,
Clerk of the Committee – Standing Committee on Public Accounts
Legislative Assembly of Ontario
99 Wellesley Street West
Room 1405, Whitney Block

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 ministry. A separate Summary Status Report will also be provided from ESA to reflect all the recommendations that were directed to the organization.

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

- Michèle Sanborn, Assistant Deputy Minister, Policy, Planning, and Oversight Division
- Hussein Lalani, Director, Public Safety and Operations Policy Branch
- Samantha Pinto, Manager, Regulatory Policy and Oversight Unit

The Ministry of Government and Consumer Services will continue to work with the ESA 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 Michèle Sanborn, Assistant Deputy Minister, Policy, Planning, and Oversight Division, Ministry of Government and Consumer Services, at (416) 326-8881.

Sincerely,

A handwritten signature in black ink, appearing to read "Renu Kulendran".

Renu Kulendran
Deputy Minister
Ministry of Government and Consumer Services

Cc: Taras Natyshak, MPP, Chair of the Committee
Bonnie Lysyk, Auditor General of Ontario
Michèle Sanborn, Assistant Deputy Minister, Policy, Planning, and Oversight Division
David Collie, President and Chief Executive Officer, ESA
Annette Bergeron, Chair, Board of Directors, 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: Electrical Safety Authority (2020 Annual Report of the Auditor General of Ontario) *Ministry of Government and Consumer Services*

This table outlines the progress made to date on eight recommendations directed to the Ministry (one lead and seven joint with the Electrical Safety Authority).

The progress made on the remaining 17 recommendations are captured in the Electrical Safety Authority's Summary Status Table.

Auditor's Recommendation		Completed Undertaking	Outstanding Undertaking (Including Timeline)
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.	- The 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 the ESA's formal assessment in Fall 2021 for consideration.	- This work is on track for completion by Spring 2022. - Based on the ESA's assessment, the ministry will consider the appropriateness of the ESA conducting general inspection services and take necessary action which could include directing the ESA to terminate the service.
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	- The ESA has developed an outline of the current framework around who can perform electrical work. - The ministry and the ESA have also conducted a jurisdictional scan of comparable regulators across Canada. These findings will inform the	- This work is on track for completion by Fall 2022. - The ESA will undertake consultations with stakeholders to seek feedback on lower-risk electrical work that can be performed by Master Electricians and Certified Electricians. The ESA will provide a report of its findings to the ministry.

Auditor's Recommendation		Completed Undertaking	Outstanding Undertaking (Including Timeline)
	electrical contractors to determine if other arrangements are possible for certified electricians and master electricians; • 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.	development of potential categories of low risk work.	• The ministry will work with the Ministry of Labour, Training, and Skills Development to consider the findings to develop a recommended approach on how the current framework may be enhanced (the Ministry of Labour, Training, and Skills Development is responsible for certifying electricians). • Depending on the recommended approach, the ministry may also engage in public consultation and, if necessary, propose legislative/regulatory changes for government consideration to update the current framework. Scope and timing of this phase of work is dependent on the outcomes of the consultations and recommended approach.
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.	• The ministry and the ESA have conducted research on the building code and electrical safety legislation across Canada. An assessment has also been conducted on the current municipal landscape, including a scan of municipalities who are already incorporating the ESA's inspection mandate into their by-laws or building permit processes. • The ministry and the ESA have begun preliminary discussions with the Ministry of Municipal Affairs and Housing and select municipalities to better understand the building permit process and variances among municipalities to determine if there are existing linkages among the electrical inspection and building permit processes.	• This work is on track for completion by Fall 2022. • The ministry and the ESA will continue outreach to municipalities to gather information about the current building permit process. This will inform how electrical inspections and/or notifications may be incorporated into the building permit process. • The ministry will work with the Ministry of Municipal Affairs and Housing to consider the findings to develop a recommended approach on whether ESA inspections can be incorporated into the building permit assessment process. • Depending on the recommended approach, the ministry may also engage in public consultation, and if necessary, propose legislative/regulatory changes for government consideration to update the current framework. Scope and timing of this

Auditor's Recommendation		Completed Undertaking	Outstanding Undertaking (Including Timeline)
			phase of work is dependent on the outcomes of the consultations and recommended approach.
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 has completed a jurisdictional review of administrative monetary penalties regulation across Canada and in Ontario to assess its applicability to the ESA. - Based on this research and advice from the ESA, 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.	- This work is on track for completion by Summer 2022. - Subject to government decision-making, the ministry will engage in public consultation to enable the ESA to issue monetary fines in support of a robust compliance regime.
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.	- The ministry and the ESA have undertaken jurisdictional research of continuing education models in Ontario, as well as British Columbia. - In July 2021, the ESA held public consultation open to all Master Electricians and Licensed Electrical Contractors to obtain feedback on a potential continuing education requirement. - The ESA is currently developing their formal recommendation to the ministry on a continuing education model.	- This work is on track for completion by Fall 2022. - The ESA will develop a report on models and applicable frameworks for a continuing education requirement. - The ministry will consider the findings identified in the report and will engage the Ministry of Labour, Training, and Skills Development to discuss including a requirement for continuing education within the skills trades and apprenticeship programs for electricians. - The ministry will also engage in public consultation and, if necessary, propose legislative/regulatory changes for government consideration to update the current framework. Scope and timing of this phase of work is dependent on the outcomes of the consultations and recommended approach.

Auditor's Recommendation	Completed Undertaking	Outstanding Undertaking (Including Timeline)
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 ministry and the ESA have undertaken research activities in support of this recommendation which includes a jurisdictional scan of comparable regulators and an assessment of relevant legislative frameworks. - The ministry and the ESA have also undertaken stakeholder engagement, including the launch of a multi-sectoral working group, the Product Safety Task Force, which has held six meetings as of 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.	- This is a complex item that requires discussion and coordination across provincial and federal governments. The ministry and the ESA are taking a phased approach for the completion of this recommendation to reflect the time needed to engage in multilateral discussions: - Phase 1 – research and development. - Phase 2 – broad stakeholder consultation. - Phase 3 – implementation will be based on the completion of Phase 2. - 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.
24 To ensure that Electrical Safety Authority'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.	- The ESA has reviewed its cost allocation model and conducted an assessment to enhance the effectiveness when engaging a third-party review of its non-regulatory business activities. - The ministry will be provided a formal recommendation on how to enhance the third-party review process for consideration in Fall 2021.	- This work is on track for completion by Spring 2022. - The ESA will provide the ministry with an assessment of ESA's current operations to evaluate the delivery of its non-regulatory activities. - The ministry will work closely with the ESA to more precisely define the scope of future third-party consultant engagements and take any appropriate next steps.

Auditor's Recommendation	Completed Undertaking	Outstanding Undertaking (Including Timeline)
25 To confirm that the 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.	- The ministry has identified common measures and models from other administrative authorities by conducting jurisdictional research and has evaluated the effectiveness of existing outcome measures and performance targets. - The ministry and the ESA created a joint working group to develop outcome measures focused on cost efficiency and public safety. Discussions included developing possible metrics in the categories of customer service, compliance, cost effectiveness, organizational excellence, safety, and enhanced reporting requirements. - The ministry conducted analysis around the type of corrective actions available should performance targets not be achieved and will consider revisions to the administrative agreement to appropriately monitor the ESA's delivery of these targets.	- This work is on track for completion by Spring 2022. - The ministry will continue to work closely with the ESA to establish outcome measures and performance targets for the ESA that focus on cost efficiency and safety improvement in the sector.