# Saskatchewan Power Corporation

# 22

# Main points

This chapter contains the results of our audit of the adequacy of SaskPower's processes for inspections of gas and electrical installations and our follow up of outstanding recommendations from two previous audits.

**Inspecting gas and electrical installations**

SaskPower is responsible for the inspection of electrical and gas installations in Saskatchewan. SaskPower had adequate processes for inspections of gas and electrical installations for the twelve-month period ended March 31, 2011 with a few exceptions. We provided seven recommendations including that SaskPower needs to:

- periodically re-evaluate its inspection strategies to determine whether they achieve the results intended
- improve its processes for monitoring key inspection decisions and reporting inspection activity results to those responsible
- report summarized results of its inspection activities to senior management and the board

**Processes to plan for infrastructure needs—a follow up**

SaskPower has implemented the final recommendations remaining from our 2006 audit of its processes to plan for infrastructure needs. It now documents risks that it accepts when it approves capital projects.

**Processes to buy goods and services—a follow up**

SaskPower has made some progress in implementing the remaining two recommendations from our 2007 audit of processes to buy goods and services valued under $100,000. At September 2011, SaskPower staff did not always follow established processes and did not track problems with key suppliers in a coordinated and accessible format.

# Inspecting gas and electrical installations

## Introduction

Under *The Power Corporation Act*, SaskPower is responsible for the inspection of apparatus and equipment related to the use of electrical energy and natural or manufactured gas. SaskPower is also responsible for administering and enforcing *The Gas Inspections Act, 1993, The Electrical Inspections Act, 1993,* and related regulations (inspection acts). A key requirement under these inspection acts is to ensure that gas and electrical installations[1] meet minimum Canadian safety code requirements.[2]

Improper installations of equipment place a safety risk for the Saskatchewan public. By law, anyone (e.g., contractors or homeowners) installing electrical or gas equipment to commercial or residential property must purchase a permit from SaskPower before the work begins.[3] SaskPower uses permits to authorize the homeowner or the contractor to do the installation. Only licensed gas contractors can obtain a permit for installing gas equipment.

SaskPower enforces the requirement of obtaining permits, in part, through inspection of installations prior to approving the permits. It reviews applications for permits and may decide to inspect certain installations. Under the inspections acts, when installations fail to meet minimum safety code requirements SaskPower can stop work, require changes in an installation, disconnect the power or gas, or levy fines.

This section sets out the results of our audit of SaskPower's processes for inspecting gas and electrical installations.

[1] Installations include the equipment and alteration, extension and repair of any piping (gas) or wiring (electrical).
[2] http://www.csa.ca/cm/ca/en/home (accessed: August 15, 2011).
[3] Details on how to obtain gas and electrical permits is publicly available at http://www.saskpower.com/customer_service/permits_inspections/.

## SaskPower's responsibility for enforcing the safety codes

Electrical and gas installations are an integral part of new commercial or residential construction and renovations to existing properties. Based on Canada Mortgage and Housing Corporation (CMHC) monthly reports, Saskatchewan had 6,900 dwelling starts for the year ended June 2011 compared to 5,100 for the same period in 2010.[4] According to CMHC's *Renovation and Home Purchase Survey*, 42% of Canadian homeowner households renovated their primary residence in 2010.[5] As well, the Construction Sector Council forecasts a continuing surge in non-residential projects in Saskatchewan.[6]

In 2010, SaskPower issued over 135,000 gas and electrical permits. The majority of these permits relate to residential property versus commercial property. As shown in Exhibit 1, the total number of permits SaskPower issues each year has increased over the last five years. Over the five-year period from 2006 to 2010, the proportion of gas permits compared to the total increased slightly from 39.7% to 42%.

**Exhibit 1—Number of permits by type from 2006 to 2010**

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Electrical Permits | 63,039 | 70,692 | 73,617 | 72,994 | 79,411 |
| Gas Permits | 41,693 | 44,405 | 49,757 | 50,948 | 56,480 |
| Total | 104,732 | 115,097 | 123,374 | 123,942 | 135,891 |

SaskPower has about 51.5 inspectors (with 25 assigned to inspecting electrical permits and 26.5 to inspecting gas permits). They performed over 58,000 inspections in 2010 and identified defects in approximately 8% of these inspections.

[4] http://www.cmhc-schl.gc.ca Housing Market Information – Preliminary Housing Start Data; Date released: August 2011 (Table 14 Dwelling Starts in Canada, Prairie Provinces, Seasonally Adjusted at Annual Rates (p. 16)) (accessed August 16, 2011).
[5] http://www.cmhc-schl.gc.ca Housing Market Information - Renovation and Home Purchase Report; Date released: 2011 (Accessed August 29, 2011).
[6] http://www.csc-ca.org Saskatchewan: Construction Looking Forward 2011-2019 (prepared by Construction Sector Council) (Accessed August 16, 2011).

## Audit objective, criteria, and conclusion

The objective of this audit was to assess the adequacy of SaskPower's processes for inspections of gas and electrical installations for the twelve-month period ended March 31, 2011.

To conduct this audit, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook – Assurance*. To evaluate SaskPower's processes, we used criteria based on the work of other auditors and current literature listed in the selected references. SaskPower agreed with the criteria (see Exhibit 2).

**Exhibit 2—Audit criteria**

1. Use a risk-based strategy for inspection selection
   - 1.1 Identify key risks of non-compliance
   - 1.2 Develop a strategy to address those risk
   - 1.3 Periodically re-evaluate the strategy
   - 1.4 Set clear policies for handling incidents and complaints
2. Carry out inspections in accordance with strategy
   - 2.1 Use qualified personnel for inspections
   - 2.2 Carry out inspections as planned
   - 2.3 Investigate incidents and complaints
3. Monitor compliance with standards
   - 3.1 Report promptly identified non-compliance to affected parties
   - 3.2 Resolve deficiencies noted in inspections
   - 3.3 Report periodically to senior management and board on compliance trends

**We concluded that SaskPower had adequate processes for inspections of gas and electrical installations for the twelve-month period ended March 31, 2011 except for its processes to:**

- **periodically re-evaluate the effectiveness of its inspection strategies including policies over documenting key inspection decisions and following up identified defects**
- **monitor key inspection decisions**
- **report summarized results of its inspection activities to senior management and the board**

## Key findings and recommendations

In this section, we set out our findings and recommendations related to the criteria. Our expectations are set out in italics under each subheading.

### *Use a risk-based strategy for inspection selection*

*To enforce compliance with provincial gas and electrical standards, we expected the following. SaskPower would use a risk-based strategy that selects higher-risk permits for inspection and promotes adherence to the relevant national safety code. The risk-based strategy would include an analysis of key risks of non-compliance, a strategy to address those risks, expectations on the nature and extent of permits to inspect, and expectations on the timing and manner to resolve identified defects. Also, SaskPower would have clear policies for handling incidents and complaints. Senior management would approve the strategy and communicate it to all staff involved. Lastly, SaskPower would evaluate the strategy periodically to confirm its ongoing relevance.*

SaskPower used a risk-based strategy to decide which gas and electrical permits to inspect. SaskPower has given inspectors the authority to allow a permit holder to install the gas or electrical equipment without an inspection. It calls these "cleared" permits. Its strategy to select which permits to inspect (inspection strategy) required inspectors to consider the results of its permit compliance audits of contractors,[7] risk scores calculated by its Gas Electrical Inspection System (GEIS), and their professional judgement.

SaskPower had identified risk factors for gas and electrical permits. Risk factors differed slightly between these two different types of installations. Risk factors included contractor past permit and defect history, amount of work covered by a permit, and the type of work (residential vs. commercial). The risk factors for electrical permits do not include installations of over 600 AMPS even though SaskPower has decided to inspect all of these installations. GEIS does not track information about amperage of electrical installations.

[7] An inspector may examine contractor financial and non-financial records to confirm that regulations are followed and permits are obtained for all work performed.

SaskPower used GEIS to track key information about each permit including the name of the installer (contractor/homeowner), and the inspection results. Using this information, GEIS automatically calculated a risk score for each permit based on significant risk factors that SaskPower selected for use in 2001.

SaskPower, since 2001, has not formally reviewed whether these risk factors remain relevant and complete or whether its inspection strategy has worked as expected. At August 2011, it did not have formal plans to do so.

National gas and electrical safety codes are updated periodically (e.g., every three years). Changes in safety codes, legislation, or other situations may change the importance of SaskPower's existing risk factors or create new risk factors.

Lack of periodic review of risk factors and update of inspection strategies increases the risk that SaskPower may not select the right permits to inspect. This could potentially lead to significant defects remaining unidentified. Gas and electrical installation defects could result in property damage, injury, or death.

**1. We recommend that SaskPower periodically review and update its gas and electrical inspection strategies.**

Through setting expectations about the extent of inspections to do each year, SaskPower recognized the importance of using inspections as a way to promote adherence to safety codes (that is, inspecting enough installations to let installers know that it will check their compliance). In 2010, it expected gas inspectors to inspect 60% of the gas permits and each inspector to complete around 1,000 inspections. In 2010, it expected electrical inspectors to inspect 33% of the electrical permits and each inspector to complete between 750 and 1,000 inspections. Its written guidance for gas inspectors sets out its expectations for the extent of gas inspections to be conducted each year. It communicated similar expectations for electrical inspections to inspectors informally without providing them with written guidance.

Although GEIS calculated a risk score for each permit, SaskPower did not require gas or electrical inspectors to inspect permits with high GEIS risk

scores. As previously noted, SaskPower expected inspectors to use their professional judgement to decide which permits to select for inspection. To help gas inspectors make consistent judgements, SaskPower provided its gas inspectors with written guidance on selecting gas permits to inspect and standard checklists to guide inspections. The checklists were based on the gas safety code. SaskPower had not provided its electrical inspectors with similar guidance. Not providing written guidance increases the risk that inspectors may not apply their professional judgement consistently and as SaskPower expects.

**2. We recommend that SaskPower document its strategy for electrical inspections including guidance on selecting permits to inspect.**

Guidance provided by SaskPower did not require inspectors to document the reasons for not inspecting permits with high GEIS risk scores. Not documenting reasons for these decisions makes it difficult for SaskPower to monitor whether inspectors select the right permits to inspect.

During our audit, we noted numerous permits with high GEIS risk scores that were cleared without inspection. For example, 32% of gas permits and 57% of electrical permits with high GEIS risk scores were cleared without inspection. Inspectors did not document their reasoning for not inspecting permits with high GEIS risk scores, that is, document why these were not high-risk installations.

Chief inspectors[8] told us that they relied primarily on interactions with their inspectors and periodic staff meetings to assess the appropriateness and consistency of inspectors' inspection selection decisions. Documentation of inspection decisions would enable chief inspectors to better determine if inspectors consistently inspect high-risk installations. Inconsistent application of the inspection strategy could result in permits for high-risk installations being cleared without inspection, leading to potentially significant defects remaining unidentified. Gas and electrical installation defects could result in property damage, injury, or death.

**3. We recommend that SaskPower require, in writing, its gas and electrical inspectors to document rationale for not inspecting permits for high-risk installations.**

[8] Chief inspectors are the head of SaskPower's gas and electrical divisions.

**4. We recommend that SaskPower require management to review inspectors' rationale for not inspecting gas and electrical permits for high-risk installations.**

## *Carry out inspections in accordance with strategy*

*Proper implementation of inspection strategies ensures inspectors select, at minimum, higher risk installations for inspection and promotes adherence to the relevant national safety code. We expected the following. SaskPower would require inspectors to have appropriate qualifications (e.g., defined levels of knowledge, skills, and experience). Inspectors would carry out inspections consistent with the related inspection strategy and SaskPower's expectations. Inspectors would investigate reported incidents and complaints promptly.*

SaskPower required inspectors to have qualifications (i.e., levels of knowledge, skills, and nature and years of experience) that were consistent with those for similar positions in Alberta, British Columbia, and Manitoba. In addition, SaskPower provided continual training to keep inspectors' knowledge current. For example, it required its electrical inspectors to complete an eight-week training course. SaskPower also provided training on changes to safety code and supervisors discussed these changes at quarterly meetings with inspectors.

SaskPower expected inspectors to keep abreast of changes to national gas and electrical safety codes. During the audit, inspectors showed awareness of changes to safety codes. Also, to help keep staff current, SaskPower supported the participation of its inspection staff on Canadian Standards Association national safety code development committees. At August 2011, three inspection staff were involved in those committees.

As set out in Exhibit 3, in 2010, SaskPower inspected 63% of gas permits and 30% of electrical permits. As such, SaskPower achieved its 2010 target percentage of gas inspections and was slightly below its 2010 target percentage of electrical inspections. It achieved its 2010 targets for the average number of inspections completed by each gas and electrical inspector.

**Exhibit 3—Permits inspected by type from 2006 to 2010**

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| % Gas permits inspected | 51% | 49% | 58% | 60% | 63% |
| Average # gas permits inspected per inspector | 921 | 937 | 1,192 | 1,200 | 1,336 |
| | | | | | |
| % Electrical permits inspected | 27% | 22% | 22% | 28% | 30% |
| Average # electrical permits inspected per inspector | 692 | 684 | 713 | 907 | 942 |

SaskPower used GEIS to track the results of the inspections. Where the inspection identified a problem (a defect), GEIS automatically set a date (i.e., 30 days from the date of inspection) by which the permit holder was to correct the problem (i.e., resolution date). Inspectors could extend the resolution date if reasonable justification existed. SaskPower promptly communicated this date, in writing, to the permit holder along with the results of the inspection (usually on the day of the inspection). Although inspectors were not formally required to document their reasons for extending the date, we found some inspectors documented their reasons in either personal notes or electronic summary sheets.

SaskPower recognized that GEIS was not designed to capture the reasons for extending the resolution date or activities to monitor overdue inspections. As such, SaskPower expected electrical inspectors to record, for each permit, pertinent information about identified defects and their activities to monitor overdue defects in an electronic summary sheet. In September 2011, gas inspectors started to use similar summary sheets.

SaskPower asked permit holders to advise them when defects were fixed. SaskPower expected its inspectors to be proactive and follow up defects not corrected by the resolution date. If the defect was not corrected when expected, SaskPower expected inspectors to remind permit holders of the requirement to fix the defect (e.g., second notices) and to take defined escalating actions (e.g., initiate bond action or disconnect gas/electricity) until the defect was fixed. It provided inspectors with written guidance to follow up identified defects.

Timely and continuous follow up of identified defects is critical so that problems are fixed within a reasonable time period. As noted in Exhibit 4,

the time allowed for and taken to fix defects varied significantly. In 73% of the permits with inspections that we sampled, the permit holder exceeded the time provided to fix the defect.

**Exhibit 4—Time taken to clear permits (based on our sample of permits)**

| | Gas Permits | Electrical Permits |
|---|---|---|
| # days allowed for permit holder to fix defect | 30 to 210 days | 21 to 90 days |
| # days taken by permit holders to resolve inspection defect | up to 334 days | up to 304 days |

SaskPower expected inspectors to use their judgement in clearing defects and deciding which defects required reinspection. We expected inspectors to reinspect the installation within 120 days after the permit holder advised SaskPower that the defect was fixed. Alternatively, for permits where inspectors decided a reinspection was unnecessary, we expected them to indicate in GEIS that the permit was cleared. Reinspection confirms that permit holders fixed the defect properly. For 13% of the permits that we sampled (4 of 30), inspectors did not re-inspect within this period and the permits remained uncleared in GEIS. In one instance, the inspector did not re-inspect until over a year after the permit holder advised SaskPower that it had fixed the defect.

Senior management relied solely on verbal reports from inspectors about defects not fixed as or when expected. Management did not receive written reports on the average number of days allowed for correction, or on the status of defects not corrected within the allowed time. Without timely defect resolution, homeowners and/or businesses may be at risk of property damage, injury, or death.

Timely resolution of defects also reduces the chance that permits may needlessly remain outstanding. Management has a policy to clear a permit (with or without inspection) within one year of its issuance. During our audit, GEIS had over 34,000 uninspected and uncleared permits that were over a year old; 9,000 of these permits were over two years old. Management did not receive a report to monitor uncleared permits that remain in GEIS.

**5. We recommend that SaskPower establish a process to clear uninspected gas and electrical permits in its Gas Electrical Inspection System within a reasonable amount of time.**

### *Monitor compliance with standards*

*Monitoring the results of inspections allows SaskPower to determine if inspection activities are effective. We expected the following. SaskPower would promptly inform affected parties of defects identified during inspections. SaskPower would work with contractors and homeowners so that defects were fixed within a reasonable timeframe or, alternatively, for unresolved defects take steps to minimize the risk of property damage, injury, or death. Senior management would receive and review periodic reports on inspection results and compliance trends. Reports would include trend information on the number and nature of permits cleared without inspection, the extent of inspections, the number and type of defects found, number and type of defects not resolved within a reasonable timeframe, and assessments of residual risk of property damage, injury, or death. The Board of directors would receive periodic summary reports about compliance trends and their impact on SaskPower's gas and electrical regulatory activities.*

SaskPower required inspectors to communicate inspection results promptly to permit holders. For all of the permits that we sampled, inspectors consistently issued the results of the inspections through inspection notices the day of the inspection. When following up the status of uncorrected defects, each inspector kept notes of communications with permit holders. The nature and extent of these notes varied between inspectors.

As previously noted, management did not formally determine if inspectors consistently inspected permits with high-risk installations and did not ensure permits were cleared within one year of their issuance. Rather, management met quarterly with staff of the gas and electrical inspection divisions to discuss issues and kept minutes of these meetings.

Each month, supervisors of inspectors received information about the volume of inspection activities (i.e., the number of inspections completed and outstanding defects at the time of the report). On an annual basis, senior management received reports on the total number of gas and electrical permits issued and cleared, inspections, and defect notices issued. One report provided comparisons to prior year figures on an overall basis. Another report compared the current year data to a three-

year average. Management also received a comparison of the actual number of inspections per inspector to planned.

Senior management did not receive information on the results of inspection activities such as trend information on the nature of permits cleared without inspection, type of the defects (e.g., residential, commercial, agricultural, etc.), the number or the age of outstanding defects, or actions taken for higher-risk outstanding defects.

During the audit period, the Board did not receive any reports on SaskPower's inspection activities.

Without information on the results of the inspection activities, including information on high-risk defects not resolved within a reasonable time, SaskPower cannot effectively monitor if permits were cleared in accordance with policy and whether its inspection activities are effective. Furthermore, without comparative information on inspection results, SaskPower cannot identify common or emerging trends or risks. These trends or risks could lead to necessary changes to the inspection strategy.

6. **We recommend that SaskPower give senior management quarterly written reports on high-risk older outstanding defects and on the number and age of all outstanding gas and electrical defects identified in inspections.**

7. **We recommend that SaskPower periodically give its Board of Directors summary trend information on its gas and electrical inspection activities and common or emerging trends or risks in gas and electrical installations.**

## Selected references

Provincial Auditor Saskatchewan. (2007). Chapter 2 – Agriculture and Food. In *2007 Report – Volume 1.* http://www.auditor.sk.ca/saskrepnew.nsf/$$ViewTemplate?OpenView

Provincial Auditor Saskatchewan. (2007). Chapter 9 – Finance. In *2007 Report – Volume 3.* http://www.auditor.sk.ca/saskrepnew.nsf/$$ViewTemplate?OpenView

Provincial Auditor Saskatchewan. (2010). Chapter 2 – Education. In *2010 Report – Volume 1*. http://www.auditor.sk.ca/saskrepnew.nsf/$$ViewTemplate?OpenView

# Processes to plan for infrastructure needs—a follow up

## Introduction

At June 2011, SaskPower's generating infrastructure included three coal-fired power stations, seven hydroelectric stations, five natural gas stations, and two wind generation facilities. Combined, these could generate up to 4,009 megawatts.[9] At June 30, 2011, the power stations had a cost of $4.2 billion and a net book value of $2.2 billion.[10]

Also, at June 2011, SaskPower had contracts with various power producers to purchase up to 496 megawatts of electricity.[11] SaskPower estimates that it will need an additional 3,755 megawatts of electricity by 2033 to meet projected electricity needs.[12] It expects to invest about $10 billion in infrastructure over the next 10 years including $675 million in 2011.[13]

## Status of recommendation

Our 2006 Report – Volume 1 includes the results of our audit of SaskPower's processes to plan for infrastructure needs related to generating electricity. We made four recommendations. On January 10, 2007, the Standing Committee on Crown and Central Agencies agreed with these recommendations. Chapter 16 of our 2010 Report – Volume 1 reported that SaskPower, at December 31, 2009, had adequately addressed three of these four recommendations.

As described below, at September 30, 2011, SaskPower has implemented the remaining recommendation.

[9] SaskPower. *SaskPower 2011 Second quarter report for the six months ending June 30, 2011*.
[10] Ibid., p.28.
[11] Ibid., p. 41.
[12] *SaskPower 2010 Annual Report*, p.45.
[13] *SaskPower 2011 Second quarter report,* p. 3.

### *Documenting infrastructure risks*

***We recommended that SaskPower document the nature and extent of specific infrastructure risks that it accepts when it approves projects.*** *(2006 Report – Volume 1)*

Effective for the 2011 fiscal year, SaskPower requires staff to document their analysis of risk for larger capital projects (i.e., those with budgeted costs over specified dollar thresholds). It further requires staff to submit this documentation to management and the Board when seeking approval to proceed with the project. Required documentation includes the following for each identified risk: root causes, magnitude, and likelihood of the risk occurring.

Staff capture the results of their risk assessments and analysis in a "risk register." The risk register also includes the risk owner, actions taken to mitigate the risk, potential measures to assist in monitoring the risk, and identifies the risk remaining after mitigating actions that SaskPower accepts when it approves the project.

**Status** – SaskPower has implemented this recommendation.

## Processes to buy goods and services—a follow up

### Introduction

Effective acquisition of goods and services is crucial to SaskPower. As set out in its purchasing objective, it expects "to ensure SaskPower and its subsidiaries purchase goods and services in a manner that maximizes value, competition, and fairness and results in the best possible balance of benefits to SaskPower and to the people of Saskatchewan."[14]

SaskPower has a large number of low dollar value purchases (i.e., below $50,000) each year and does business with about 2,600 suppliers. In each of the past two years, SaskPower bought about $250 million of goods and services (e.g., materials, contract management) excluding its salaries and related benefits, and spent over $565 million on capital

[14] *SaskPower Purchasing Policy and Procedures*, September 2007, p. 4.

projects.[15] Capital projects include turbine and boiler upgrades, transmission lines, and wood pole replacements.

## Status of recommendations

Chapter 23 of our 2007 Report – Volume 3 includes the results of our audit of SaskPower's processes to buy goods and services valued at under $100,000. We made four recommendations. Chapter 16 of our 2010 Report – Volume 1 reported that SaskPower, at December 31, 2009, had adequately addressed two of these four recommendations. At September 30, 2011, the Standing Committee on Crown and Central Agencies had not yet reviewed these chapters.

As described below, at September 30, 2011, while SaskPower has made progress implementing the remaining two recommendations, more work remains.

## Obtaining required approval for purchases

***We recommended that SaskPower consistently follow its established processes that require its staff to obtain the appropriate approval of the purchase prior to finalizing the purchase decision.***
*(2007 Report – Volume 3)*

As reported in our 2010 Report – Volume 1, SaskPower had a clear and detailed policy and procedure for obtaining appropriate approval prior to finalizing the purchasing decision but staff did not always follow these procedures.

During 2011, as part of its Business Renewal Program, SaskPower engaged a consultant to review its procurement function and to develop new ways to carry out its procurement function. SaskPower intends to redesign its existing procurement processes over the next four to five years. Planned changes include the use of electronic approvals to avert initiation of procurement activities before appropriate approvals are obtained.

In 2011, SaskPower monitored purchases and required staff to report irregularities to internal audit and senior management. There were no

[15] SaskPower. *2010 Annual Report*. p. 2.

purchasing irregularities reported during 2011. SaskPower's ability to effectively monitor whether staff follow the existing purchasing procedures is limited given the large number of personnel involved in purchasing, the high volume of transactions, and the extensive amount of manual processes used. Our testing of 2011 purchases showed that staff did not consistently obtain required approvals before finalizing purchase decisions. SaskPower told us that it expects to address this problem as part of its Business Renewal Program.

Obtaining proper approval before a purchase ensures the purchase decision (including the chosen purchase method) is appropriate.

**Status** – We continue to make this recommendation.

## Tracking problems with key suppliers

***We recommended that SaskPower track problems with key suppliers and make this information available for purchasing decisions.*** *(2007 Report – Volume 3)*

Consistent with our 2007 audit, SaskPower does not document supplier performance information in a coordinated and accessible format.

As noted above, SaskPower has initiated a redesign of its existing procurement processes. Planned improvements include collecting and maintaining key supplier performance data in a centrally accessible information technology system.

Given the new system will not be operational for several years, SaskPower is considering implementing an interim process to improve tracking of supplier performance in a coordinated and accessible format.

Tracking supplier performance can reduce the risk that SaskPower will re-use suppliers with known performance problems.

**Status** – We continue to make this recommendation.

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