

Chapter 31

SaskPower – Gas and Electrical Installation Inspections

1.0 MAIN POINTS

By March 2017, SaskPower implemented one of the two remaining recommendations that we first made in our 2011 audit of SaskPower's processes for inspection of gas and electrical installations.

SaskPower requires managers to review rationale for uninspected high-risk installations. But because inspectors do not document their risk assessments, it cannot confirm it inspects all high-risk installations or that it has appropriate rationale where it decides not to inspect high-risk installations.

Improper installation of gas or electrical equipment is a safety risk to the Saskatchewan public. Inspections are key to checking whether equipment was installed properly.

2.0 INTRODUCTION

By law, contractors or homeowners installing electrical or gas equipment on commercial or residential property must purchase a permit from SaskPower before the work begins. SaskPower uses permits to authorize the installation. In 2015, SaskPower issued about 56,000 gas permits and 102,000 electrical permits (2014: 64,000 gas and 103,000 electrical permits).¹ In 2015, it inspected 89% of gas permits and 48% of electrical permits (2014: 68% of gas and 41% of electrical permits).

Under *The Power Corporation Act*, SaskPower is responsible for inspecting apparatus and equipment related to the use of electrical energy and natural or manufacture gas. SaskPower is also responsible for administering and enforcing *The Gas Inspections Act, 1993*, as well as *The Electrical Inspections Act, 1993* and related regulations.

Our *2011 Report – Volume 2*, Chapter 22 concluded that SaskPower's processes for inspections of gas and electrical installations were adequate with some exceptions. We made seven recommendations. As reported in our *2014 Report – Volume 1*, Chapter 28, by March 31, 2014, SaskPower had implemented five of the seven recommendations. This chapter follows up on the remaining two recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate SaskPower's progress towards meeting our recommendations, we used the relevant criteria from the original audit. SaskPower's management agreed with the criteria in the original audit.

To perform our follow-up on these recommendations, we discussed actions taken with staff and management, reviewed relevant documentation, and tested SaskPower's compliance with its processes.

¹ This is the most current data available.



3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Crown and Central Agencies agreed to the recommendation, the status of the recommendation at March 15, 2017, and SaskPower's actions up to that date.

3.1 Documentation and Review of Decisions Required

We recommended that SaskPower require management to review inspectors' rationale for not inspecting gas and electrical permits for high-risk installations. (2011 Report – Volume 2; Crown and Central Agencies Committee agreement March 12, 2014)

Status – Partially Implemented

Because inspectors do not document their risk assessment of gas and electrical installation permits, SaskPower cannot confirm that it has inspected all high-risk installations or that it has documented rationale to justify not inspecting high-risk installations. At mid-March 2017, management relied on inspectors to notify them of any high-risk installations that they choose to authorize for operation without inspecting.

For a sample of gas and electrical permits we tested, 10% of the permits for high-risk installations did not include inspectors' documentation of the reasons for not inspecting the installation. Therefore, management was unable to review inspectors' rationale.

Since our last follow up in 2014, SaskPower has been developing a new IT system that is expected to automatically assign a risk score to each permit. It uses a formula to calculate the risk score. The formula captures the key risk factors for each area (gas and electrical).

SaskPower expects the new system to help management identify all high-risk installations that have not been inspected. SaskPower expects the new system to come into operation in mid-2017.

3.2 Reporting Provided to the Board

We recommended 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. (2011 Report – Volume 2; Crown and Central Agencies Committee agreement March 12, 2014)

Status – Implemented

Beginning in 2014, SaskPower gave its Board a Gas and Electric Inspections Annual Report. Our review of the annual reports for each of last three years found they included sufficient information on SaskPower's inspection program. The reports include trends, risks, and comparative information on gas and electrical inspection activities.