

## Chapter 37

# SaskPower—Inspecting Gas and Electrical Installations

### 1.0 MAIN POINTS

By September 2018, SaskPower implemented the last outstanding recommendation from our 2011 audit of SaskPower's processes for inspecting gas and electrical installations.

SaskPower inspectors are consistently documenting appropriate rationale for not inspecting high-risk installations, and managers are approving the rationale. In February 2018, SaskPower implemented a new IT system that requires inspectors to document rationale, and managers to review and approve it.

Having effective processes to make sure gas or electrical equipment are properly installed reduces safety risks to the Saskatchewan public.

In December 2018, the Government announced its intention to transfer gas and electrical inspection activity from SaskPower to the Technical Safety Authority of Saskatchewan.<sup>1</sup>

### 2.0 INTRODUCTION

#### 2.1 Background

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. It is also responsible for administering and enforcing *The Gas Inspections Act, 1993*, and *The Electrical Inspections Act, 1993*.

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. As shown in **Figure 1**, SaskPower issues about 150,000 gas and electrical permits annually.

**Figure 1—Number of Gas and Electrical Permits Issued and Inspected**

Number of Permits By Type	January – December 2016	January – December 2017	January – September 2018	Total
Gas permits issued	55,330	56,780	35,802	147,912
Gas permits inspected	48,320	62,312	33,204	142,836
<b>% of Gas permits inspected</b>	<b>79%</b>	<b>109%</b>	<b>93%</b>	<b>97%</b>

<sup>1</sup> [www.saskatchewan.ca/government/news-and-media/2018/december/13/tsask](http://www.saskatchewan.ca/government/news-and-media/2018/december/13/tsask) (28 March 2019).



Number of Permits By Type	January – December 2016	January – December 2017	January – September 2018	Total
Electrical permits issued	93,932	94,610	64,909	253,451
Electrical permits inspected	52,876	50,271	32,817	135,964
<b>% of Electrical permits inspected</b>	<b>56%</b>	<b>53%</b>	<b>51%</b>	<b>54%</b>

Source: SaskPower's Gas and Electrical Information System.

SaskPower uses permits to authorize the installation. Inspectors decide which permits to inspect based on risk (e.g., past compliance of the contractor who did the installation, the gas and electrical inspection system calculated risk score, and inspector professional judgement). SaskPower clears (i.e., deactivates) permits after it is satisfied with an installation or a decision to not inspect.

## 2.2 Focus of Follow-Up Audit

This chapter is our third follow-up of recommendations made in our *2011 Report – Volume 2*, Chapter 22 about SaskPower's processes to inspect gas and electrical installations.

Our *2011 Report – Volume 2*, Chapter 22 reported that SaskPower had, other than areas reflected in seven recommendations, effective processes for inspections of gas and electrical installations.<sup>2</sup> By March 2014, SaskPower had implemented five of the seven recommendations.<sup>3</sup> By March 2017, SaskPower had implemented one of the two remaining recommendations.<sup>4</sup> This chapter describes SaskPower's progress on implementing the remaining recommendation.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate SaskPower's progress towards meeting our recommendation, we used the relevant criteria from the original audit. SaskPower's management agreed with the criteria in the original audit. To conduct our follow-up audit, we interviewed staff at SaskPower, reviewed rationale for all high-risk permits that were not inspected, and tested a sample of high-risk permits to verify that management approved rationale for not inspecting.

## 3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation including the date on which the Standing Committee on Crown and Central Agencies agreed to the recommendation, the status of the recommendation at September 30, 2018, and SaskPower's actions up to that date.

<sup>2</sup> The original report regarding these recommendations can be found at [www.auditor.sk.ca/publications/public-reports](http://www.auditor.sk.ca/publications/public-reports). We reported the original audit work in *2011 Report – Volume 2*, Chapter 22, (pp. 423-439).

<sup>3</sup> In *2014 Report – Volume 1*, Chapter 28, (pp. 201-205).

<sup>4</sup> In *2017 Report – Volume 1*, Chapter 31, (pp. 275-276).

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## 3.1 Rationale and Review Consistently Documented

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*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, p. 431; Recommendation 4, Crown and Central Agencies Committee agreement March 12, 2014)

**Status** – Implemented

In February 2018, SaskPower implemented a new gas and electrical information system. The IT system automatically requires inspectors to document, and managers to approve, rationale for not inspecting high-risk installations before SaskPower clears a permit.

We found those automated controls in the new IT system functioned as expected.

From February 26, 2018 to September 17, 2018, SaskPower cleared 318 high-risk electrical permits and 1,873 high-risk gas permits without inspection.

We found inspectors documented their rationale (e.g., simple installation, known contractor, unable to gain access) for all high-risk permits cleared without inspection. For each of the 15 high-risk permits cleared without inspection that we tested, management appropriately approved inspectors' rationale.

