



Electrical Safety Authority 2020 Value-for-Money Audit

Why We Did This Audit

- The Electrical Safety Authority (ESA) was created in 1999 by the government of Ontario to improve public electrical safety.
- We received a request from the Minister of Government and Consumer Services and conducted the audit under section 17 of the *Auditor General Act* to assess the ESA's role in inspecting electrical installations, licensing electrical contractors and preventing illegal electrical work and products.

Why It Matters

- Ontarians are surrounded by electrical installations, equipment and products that use electricity. Electrical wiring or products installed or manufactured incorrectly could pose a significant public safety risk.
- Effective oversight, which includes licensing, inspections and enforcement, can reduce these public safety risks.

What We Found

- The ESA conducts many unnecessary inspections that do not improve public safety. The inspections are done to generate enough revenue for the ESA to fund its workforce and operations. Salaries and benefits to fund the workforce totalled about \$89 million in the 2019/20 fiscal year. Inspection fees accounted for \$90 million, or 80%, of the ESA's total fee revenue.
- The ESA operates as the most-costly delegated authority in Ontario. The ESA could achieve greater operational efficiencies if its costly inspector resources were used less on routine and simple electrical installations, and if technology was used to conduct more of these inspections remotely.
- The ESA issued certificates of inspection for installations it did not inspect, for which it still collected \$17 million in inspection fees.
- The ESA does not have inspection checklists that all inspectors are required to follow when inspecting electrical installations. Also, because of a computer system issue, it did not promptly follow up on about 3,500 inspected installations found to be unsafe.
- Only ESA-licensed contractors can legally perform electrical installations; certified electricians are not allowed to. However, from 2015 to 2020, on average over half (53%) of homeowners the ESA surveyed each year did not know that it is illegal for certified electricians to offer installation services.
- Online advertising for illegal electrical services is widespread. None of the 20 online advertised "for-hire electricians" that we contacted were licensed by the ESA and all were willing to perform electrical installations without involving the ESA. Nine of the additional 20 ESA-licensed electrical contractors that we contacted also offered to do electrical installations for less money if the ESA was not notified.
- Uncertified electrical products are widely available for sale online. The ESA does not have an active surveillance program to monitor online buying and selling of uncertified products. Six of 13 products we purchased from a large online retailer were uncertified, including a portable heater, light fixture, lamp, heated blanket and two cell phone chargers. Five of these six uncertified products did not pass safety tests by an independent testing body and were found to be unsafe for public use.
- The ESA does not provide access to information that could improve electrical safety. The ESA does not publicly disclose the names of licensed contractors who have done unsafe electrical installations in the past. The ESA's Call Centre employees are not trained to answer technical questions about electrical installations and forward calls to inspectors. But about half (50%) of inspectors we surveyed told us that they do not have time to respond to these calls.
- In regard to its inspectors' lunch expense claims, the ESA does not follow the Ontario government's meal reimbursement policy. It also is not in full compliance with Ontario government procurement policies.

Conclusions

- The state of electrical safety in Ontario has improved over the last 10 years. However, the ESA does not operate efficiently in carrying out its mandate to improve public electrical safety and focuses its costly resources on inspecting less complex electrical installations. The ESA has been unsuccessful in preventing illegal electrical installations, a problem that is widespread in Ontario, and it has not dealt with the widespread availability of online uncertified electrical products.
- The Ministry of Government and Consumer Services has not fulfilled its oversight responsibilities to ensure that the ESA is operating efficiently, including monitoring that resources are deployed efficiently without compromising public safety.

Read the report at www.auditor.on.ca