



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hansard Verbatim Report

No. 25 – November 19, 2014



Legislative Assembly of Saskatchewan

Twenty-Seventh Legislature

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Ms. Danielle Chartier, Chair
Saskatoon Riversdale

Mr. Paul Merriman, Deputy Chair
Saskatoon Sutherland

Mr. Larry Doke
Cut Knife-Turtleford

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Warren Michelson
Moose Jaw North

Mr. Rob Norris
Saskatoon Greystone

Mr. Randy Weekes
Biggar

Mr. Trent Wotherspoon
Regina Rosemont

[The committee met at 08:00.]

The Chair: — Good morning everyone. Welcome to the Public Accounts Committee. And I'd like to start by introducing our members here today. We have Larry Doke, Paul Merriman, Glen Hart, Warren Michelson, and Fred Bradshaw substituting for Randy Weekes, and Mr. Trent Wotherspoon here as well.

I have a couple of documents that we need to table here first. I'd like to table PAC 40/27, the Ministry of Finance: Reporting of public losses for the period from April 1st, 2014 to June 30th, 2014, dated August 1st, 2014; and secondly the PAC document 41/27, Ministry of Health: Reporting of public losses for the period from July 1st, 2014 to September 30th, 2014, dated October 31st, 2014.

I'd like to extend a welcome to Terry Paton from the Provincial Comptroller's office here today and introduce our Acting Provincial Auditor, Judy Ferguson, and officials that she's brought with her, but Ms. Ferguson will introduce her officials. And a welcome to the officials from Government Relations here today.

So with that, our first agenda item is the 2014 report volume 1, chapter 14 from the Provincial Auditor. And I will pass it off to Ms. Ferguson to make her presentation.

Government Relations Technical Safety Authority of Saskatchewan

Ms. Ferguson: — Thank you very much, Madam Chair, committee members, and officials. Actually the officials are from Technical Safety Authority here. So with me this morning, I've got Mr. Kelly Deis. Kelly is an audit principal with our office responsible for this engagement. Behind is Mr. Jason Wandy, Jason was the lead on this engagement; and Kim Lowe who is the liaison with our committee.

So Mr. Deis is going to provide us with an overview of the chapter that is before us. It's the 2014 report volume 1, chapter 14 on boiler and pressure vessel inspections. And in that, we're going to highlight nine new recommendations.

Before I do that, I do want to take a moment and thank the officials from TSASK [Technical Safety Authority of Saskatchewan] for their excellent co-operation received in the course of this engagement here. TSASK is actually a not-for-profit organization that administers Saskatchewan's safety program for boilers, pressure vessels, elevating devices, and amusement rides on behalf of the Ministry of Government Relations pursuant to a standards and safety agreement signed with the government. So it's a bit of a unique organization. So I'm going to turn it over to Mr. Deis to provide an overview of the chapter at this time.

Mr. Deis: — Thank you, Ms. Ferguson. Chapter 14 of our 2014 report volume 1 starts on page 123. It reports the results of our audit regarding boiler and pressure vessel inspection processes. At the time of our audit, the number of boiler and pressure vessel inspections conducted annually had increased significantly over the previous five years.

Inspections help prevent equipment malfunctions that could result in fires, explosions, or the release of dangerous gases. This makes inspections of boilers and pressure vessels critical to the safety of Saskatchewan citizens. We concluded that for the 12-month period ended December 31st, 2013, TSASK had effective processes to inspect boilers and pressure vessels with some exceptions related to the nine recommendations we made.

In our first recommendation, on page 128 we recommend that TSASK identify and formally assess the risks surrounding an inspection of boilers and pressure vessels. We found that TSASK considered some higher risk areas when selecting equipment for inspection but it had not yet developed an inspection strategy based on a documented risk assessment. Without a documented risk assessment, there is increased likelihood that all key risks concerning boiler and pressure vessels may not be identified and addressed.

In our second recommendation, on page 128 we recommend that TSASK use a documented risk-informed strategy for inspection selection. Our third recommendation on the same page is related, where we recommend that TSASK establish a policy requiring periodic formal re-evaluation of its risk-informed strategy for inspection selection.

We found that while TSASK had some components of a risk-informed strategy, it had not yet documented a risk-informed inspection strategy. Once TSASK completes a risk assessment surrounding its inspection of boilers and pressure vessels, it can develop a risk-informed strategy that will focus resources on the highest risk areas and contribute to the achievement of its objectives. Such a strategy should be subject to a periodic re-evaluation to ensure its continued relevance.

In our fourth recommendation, on page 129 we recommend that TSASK establish written policy and procedures for handling inspections and complaints. We found that TSASK has processes in place for handling incidents and complaints; however the established processes are not supported by documented policies or procedures. Not documenting policies and procedures can result in confusion or actions that do not align with established procedures.

In our fifth recommendation, on page 130 we recommend that TSASK establish a written policy for follow-up on inspection deficiencies. TSASK expects its inspectors to establish deadlines for correcting deficiencies found during inspections based on the inspector's assessment of the safety risk that the deficiencies pose. When an equipment owner has not taken required corrective action by the deadline, TSASK has an established process to follow up with the equipment owner.

We found several instances where TSASK's required follow-up with equipment owners was not timely. TSASK does not have a policy that provides inspectors with guidance on the timing of follow-up of inspection deficiencies. Depending on the significance of the equipment deficiencies, inspectors may need to follow up uncorrected defects with equipment owners sooner. Adopting a policy would clarify expectations and enable consistent follow-up of deficiencies.

In our sixth recommendation, on page 130 we recommend that TSASK formalize their processes to clear its backlog of outstanding inspections for boilers and pressure vessels within a reasonable amount of time. At the time of our audit, TSASK had reduced the number of outstanding inspections by over half from the 2008-09 levels and by approximately 47 per cent since the time it began its operations July 1st, 2010. While TSASK has made significant improvements in reducing the number of outstanding inspections, it still has work to do, with over 4,000 inspections still outstanding at the end of the '12-13 period. Untimely inspection of equipment increases the risk of equipment deficiencies being undetected.

In our seventh recommendation, on page 131 we recommend that TSASK establish processes to ensure the accuracy and completeness of its electronic inspection records. TSASK relies on its inspection records systems to track and provide key information on its inspections. We found inconsistencies with information contained in the system that could impact when an inspection is flagged for completion, as well as reporting on overdue inspections. Depending on the type of equipment, inaccurate information could have a significant impact. Incomplete information can result in misleading reports, untimely completion of inspections, or insufficient use of resources.

In our eighth recommendation, on page 132 we recommend that TSASK give its board and the ministry responsible for the Safety Standards Agreement written analysis of trends for regulated sectors and measures implemented to monitor trends and mitigate risks. TSASK's responsibility for conducting inspections is set out in the Safety Standards Agreement that was signed by the government. The agreement requires TSASK to provide quarterly reports on statistical indicators for safety as well as annual trend analysis for the sectors regulated by TSASK.

We found that TSASK began providing quarterly reports to the ministry in early 2014. However as of December 31st, 2013, TSASK had not provided the ministry or its board with the required annual analysis explaining trends and measures implemented to monitor trends and mitigate risks. Without requiring annual trend analysis, the ministry and the board are not able to evaluate TSASK's performance and assess whether TSASK is meeting its legislative requirements.

In our ninth recommendation, on page 133 we recommend that TSASK establish processes to track and monitor completion of inspections by quality management system operators to confirm inspections have been completed in accordance with their approved manuals.

The boiler pressure Act, 1999 provides companies that own or insure boilers or pressure vessels with an opportunity to apply to the chief inspector for approval of a quality management system, a QMS. Under a QMS, the applicant establishes a document inspection program and employs qualified inspection personnel to perform periodic inspections on equipment they own or insure. Companies with a QMS must provide the chief inspector with reports that detail all inspections made subject to the QMS.

We found that TSASK does not have a process in place to track

and monitor whether QMS operators operate and submit the required reports in accordance with the operators' established processes and meet those deadlines. If TSASK does not track and monitor receipt of QMS reports, there is a risk that QMS operators will not complete inspections in accordance with your approved QMS program. Untimely inspection of equipment by QMS operators increases the risk of undetected equipment deficiencies. That's our presentation.

The Chair: — Thank you, Mr. Deis. I'd like to pass it off to the chief executive officer, Mr. Bill Scott. You have an opportunity to make some comments now and introduce the officials who are with you here today.

Mr. Scott: — Certainly. Firstly, good morning. I'm happy to be here. My name is Bill Scott. I'm here today with the chief inspector of TSASK, Chris Selinger, who is with me, and also Mr. Hawkins who is with us on behalf of our ministry.

I would like to thank the Provincial Auditor initially because it was a great experience to have them out on our performance audit. And it was a very useful process for TSASK, in that at the end of the day we accept and we're actually almost in so many ways pleased to see the recommendations because they were in alignment with our own strategic discussions. And they were items that we have been and we were aware of for the most part.

So essentially what I'd like to tell you about is sort of what our plans are, what we have identified and where we intend to go with it, and some of the progress that we've made even since the date of this report in March. So perhaps the best way to do that would just be to deal with the items in turn and just give our quick description with respect to each one of the items identified by the auditor.

So you know, the first item regarding the assessment of risk, this is something that, I'll think you'll note from the auditor's report, it's something that was done in an informal fashion. And certainly the professional staff at TSASK are aware of the risks identified and related to different types of equipment. Our issue has been creating a format by which we would be able to formerly identify these risks and then move beyond that, to being perhaps at a higher level to be able to use that risk-informed strategy to identify the nature of the risk involved in equipment and how we then move towards inspections.

Of course in the present environment, most inspections are simply done on a chronologic basis. They expire at a period of time and then they're due. And of course that's also how we have an inventory of overdue items that we need to address, which is the sort of thing that no matter how many we address, they continually arise because they're just coming about due to the effluxion of time.

So for some time we had been working at moving towards more of a risk-informed strategy. But we didn't really have the information that we required because we needed to have an assessment of each individual piece of equipment in our inventory which is, you know, well in excess of 30,000 pieces.

So we had moved and made an effort some time ago to replace our existing computerized record system with a tablet-based

inspection system which would allow our inspectors in the field to directly input information; to update erroneous information directly without having to go through a process of relating that back to administrative people, which we felt was important from the purposes of accuracy; and to allow the inspector on the ground, the person that has the best information, to actually score that piece of equipment with regards to the risk that it presents. And we didn't have that facility, but we now do.

So at the time of this report, we were talking about the implementation of our new inspection-based program, and I'm pleased to tell you that that now is in place. So we are operating under our new environment, and that's meaningful to us in several ways.

Number one, that we now have that ability to have the inspectors assess the risk related to equipment, which gives us the data that we need to move towards a risk-informed strategy, and also it allows us to work on any data errors that we have. And that's been a bit of an issue over time with an aging database where some of the protocols perhaps weren't as stringent as they could have been, that our database needed some cleanup work. Well now we're operating in a new database where the inspector in the field looks at the piece of equipment, verifies the situation, and if there's an error, he can actually make those changes at the site. So we're improving our database on a daily basis, which is important to us because in many ways, in my view at least, that's our product is the quality of our database.

[08:15]

The database has also been important because some of the Provincial Auditor's points relate to follow-up activity and, you know, the QMS inspections, things of this nature. Having a better database creates a methodology by which the follow-up process is automated as opposed to, you know, ensuring in an existing situation where we had to look at the inspector following up on his own conditions that he might have imposed upon equipment. Now we have a facility whereby we can track that.

So the movement towards a risk-informed strategy has been something that, you know, has been very high on our list. It's one of our obligations under the Safety Standards Agreement is to move in that direction. So we knew what we needed to do. We were lacking the tools in order to get there.

We now have the tool. It will take us a bit of time to populate some of this information so that we can begin to score equipment and see what we can do with it, and that's what we're presently working at is populating that framework and establishing the policies that will flow from that so that we can bring that higher level of knowledge to how we approach individual pieces of equipment.

So that's sort of the long way of dealing with the first piece. But I think that in many ways they are connected, and that's just the quick overview. So the technical piece, having the database, having the inspectors in the field working on a tablet basis, deals with a lot of the issues that are raised in this report.

Another thing, especially with respect to the overdue situation,

it's been a situation related to capacity. And over time, through attrition essentially, we have changed our focus a bit in our office. We have somewhat less administrative staff because we have streamlined some of our processes and more of it is automated. And even since the date of this report, we have added inspectors in the field. So you will see in this report, I think we had, I think the number was 17 inspectors at the time. We have 20 now operating in the province, and we are attempting to hire at least two more at this point in time. So that's one way that we intend to address that is we have added capacity, but we're adding capacity on an operational basis in the field.

And we've been very pleased that we have been recognized I think as a high-performing workplace, and we have had good responses to our attempts to hire and we have hired a number of people over the last year. We had some vacancies that we've been able to fill, and we've added additional personnel above and beyond that.

So as I say, now that we can begin to populate that database, we have the framework that we need. We're establishing the policy. Some of it is a learning as we go forward as to how we will establish and develop those policies. And in the same way, some of the comments like for instance with respect to the written policies regarding procedures, for instance, and complaints, we have done that work. We just hadn't properly documented it, and those things have been put in place, or where they are not in place yet, they are in the process of being put in place. That would be the same comment with respect to following up on deficiencies and the accuracy of information, as I say. So many of them are connected.

The last item I think would be the reporting requirements. The trend analysis has been a bit of an issue for us in that we found that that is an obligation that we have under the Safety Standards Agreement. We have experienced some difficulty in actually being able to establish trends from province to province in our business only because every province is very different, and the apples-to-apples comparisons are not apparent to us.

So we recognize that as something that we need to work on, and we've been in conversation with the ministry as to what that sort of reporting would look like. We've been in conversation with our board also. So that is an issue that is still in the works for us, but it was not apparently as simple to do as perhaps it might have been thought initially because without an understanding of the technical nature of our business and the different nature of the approaches between varying provinces, it's not as simple to achieve as it might have seemed to be at first instance. We will get there. It's just it's taken us longer than we thought would be the case initially.

So I haven't dealt with these necessarily in any particular order but, as I say, I think that they're all sort of wrapped together, and I think that the issue really is related to having the data to be able to achieve these recommendations. I think that we're well on the path to having that into place. It'll take us a while to populate it in order to have it useful in the field, but we expect that we can start to have meaningful effort in that regard probably within a year. And with regards to the other weaknesses with regards to issues of documentation, those are either in the works or they were already in the works or they're

already completed.

So I don't know if there's any particular questions that arise from this. And perhaps I haven't been as organized in my comments as I could have been, but I think that puts it in a nutshell.

The Chair: — Thank you, Mr. Scott. And I'd like to open up the floor for questions. Mr. Michelson.

Mr. Michelson: — Yes. We're talking about pressure vessels. Can you give us an idea of what that really is?

Mr. Scott: — I think I should let Chris answer that. He can give you the actual definition.

Mr. Michelson: — Well and they're different sizes I understand and whatnot.

Mr. Selinger: — Yes. The equipment that we look at on the boiler and pressure vessel side of things varies quite a bit. It can be, on a large scale, the power boilers that they have at SaskPower that are 14 storeys tall, so all the associated equipment with that. You get heat exchangers and other equipment that operate at elevated temperatures, talking 1,000 degrees Fahrenheit, as high as that even in some locations of equipment we look at, and pressures within the province that can also get up to the thousands of pounds per square inch.

On the smaller side, because it's quite varied, on the smaller side we'll look at pressure vessels sometimes in the oil field or in building heating systems that you could probably sit on the table in front of you, and you wouldn't have to kneel or anything on your chair to see over it kind of thing. They can be smaller: 6-inch diameter, a couple of feet long.

There are some exemptions in our legislation. And even in the documents that are in front of you with the report from the Provincial Auditor show you a decrease from one year to the next in inventory in our records. And that's some companies who have moved . . . with boilers and stuff and small heating boilers in apartment buildings and so on, where they've installed multiple boilers of a smaller size to have an exemption to our legislation versus one larger boiler to meet the capacity in the middle of winter but also to give them the benefit in shoulder seasons, in fall and stuff, where they are running one smaller boiler at full capacity is more efficient than a larger boiler. So it's quite varied.

So we do look at equipment in a number of locations: from industrial locations, refineries, chemical plants, the power production, to institutions and stuff where they are public institutions. It could be rinks, so we're talking about refrigeration equipment, to within schools and everything, their heating, their boilers, and stuff like that. And even the heating in this building is supplied by a power plant just a short stone's throw away from here I guess, and it supplies heating to this building and a few others. So it's quite varied.

Mr. Michelson: — When you have . . . You said there are some exceptions that are in the legislation. Like a tire store, their air pressure tank would probably be exempted. Would that be accurate to say?

Mr. Selinger: — So we have, I'll call it the boilers that even if in your house, if you have a boiler in your house versus a furnace, the size of boiler that could almost, you know, mount on a wall, a lot of those boilers are exempt. There's an actual size on square footage of heating surface that is referenced in that legislation. But to give you the picture, that's kind of what you're looking at.

When we talk about pressure vessels, then you're kind of looking at, there's some exemptions for air receivers like that that you would have in a tire store that, if you go to a local hardware store and you buy those ones that are about six feet tall, that's kind of the limit to not a full exemption.

There's two kind of parts in our legislation to that kind of equipment. If you're larger than that, it is something that we do inspect regularly, and it requires the annual licensing. If it's that size and I'll say generally smaller until you get to the ones that you just pick up by your hand to run some of your power tools and stuff, then that equipment has a one-time inspection to make sure the installation and all the safety equipment is there but not an ongoing commitment to licensing and inspection.

And similarly with the propane tanks is probably another example. The portable propane tanks, filling your barbeque, that falls under different legislation, under transportation of dangerous goods Act, so we don't look at those. But when you start to get into ones that you'll see heating, could be cabins or it could be on construction sites, and the equipment in this type of weather to keep the building warm and stuff like that, it's got a similar thing. When you talk about 500 gallons or less, then it's that one-time inspection, and above that, it's the routine, regular licensing and inspections.

Those are the majority of where the exemptions are. There are a few more other kind of exemptions to the legislation, but they're typically getting into small, low-risk kind of items.

Mr. Michelson: — Thank you for that explanation. I was also interested in the backlog. There always is a backlog, like you said. Does that hamper processes, production at all, or is it just something we have to get to? I'd hate to see a company have to close down until its inspection is made, and the inspection is going to be made in three, six months or something like that.

Mr. Selinger: — Yes. It doesn't slow down a company's processes and their operations. It's just past due from the time that we wanted to look at it, just to see if there are any deficiencies or repair work that may need to be done. But with that too, and some of the comments that I made in the report here, is the documentation, so we've done the informal risk assessments, but it's not documented. And that's one of the areas that we're looking to improve.

But those overdue items for inspection are generally . . . Our inspectors are guided to look at . . . If they have a choice between inspecting two items, the one item, if they can only do one of the two, the one item that they will not inspect will generally be a lower risk because it'll be . . . They'll look at considerations such as if there is . . . the company that's responsible for it is a large enough company that has their own in-house inspection and engineering resources and have been maintaining their equipment in that regard. And there will be a

level of trust and expectation that the equipment is in better condition than maybe a facility that doesn't have that kind of a resource.

So there is some risk-informed decisions that we're already making. It's just not documented. So when we look at those overdue, it doesn't affect the operations of buildings or companies and their operations. It's more just a knowledge of what the state of that equipment is and its state for continued operations is really what it reflects on.

Mr. Scott: — If I might add, part of the challenge that we have in that regard is related to the fact that we also do acceptance inspections, which is new equipment, where it is essential that we get out and inspect because it is going into service. And so because of the busy nature of industry in Saskatchewan for the last number of years, we've had to balance those acceptance inspections to get those bits of equipment into operation with our requirement also to deal with the overdues. So there's been a bit of an internal balance in where we resource our capacity to deal with those almost competing interests, to a degree.

Mr. Michelson: — Thank you for your explanations and your answers. That's all the questions I have. Thank you.

[08:30]

The Chair: — Mr. Merriman.

Mr. Merriman: — I just wanted to put a general thank you out for working with the Auditor's office, and this is what the audit process is absolutely designed for is to highlight some areas, maybe encourage to move on some areas, and I can see from your presentation and recommendations that the auditor, that this was taken very seriously and acted on very quickly. So I just wanted to put a quick thank you out to your staff and to the auditor's staff for, first, for the auditor's staff for highlighting this and secondly, for you for reacting so quickly and so thoroughly in enacting the processes at the auditor recommendation. This is exactly what the audit process should do. So I just want to put a quick thank you out to you.

The Chair: — Thank you. Mr. Wotherspoon.

Mr. Wotherspoon: — Yes, certainly to reiterate those comments, we appreciate the focus and the efforts to resolve these issues and the attention that they were already receiving. You spoke about the challenges to have a risk strategy in place right now and so you are working towards the database and some documentation, or I guess management of that information, which will inform that strategy. So we'll be tracking that with interest and we appreciate that.

As far as the elements such as no. 4 that calls for written procedures and policies for handling incidents and complaints, is that in place now? Is compliance in place on that front, and if not, what actions are required and what sort of timeline is in place to have policies and procedures in place for handling complaints?

Mr. Selinger: — So in that one there, that one, the documentation is still in process. What I'll say is informally all the staff know that when there is an incident — and similarly a

lot of our communication with all the industry and individuals out there — the notifications always do come into the office and the documentation that's not supported at this point is the direction that we've given, that essentially the incident always filters up to essentially myself in the role of chief inspector and some of my managers so that we can then assign the particular individuals that have the skill set that go with that particular investigation.

It's something that we expect to have documented soon. We kind of chose in this particular one to not address it immediately because we were in a significant learning opportunity partnering with the Regina Fire and Protective Services with an investigation this last while on stuff. So we wanted to build on some of the learnings and some of the knowledge and the documentation and how they follow up on investigations that they have a lot of experience on. So we've got that learning and now we're using that information to document it, and we expect that to be done quite quick and within months.

Mr. Wotherspoon: — Okay. Great. No, that's . . . So within months for the, having the establishment of policy and procedures. And I'm glad you're working with other partners as well. Regina Fire, certainly a good partner on that front.

Mr. Scott: — I think that's one of those situations where one of the advantages that we have is we're a small organization also. So Chris is in the office next to me. You know, we all know when something's going on.

The questions we're trying to create and one thing we've been working on throughout TSASK is creating an organized form with respect to these documents, where they're subject to a regular review and they're updated and the format is correct. And we've made huge strides in that and this will follow in that regard.

Another thing that we've done is we've updated our website. And there's a responsibility of operators of equipment to report incidents, and normally that's being done either through a telephone call which then gets distributed to all the senior management or through the website. Because anything that comes in on the general TSASK information line through the website is distributed to the broad range of senior management. And that's been fantastic because if someone writes in with either a complaint or a compliment, the entire round of management has that on their desk.

Mr. Wotherspoon: — Well thank you. No. 9, the recommendation about the tracking and monitoring the completion of inspections by QMS operators and sort of the important role of accountability that TSASK can play on that front. I guess, what actions have been taken to date and what further actions are required to be in compliance on this front with this recommendation?

Mr. Scott: — We had recognized that the QMS compliance was an issue and we undertook a program to reduce the numbers of outstanding QMS inspections, and that was done by cajoling them and getting them on the phone. And we knew what the outstanding numbers were, but to reduce that quantum. And that's been done so that the reporting on QMS has improved significantly. And Chris would have a better idea as

to exactly what that performance is but they've . . . It's improved significantly, and those discussions are now being formulated into the policy with regards to the follow-up. But what we did is we actually improved the numbers first and now we're documenting what we did to improve them.

Mr. Wotherspoon: — Okay. No, thanks for . . . So it seems to me that on most of the recommendation, there's progress. There seems to be recognition from TSASK that these are important recommendations and there's a will to ensure compliance. Certainly from our perspective, I think what we'll be interested in is just, you know, supporting those actions, tracking the progress. And certainly these are important safety measures for the people of the province. So thank you for the work that you're doing from our perspective, and thank you for . . . And we'll be tracking of course the further progress and work towards compliance.

Mr. Scott: — Thank you.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you. The number of outstanding inspections, I see it's trending downward and so on, but it raises a question as to how often do you reinspect pressure vessels. I'm guessing it depends on their use and the pressures and all that sort of thing. But if you could perhaps just, you know, give us a bit of an idea as to what, you know, . . . And I would imagine that if you find a problem of course you'd be going back, you know, fairly soon and seeing if the problem has been rectified. But what I'm looking for is just a bit of an idea of how often you're required to go and inspect these vessels, you know, provided everything's working. Is it every one to three years, one year, six months, whatever? If you could just, as I said, give us a bit of an idea of what the requirements are.

Mr. Scott: — I think you're right in actually answering your own question in the question, in that it depends.

Mr. Hart: — Give us some examples then.

Mr. Scott: — The joy of it, of being the Technical Safety Authority, is that there's technical answers for that. So it does depend upon the nature of the device. And again I'm going to defer to Chris. He's the engineer, and he can tell you what the differentiation is.

Mr. Hart: — Sure.

Mr. Selinger: — Yes, so basically a very simple sense, although there is some variation to this, it's all your low-pressure, hot-water-heating boilers are on a two-year inspection interval. When you get into high-pressure boilers, whether it's hot water or more commonly steam, and even your low-pressure steam heating systems or boilers that are used in processes, we inspect those ones annually. And when you look at pressure vessels, they're on a five-year basis.

And that's just straight the time-based policy requirements we've had for a number of years. And as we move to the risk-informed aspect of setting our policies, we expect there'll be variation, particularly on the pressure vessel side because the five-year time-based interval does not reflect on a lot of the risk

kind of questions you would have on either the potential consequences and the hazards. So it was the different kinds of vessels because in vessels there's a lot more variability. And when you're talking about boilers, the one and two years, there still will be variability, we expect, in moving from the one- or two-year inspection because you're still considering occupancy and other kind of aspects where they're located.

Mr. Hart: — Great. Thank you. The other question I have is, you had mentioned that you had recently hired three more inspectors and you're looking to hire more. Just for curiosity and information purposes, what type of education and training would an inspector have to have? You know, what are the qualifications you're looking for when you're hiring inspectors?

Mr. Selinger: — Yes. When we hire inspectors, what we initially look for is basically that they've got an engineering degree, is one option, with some relevant experience on pressure equipment. The other kind of area that we usually recruit individuals from are more in the operations end where they are power engineers. It's a certification that is specific to the understanding and operation of the boilers and all the associated equipment. Between those two.

And at the power engineers, there's various levels and essentially we're looking at first or second class power engineers typically. And that will come automatically essentially with a lot of relevant experience to move that way up because it's almost, it's similar to an apprenticeship as well. So they have that experience, and that forms the background.

And then from there of course it's a lot of both in-house training and also some training and recognition through an organization called the National Board of Boiler and Pressure Vessel Inspectors which is recognized in North America and worldwide.

Mr. Hart: — Great. Good. Thank you.

The Chair: — Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. How are you funded?

Mr. Scott: — We are funded through fees, the fees we charge.

Mr. Doke: — So your fees cover your total operation?

Mr. Scott: — Correct.

Mr. Doke: — And getting back to the inspectors, availability of inspectors, is it hard to get or is there ample people out there or what's . . .

Mr. Scott: — It's not easy, but we have been successful. And I think that we're . . . There's various reasons, but I think that we have been successful in attracting the types of inspectors we've been looking for. So we've been pleasantly surprised that we've been able to hire.

Mr. Doke: — So with the backlog that you have, why is it that you're only looking for two more? I'm a little puzzled on that. Why wouldn't you be looking for 10 more?

Mr. Scott: — Well I guess there's a couple of answers to that. Number one is that, you know, there's an expense involved in that, obviously. Number two, there's quite a lag time in having them up to speed. We can't just drop them in the field and have them immediately effective.

The other point is, with the new system, with the fact that we're really moving towards trying to have our inspectors spend less time in the office and more time in the field, which is really the advantage of having a tablet-based system, is that we don't have to have them in the field to do their preparatory work before they go out, or to come back to do their reports. So we've added, in real terms we've added probably an equivalent of a number of inspectors just through that because they'll be more effective in the field.

And I think that right now between the tablet-based inspection system, the fact that we can have those gentlemen in the field more effective in what they do, and the fact that we're looking at having added a total of an additional five just since March, we're pretty comfortable that we'll be able to deal with our backlog.

Mr. Doke: — And are you the only organization that does inspections in the province?

Mr. Scott: — No, there are other people that are licensed but we ensure that they're appropriately licensed. I suppose we should deal with how that works.

Mr. Selinger: — Yes. Essentially we are delegated through the legislation that created TSASK and have that responsibility to do all the inspections. We are essentially the only inspection company, but there is that provision in the legislation that allows owners or insurers to provide and create an inspection program and essentially get the certification and recognition through us to perform their own inspections on their own equipment only. It also requires that they have competent inspectors that get certified by us that have to show what their qualifications are and also pass an examination to ensure they understand the legislation and how it applies in the province.

So essentially we are the only inspection authority in the province, but there is that opportunity for companies to self-inspect through certification granted by us and through the audit oversight that we would then provide in that regard.

Mr. Doke: — Yes. I understand the aspect of self-inspecting though, but there is no other companies that go around and do safety inspections?

Mr. Selinger: — No.

Mr. Doke: — What about in other provinces?

Mr. Selinger: — That varies quite a bit. For the most part, Alberta began the opportunity where companies . . . Well there is no . . . Go back, I guess, a step. In all cases, it's either directly the province or a delegated authority such as us that does the inspections, or there's a process to recognize and allow owners to do their own inspections.

Mr. Doke: — Thank you.

The Chair: — Are there any further questions? No further questions? Well with respect to these nine recommendations, I'm wondering what is the will of the committee. Mr. Merriman.

Mr. Merriman: — Thank you very much, Madam Chair. I think we've noted that there's progress from TSASK on this, on all the recommendations and moving towards it, so if it's the will of the committee, I would like to recommend that we group all of them together. Is that agreeable with everybody?

[08:45]

The Chair: — Is everyone comfortable with this? I think that that would be fine.

Mr. Merriman: — Okay. Then, Madam Chair, I would certainly recommend that we concur with the recommendation and note progress towards compliance in recommendation 1 through 7 inclusive.

The Chair: — 1 through 9?

Mr. Merriman: — 1 through 9. Sorry, I forgot to flip the page.

The Chair: — Mr. Merriman has moved that for the 2014 report volume 1, chapter 14, recommendations 1 through 9, that this committee concur with the recommendations and note compliance . . .

Mr. Merriman: — Note progress towards compliance.

The Chair: — Sorry. Pardon me.

Mr. Merriman: — There, we're even.

The Chair: — Okay. It's early in the morning. I'm going to put that on the record here, again here. Mr. Merriman has moved that for the 2014 report volume 1, chapter 14, that for the recommendations no. 1 through 9 that we concur with the recommendation and note progress to compliance. Is there any further discussion? No? Is everybody ready for the question . . . [inaudible interjection] . . . Okay. Is everyone agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. So with that, that concludes our business for the day. Thank you to the officials from TSASK here for your time today. We appreciate having a bit of a bigger picture with respect to the auditor's report. Thank you to the members and to Mr. Paton and to the officials from the Provincial Auditor's office. Could I have a motion of adjournment? Mr. Merriman. Agreed?

Some Hon. Members: — Agreed.

The Chair: — We are now adjourned.

[The committee adjourned at 08:47.]