
MINISTRY OF TRANSPORTATION

4.11–Road User Safety Program

(Follow-up to VFM Section 3.11, *2001 Annual Report*)

BACKGROUND

The Ministry of Transportation's goal is to foster improved road user safety and well-planned highway expansion and preservation to bolster provincial growth and development. The Ministry's Safety and Regulation Division administers the Road User Safety Program by setting safety standards, enforcing compliance with those standards, testing and licensing drivers and vehicles, and educating road users about safe driving behaviour.

To carry out its responsibilities, in 2001, the Ministry operated 48 driver examination centres and had contracted with 280 private issuing offices to provide driver and vehicle licence renewal and related services. During the 2000/01 fiscal year, the Ministry administered 611,000 road tests and processed over 18 million over-the-counter transactions. In the same year, the Program spent \$101 million, and its licensing and registration activities generated approximately \$894 million in revenue.

During the course of our 2001 audit of the Road User Safety Program, the Ministry had not provided us with all the information and explanations needed to complete the audit. We subsequently received a commitment from both the new Minister and Deputy Minister of Transportation and saw evidence that corrective action would be taken to ensure that the access-to-information problems we had encountered would not reoccur in the future.

Sufficient information and explanations were received in 2001 for us to conclude that in managing resources for its Road User Safety Program, the Ministry was deficient in ensuring due regard for economy and efficiency, it did not ensure compliance with programs designed to enhance road safety, and its procedures to measure and report on program effectiveness were not satisfactory. Our major concerns in 2001 included:

- A significant number of applicants had to wait over six months to take a road test to try to obtain a driver's licence.
- Extreme variations in driver examiner pass rates were allowed to persist for over 10 years without corrective action being taken.
- Road user safety was impaired because some drivers' road tests had been shortened below the minimum standard time for properly evaluating necessary driving skills.
- The Ministry hired 280 additional staff for driver testing in the 16 months ended January 2001 at a cost of \$10.3 million and then opted for outsourcing driver testing to the private sector without a completed business case to justify this outsourcing.

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- The Ministry planned to spend \$101 million on computer systems work but, at the time of our audit, it did not provide us with assurance that the proposed system was supported by a properly completed business case.
 - Millions of dollars' worth of consultants' work was mismanaged as consultants were often selected without a competitive tendering process or engaged without a written contract in place.
 - Certain driver's-licence suspensions for impaired driving were rescinded without follow-up because the Ministry did not receive prompt notification of the suspension from the police.
 - A backlog of 30,000 reports from medical practitioners had accumulated, some dating back as far as 1997, allowing drivers to operate vehicles even though they were reported to have conditions that could make it dangerous for them to do so.
 - The Ministry did not meet its annual reporting requirement on road user safety to the Legislature. At the time of our audit, the last report tabled was for 1997 and did not contain recommendations for the prevention of motor vehicle accidents as required by the *Highway Traffic Act*.
 - Customer service needed improving given that 49% of people responding to ministry comment cards were dissatisfied, mainly because of lengthy wait times, service not being prompt and efficient, and staff not being courteous and helpful.

Accordingly, we made a number of recommendations to overcome these deficiencies and received commitments from the Ministry that it would take corrective action.

CURRENT STATUS OF RECOMMENDATIONS

The Ministry had taken or was in the process of taking corrective action on all of the recommendations made in our *2001 Annual Report*. The current status of each of our recommendations is outlined below.

DUE REGARD FOR ECONOMY AND EFFICIENCY

Driver Examinations

Recommendation

To help ensure that the driver examination function of the Road User Safety Program efficiently meets its objective of passing only qualified individuals, the Ministry should:

- *periodically revise written tests;*
- *achieve the six-week waiting time standard for road tests;*

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- *implement procedures, including periodic training for examiners, to better achieve consistency in the application of driver test standards; and*
 - *adequately test and evaluate applicants in accordance with ministry driver test standards.*

Current Status

Information provided by the Ministry indicates that waiting times to take a road test remain a chronic problem in some regions of the province. As of May 10, 2003 the average waiting period for all the regions was 8.3 weeks for the G1 driver's test and 10.2 weeks for the G2 driver's test. Some driver examination centres were experiencing wait times of up to 26 weeks and 34 weeks for the G1 and G2 tests respectively. The Ministry indicated to us that it expects the six-week standard waiting time to be achieved when the new private-sector service provider takes over the driver examination centres in fall 2003.

The Ministry also indicated that it had implemented ongoing reviews of written tests and has developed a bank of new questions that has been in use since January 2003. In addition, the application of driver-test standards and the testing of applicants is now monitored by management staff, and corrective action is taken if driver examiners do not consistently apply the standards.

Alternative Service Delivery

Recommendation

To ensure that potential outsourcing alternatives for the driver examination function of the Road User Safety Program are analyzed in an objective and thorough manner, the Ministry should:

- *comply with the Management Board of Cabinet Framework on Alternative Service Delivery and ensure that a comprehensive business case is prepared prior to seeking approval for any option; and*
- *ensure that documents submitted to Cabinet—upon which major decisions are to be based—are complete or clearly identify the limitations of the information.*

Current Status

The Ministry informed us that in November 2001, it completed a business case for the alternative service delivery of the driver examination function and subsequently updated the financial information in the business case to March 31, 2002. The Ministry also indicated that, in December 2002, it reported the results of the bidding selection process to the Cabinet Committee on Privatization and SuperBuild. The report to the Committee included financial information from the Ministry's business case and a recommendation to proceed with awarding a contract to the successful bidder.

The successful bidder signed a 10-year licence agreement on February 24, 2003, and agreed to pay the Ministry \$114 million, as well as \$200,000 per month for compliance and audit monitoring. The agreement entitles the bidder to the driver examination fees over the 10-year period. The bidder paid the Ministry a deposit of \$7.98 million and will pay the balance of \$106.02 million when the driver examination function is transferred, which is expected to be in fall 2003.

Information Technology

As we reported in 2001, the Ministry had submitted a business case to Management Board of Cabinet for renewing the legacy system that supports the licensing and registration of drivers and vehicles. The total cost of the proposed renewal, which was to be completed in the 2003/04 fiscal year, was projected to be \$101 million and was approved by the Management Board of Cabinet in December 2000. At the time of our audit, the Ministry did not provide us with the necessary supporting information for this project. Therefore, at that time, we could not provide assurance that the proposed legacy system renewal was based on a properly completed business case and strategic plan.

Current Status

The Ministry informed us that it has since prepared a new business case, which includes a detailed migration plan and the recommended design framework, which was communicated to Management Board of Cabinet through its 2002/03 and 2003/04 Business Planning and Allocations process. Due to changes and refinements to some projects from the preliminary plans in the original business case, the completion date for the system renewal project has been revised to December 2005 and the cost revised to \$112 million.

Consulting Services

Recommendation

To ensure that consultants are engaged in a fair and competitive manner and that value for money is being received, the Ministry should:

- *properly justify the need for consultants' services and document estimated costs before consultants are hired;*
- *define the scope of the work and ensure contracts are signed before consultants begin their assignments;*
- *select consultants based on an evaluation of the experience, qualification, and price of more than one supplier as required by Management Board of Cabinet directives, even if suppliers are selected from the vendor-of-record list prepared by the Management Board Secretariat;*
- *not allow suppliers to gain a monopoly for any particular kind of work;*

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- *help ensure fair competition by not awarding the same consultant successive agreements that cumulatively exceed the competition threshold of \$25,000;*
 - *enforce the ceiling of contracts when the terms and conditions of an agreement remain unchanged; and*
 - *formally evaluate consultants when their assignments have been completed.*

Current Status

The Ministry informed us that it has introduced a new monitoring system that will control the acquisition of consulting services from start to finish. As well, mandatory staff training was implemented, as was an acquisition/evaluation process checklist to ensure compliance with government procurement procedures.

Private Issuers

Recommendation

To ensure that private issuers of the Road User Safety Program are properly managed, the Ministry should:

- *review the current agreements with issuers to incorporate the roles and responsibilities of both parties and include a non-performance clause, as well as make the Performance Management Program mandatory for all issuers;*
- *impose penalties on issuers that, contrary to ministry procedures, consistently process transactions to increase commissions;*
- *hold issuers financially responsible for lost stock when the proper safeguarding procedures have not been followed;*
- *hire new issuers on a timely basis to minimize disruptions to customer service; and*
- *ensure that resources to train new issuers and monitor existing ones are adequate and consistent throughout the province.*

Current Status

As part of its Private Issuer Project, the Ministry reviewed its current agreement with private issuing offices and revised it for new issuers. This agreement incorporates penalties for non-performance, the reimbursement of overpaid commissions, and a strengthening of the termination clause. However, the majority of issuers still operate under the old agreements, and the Ministry does not have a date for implementing the new requirements for this group. The Ministry informed us that the date would be determined during the second phase of the Private Issuer Project.

With respect to hiring issuers on a timely basis, we reported in 2001 that it took up to six months to complete the selection process. The Ministry informed us that in 2002, seven new private issuers were selected through an enhanced procurement process. On average, it

took four months from the date the request for proposal was issued to the date the top bidder accepted the opportunity in writing. The Ministry ensured that there was no loss of service continuity in the areas affected.

In November 2001, the Ministry issued stock and cash management procedures and guidelines that outline the issuers' responsibilities for stock, cash, staff, and security. In May 2003, the Ministry was still reviewing the security plans provided by issuers to ensure that the plans comply with the new policy. The Ministry is also developing a policy to hold issuers financially accountable and to charge them for the cost of investigating missing stock if the issuer was determined to be at fault.

The Ministry informed us that it was now providing ongoing instruction to its Issuing Office Administrators, who monitor private issuing offices, to help ensure that all Administrators properly train all new private issuers.

Revenue Collection and Control

Recommendation

To help ensure that the Ministry receives all the funds it is entitled to from driver licensing and vehicle registration fees, it should:

- *fully reconcile the transactions carried out and deposits made by private issuing offices on a timely basis and follow up on any discrepancies;*
- *reinforce ministry cheque acceptance policies with private issuers and enforce measures to hold them accountable for any breach of policy;*
- *fully examine current collection procedures for NSF (not sufficient funds) cheques and consider policy and/or legislative changes to improve them; and*
- *transfer funds to be remitted to municipalities from the collection of parking fines only after cheques from vehicle owners have cleared the bank.*

Current Status

The Ministry informed us that it has made a number of changes to ensure that it receives all funds it is entitled to from driver licensing and vehicle registration fees. These included: using an automated reconciliation program to reconcile transactions to deposits, establishing a more rigorous collection procedure for NSF (not sufficient funds) cheques, sending accounts older than two years to a collection agency, and pursuing policy options with the ministries of the Attorney General and Municipal Affairs and Housing for more timely remitting of outstanding parking fines to municipalities.

The Ministry also informed us that, with the passage of the *Government Efficiency Act, 2002*, which amended related parts of the Highway Traffic Act, it was developing a process for cancelling driver's licences and denying vehicle plate renewals when individuals have outstanding debts with the Ministry. In this regard, the Ministry was reviewing potential

system changes to link its vehicle registration system with the driver licensing system to facilitate collection efforts.

COMPLIANCE WITH POLICIES AND PROCEDURES

Driver Performance Monitoring and Intervention

Recommendation

To help reduce the risk of motor vehicle accidents and improve driver performance, the Ministry should:

- *ensure that drunk-driver suspensions are only rescinded when such action is appropriately justified;*
- *review and take action on reports of drivers who do not meet the minimum medical fitness standards on a more timely basis;*
- *ensure that appropriate intervention for drivers who have accumulated excessive demerit points is undertaken on a timely basis;*
- *develop standard training programs for driver improvement counsellors; and*
- *ensure that counsellors have full information for making informed recommendations on potential licence suspensions and other remedial actions.*

Current Status

The Ministry has made process and automated systems improvements to the Administrative Driver's Licence Suspension program so that drunk-driver suspensions are not rescinded as a result of notices not being received by the Ministry within the prescribed time. The Ministry informed us that for 2002, none of the suspensions under this program had been rescinded as a result of notices not being timely.

With respect to medical fitness reports, the Ministry's standard timeframe for processing these forms in order to suspend a driver's licence is three to eight weeks. According to the Ministry, the backlog we noted in 2001 (the Ministry defines the backlog as cases older than six months) has been eliminated so that only current cases are now being processed. In addition, the Ministry has been working with the Ontario Medical Association to clarify the medical conditions that need to be reported and introduced a bill (*Road Safety Act, 2003*) in the Legislative Assembly in May 2003 to formalize these medical conditions and the reporting guidelines.

As for the demerit-point system and related licence suspensions by driver improvement counsellors, the Ministry informed us that it hired additional staff to ensure that backlogs do not occur. In addition, all counsellors have received additional training with respect to suspension standards and are now provided with full information on a driver's record, including information on criminal convictions.

Disabled Person's Parking Permits

Recommendation

To ensure that only persons who are entitled to disabled person's parking permits receive them, the Ministry should:

- *verify that the person attesting to the applicant's medical condition is a member of the medical profession;*
- *consider requiring certification that the applicant's disability does not impair the person's ability to safely operate a vehicle; and*
- *consider verifying that the disabled parking permit holder is still entitled to a permit when the application for renewal is received.*

Current Status

Effective March 1, 2002, the Ministry implemented a new renewal and medical verification process. Permit holders are now required to have a medical practitioner recertify that the medical condition that makes them eligible for a disabled person's parking permit still exists at each renewal date. Also, the Ministry has outlined new offences and increased penalties for the misuse of permits in the *Ontarians with Disabilities Act, 2001*.

MEASURING AND REPORTING ON PROGRAM EFFECTIVENESS

Road Safety

Recommendation

To improve the effectiveness of the Road User Safety Program in making Ontario roads safer, the Ministry should:

- *include the required recommendations for the prevention of motor vehicle accidents in its Ontario Road Safety Annual Report and ensure the report is prepared on a timely basis;*
- *review the driver-training time reductions within the Graduated Licensing System, update its Driver's Handbook, assess the merits of public education programs for new drivers, and implement any necessary changes to help reduce the collision risks of novice drivers; and*
- *carry out the planned study of its program for senior drivers to assess its effectiveness in identifying potentially unsafe drivers.*

Current Status

The Ministry's latest *Ontario Road Safety Annual Report* was for 2001, and it is planning to issue the 2002 annual report by the end of 2003. The Ministry informed us that, subsequent to our audit, all of its annual safety reports contain recommendations for the prevention of motor vehicle accidents and indicate planned education and intervention programs for improving road user safety.

To ensure that drivers are properly trained and tested to operate a motor vehicle, the Ministry updated its *Driver's Handbook* to reflect legislative changes to the rules of the road. The next planned update was scheduled for November 2003. In addition, the Ministry introduced a pilot public education program in April 2001 to reduce collision risk for novice drivers. By fall 2003, the Ministry intended to continue this program with educational videos and school and community programs.

With respect to novice drivers, the Ministry informed us that an overall evaluation of the Graduated Licensing System, including the reduction in waiting time to take the next driver test that is granted to those who take an approved driver education course, was being completed by the Traffic Injury Research Foundation in partnership with the Insurance Bureau of Canada. A final report was expected in summer 2003. The Ministry also completed a study of its program for senior drivers and determined that the fatal collision rate for seniors had decreased since it had implemented biennial testing.

Customer Service

Recommendation

To improve the customer service provided under its Road User Safety Program, the Ministry should:

- *analyze customer comments for common concerns;*
- *establish a repository of best practices used by offices to address such concerns; and*
- *establish internal performance benchmarks with respect to waiting times for over-the-counter services and periodically report on performance by office and region against established benchmarks.*

Current Status

According to the Ministry, it completed an analysis of customer comments and identified best practices used by offices to deal with the concerns. This information, along with other research carried out by the Ministry, was being put into a repository, which is shared with regional staff to improve customer service. With respect to developing internal performance benchmarks for waiting times for over-the-counter services, the Ministry informed us that initiatives to improve customer service will be included in the second phase of the Private Issuers Project and are reflected in the contract for the alternative service delivery of the driver examination function. The contract stipulates that a customer's wait time for service is

not to exceed twenty minutes. The Ministry intends to monitor this requirement and to take corrective action as necessary.

Effectiveness Measures

Recommendation

To measure the effectiveness of the Road User Safety Program and its initiatives to achieve safer roads, the Ministry should:

- *develop goals or outcomes over which the Program has a reasonable degree of influence; and*
- *develop performance measures that demonstrate how program initiatives contribute to the Program's goals or outcomes.*

Current Status

In evaluating the Road User Safety Program's performance, the Ministry will continue to measure its rate of fatalities per 10,000 licensed drivers and the percentage of customers satisfied with the services provided by the Private Issuing Network (as reported in the Ministry's business plans). As well, the Ministry is now measuring and reporting on the percentage of vehicle occupants wearing seat belts. The Ministry acknowledges that the outcomes of these performance measures cannot be attributed exclusively to the Program but have detailed their contribution to achieving its goals in its business plans. The Ministry informed us that it is still evaluating current performance measures and best practices from other jurisdictions to help in developing additional program-level performance measures.