

## Chapter 3

### Ministry of Transportation

## Section 3.06

# Driver Licensing

### Background

The Ministry of Transportation (Ministry) has a mandate to provide Ontarians with a safe, efficient, and integrated transportation system. Its Road User Safety Division works to improve road safety and mobility, through the promotion and regulation of safe driving behaviour; and customer service and the accessibility of ministry products and services, including those relating to driver licensing. During the 2004/05 fiscal year, the Ministry spent \$173 million on its Road User Safety Program, while its licensing and registration activities generated approximately \$950 million in government revenues.

In Ontario, there are approximately 8.5 million licensed drivers, and that number is increasing by an estimated 300,000 drivers annually. Over 4.7 million driver's licences are issued or renewed every year. The Ministry's driver-safety-related responsibilities include setting road safety standards and monitoring and enforcing compliance with these standards; working to reduce unsafe driving behaviour, such as impaired or aggressive driving; licensing drivers; and maintaining driver information.

To carry out its responsibilities, the Ministry has contracted with some 280 private issuing offices that provide driver's licence and vehicle licence

renewal and related services. In September 2003, the Ministry entered into an agreement with a private-sector company to conduct driver examinations, which include vision, knowledge, and road tests. As of the end of our audit, this company was operating 55 permanent and 37 temporary driver examination centres throughout the province.

The Ministry relies heavily on computer information systems to help it manage its responsibilities and serve its customers. The Ministry's Driver Licence System (Driver System), a legacy system that is over 30 years old, is used to maintain personal information and operating records on all Ontario drivers. In 2000, the Ministry commenced a five-year project to upgrade key components of the hardware and infrastructure supporting this Driver System that were considered obsolete. Up to the time of our audit, the Ministry had spent \$108 million on this project, and we were informed that 80% of the originally planned work had been completed. In 2004 the Management Board of Cabinet reduced the budget for this project. The Ministry reduced the scope of the project and wound up other outstanding work.

## Audit Objective and Scope

The objective of our audit was to assess whether the Ministry had adequate systems and procedures in place to:

- ensure that only legitimate and safe drivers were licensed to drive in Ontario; and
- protect the integrity and confidentiality of drivers' personal information.

We identified audit criteria that would be used to address our audit objective. These were reviewed and accepted by senior ministry management. Our audit included examining documentation, analyzing information, interviewing ministry staff, and visiting five driver examination centres and five private issuing offices. In addition to our interviews and fieldwork, we employed a number of computer-assisted audit techniques to analyze driver's licence data and driver operating records.

Our audit was conducted in accordance with standards for assurance engagements, encompassing value for money and compliance, established by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances. We also reviewed the relevant recent reports and activities of the Ministry's Internal Audit Services Branch. A number of issues that had been identified by the Branch were helpful in determining our audit work.

## Summary

We concluded that the Ministry needs to strengthen its systems and procedures if it is to ensure that only legitimate and safe drivers are licensed to drive in Ontario. The difficulties of maintaining a very old and complex computer information system

and improving its ability to meet users' needs have undoubtedly contributed to the Ministry's challenges in this regard. We noted that:

- Some of the identification documents accepted when someone applies for a new driver's licence were of questionable reliability. For instance, such items as membership cards for wholesale warehouse clubs and employee or student cards without photos were accepted as one of the two required identification documents. Guidelines provided to front-line staff for validating identification documents were also found to have significant gaps.
- Procedures for identifying potentially fraudulent driver's licences need to be improved. We identified a number of individuals who appeared to be maintaining duplicate driver's licences on the Ministry's system.
- While a number of information-sharing arrangements are in place, licences from a number of jurisdictions were exchanged without transferring the driver's conviction record from or validating the driver's status in the other jurisdiction. In 2004, the Ministry exchanged 30,000 out-of-province licences (45% of all such licences it exchanged) without such record transfers. There is also a risk that Ontario residents who fail multiple road tests in Ontario can obtain licences through the out-of-province licence exchange agreements without proof that they have completed a successful road test, since other jurisdictions may have issued a licence with full driving privileges on presentation of an Ontario novice-class licence. For instance, one driver failed the Ontario road test 15 times but received an Ontario driver's licence by subsequently presenting a licence from another jurisdiction.
- The Administrative Driver's Licence Suspension Program (involving a 90-day immediate suspension) and the Ignition Interlock Program (in which a blood alcohol testing device is installed in the vehicle) appear to have been successful in

contributing to improved road safety as it relates to drinking and driving.

- The Driver System and ministry procedures did not ensure that all high-risk drivers were appropriately dealt with in a timely manner. For example, the Ministry was not complying with its own policy of following up on drivers involved in three or more collisions within a two-year period. As well, little was being done to deal with drivers who continued to drive with a suspended licence or whose licence was suspended multiple times. Over 25,500 drivers had their licence suspended at least three times in the 1995–2004 period, with one driver’s licence having been suspended 18 times.
- Delays in scheduling demerit-point interviews resulted in the cancellation of over 14,000 interviews in 2002 and 2003, with the associated demerit points eventually expiring without being addressed. In addition, the use of the strongest sanction—immediate suspension—has been very infrequent and has dropped dramatically (from 1.2% in 2001 to 0.1% in 2004). As well, the rates of remedial actions arising from these interviews—such as requiring the driver to take a defensive-driving course or imposing a deferred suspension—varied significantly by region and between ministry counsellors.
- We found that the highest increase in the at-fault collision rates for seniors occurred as individuals moved from the 70–74 age group to the 75–79 age group. However, the Senior Driver Renewal Program does not begin until drivers reach the age of 80, even though most other Canadian provinces use 75 as their age criterion. The number of drivers over 75 years of age has doubled in the last 10 years.
- Driving-related criminal records for young offenders were maintained manually and were error-prone. For example, in our sample of 40 former young offenders who should by law have been given lifetime suspensions based on their

driving records, the suspension had not been imposed for seven (17.5%) of them.

We also concluded that improvements were needed to protect the integrity and confidentiality of drivers’ personal information:

- Although the Ministry relies on the driver records maintained in its Driver System to trigger disciplinary action when required, procedures for ensuring that all driving-related convictions were attributed to the responsible driver were insufficient. We noted extensive delays in following up on cases in which a conviction notice could not be matched to a driver record. Efforts made to resolve these cases were often inadequate, and unresolved files were destroyed without proper approval.
- Since our audit of road user safety in 2001, the Ministry has improved its timeliness in processing medical reports and is now meeting its related performance benchmark.
- Security administration processes to limit the number of privileged users, protect data transmission, and monitor system access were not effectively implemented.
- The Driver System did not always calculate demerit points accurately; accordingly, driver suspensions were not generated automatically as intended. Manual intervention was regularly needed to overcome this system malfunction, and this led to errors in updating driver records.
- The driver examination service provider was not complying with ministry security requirements when hiring staff who have access to confidential driver records, and the Ministry had not developed adequate policies and procedures to deal with prospective and existing employees with criminal records. We noted instances where staff had criminal records yet no action was taken, and, in 25% of the new-hire files we reviewed, the required criminal check had not been done.

## OVERALL MINISTRY RESPONSE

The Ministry values the work of the Office of the Auditor General and is taking action on all of the Auditor's recommendations.

Road safety, quality customer service, effective stewardship of government revenues, and the protection of personal information are top priorities for this Ministry. Ensuring the integrity of the Ontario driver's licence is also a key priority for this Ministry.

The Ministry is committed to improving its business processes and making better use of technology to detect and deter attempts at identity theft.

## Detailed Audit Observations

### DRIVER'S LICENCE APPLICATION

In order to legally drive in Ontario, residents who are 16 years of age or over, as well as any newcomers to Ontario, must first obtain a driver's licence from the Ministry. These driver's licence applications can be processed at any of the driver examination centres located throughout the province. Applicants must pay the applicable licence fee and provide proof of their personal identity and date of birth.

An Ontario driver's licence has become a widely accepted piece of identification. For example, it is often used to obtain a Canadian passport, an Ontario Health Insurance Plan card, or a mortgage or line of credit from a financial institution. It is also commonly used as the required photo identification for boarding aircraft on domestic flights. Accordingly, proper authentication of an applicant's identity before issuing a driver's licence is essential for security purposes and to minimize fraudulent activities.

### Identification Documents

The American Association of Motor Vehicle Administrators (AAMVA), an organization of U.S. state and Canadian provincial officials who administer and enforce motor vehicle laws, has developed suggested minimum standards for North American jurisdictions to promote identification security, interoperability, and reciprocity. As part of this work, AAMVA has established the "Canadian Acceptable Verifiable List" of 13 identification documents that are considered reliable and verifiable. Included on this list are such documents as international passports, citizenship cards, certificates of Indian status, driver's licences from other jurisdictions, birth certificates, marriage certificates, and permanent resident cards. The Canadian Council of Motor Transport Administrators (CCMTA) endorses AAMVA's Canadian Acceptable Verifiable List and associated procedures. Ontario is a member of both AAMVA and CCMTA.

In order to authenticate the personal identity of individuals applying for a driver's licence, the Ministry has developed a list of acceptable documents to assist driver examination centres. We compared the Ministry's list of acceptable identification documents to AAMVA's recommended list and to the accepted documents used by a number of other Canadian jurisdictions. In addition to accepting all the types of identification documents recommended by AAMVA, the Ministry also accepted 18 additional types of documents. As illustrated in Figure 1, Ontario accepted far more types of identification documents than any other Canadian jurisdiction we looked at. The list of documents accepted by Ontario includes such items as employee or student cards without photos and membership cards from wholesale warehouses or hobby clubs. Our concern with these latter forms of identification is that they may not be readily authenticated or reliable. The Ministry's Internal Audit Services Branch has also raised this concern.

In addition to the list of acceptable identification documents, the Ministry and the driver

**Figure 1: Number of Identification Types Accepted by Different Jurisdictions**

Prepared by the Office of the Auditor General of Ontario

Jurisdiction	AAMVA Recommended Identification Types Accepted	Additional Identification Types Accepted
Alberta	6	10
British Columbia	6	11
Manitoba	8	8
Nova Scotia	7	6
Ontario	13	18
Quebec	11	1
Saskatchewan	9	12

examination service provider also provide driver examination centres with guidelines for reviewing and authenticating these documents. However, while the guidelines covered driver's licences and several identification cards issued by Canadian, American, and some international jurisdictions, there were a number of significant gaps. For example, no guidance was available for authenticating driver's licences from the People's Republic of China, India, Iran, and Sri Lanka, all of which currently rank among the top 10 countries of origin for people immigrating into Canada. Moreover, no authentication guides or resources were available for reviewing a number of other common identification documents accepted by the Ministry, such as birth certificates from other jurisdictions. Such guidelines could include photographs of both sides of a sample of these documents and a description of security features that staff could look for when reviewing such documents for authenticity.

As well, we found that the Ministry had no procedures for liaising with other provincial government offices or other levels of government to obtain lists of documents (such as birth certificates or passports) known to be lost, stolen, or fraudulent, so that such lists could be made available to the driver examination centres or the private issuing offices.

## Duplicate Driver's Licences

The Ministry performs a "contender check" on all driver's licence applicants in an attempt to minimize the risk of issuing a duplicate driver's licence. This check involves searching the Driver System for any records that match the applicant's name, date of birth, and sex. However, since applicants' names often vary, sometimes significantly, on different identification documents, and the system does not have the capability to ensure that all names are entered in a standardized format, this check cannot be completely relied on.

We analyzed a sample of driver records—using expanded search criteria that included drivers' addresses as well as their names and dates of birth—and identified 280 pairs of potential duplicates. We subsequently compared the photos and signatures of these drivers and determined that 13 pairs appeared to be duplicates. The Ministry was following up on these cases at the time we completed our audit. For two of these cases, we noted that if the conviction and demerit points shown on the separate records had been combined, disciplinary action would have been taken against the drivers.

### RECOMMENDATION

To better ensure that the personal identity of every driver's licence applicant is authentic, the Ministry should:

- review the list of acceptable identification documents and consider removing documents that are of questionable reliability;
- develop additional guidance to assist in the validation of identification documents commonly presented by driver's licence applicants; and
- expand the scope of the contender check to minimize the risk of issuing duplicate driver's licences.

## MINISTRY RESPONSE

By fall/winter 2005/06, the Ministry will begin using a more limited, standardized list of identification documents that can be used for a first driver's licence registration. These identification requirements will be consistent with those established by the American Association of Motor Vehicle Administrators.

To ensure that identification documents used to obtain a driver's licence are authentic, the Ministry is actively investigating technological solutions that will confirm the authenticity of important source documents before a driver's licence is issued, including verification from the issuing authorities.

The Ministry will complete a review of the current contender check policy and procedures by fall 2006, with the goal of identifying potential additional improvements to deter identity theft.

### Out-of-province Licence Exchange

New residents of Ontario who have a valid out-of-province driver's licence may drive for a maximum of 60 days in Ontario. To continue to drive after this period, these drivers must obtain an Ontario driver's licence. To facilitate this process, Ontario has entered into reciprocal agreements with all Canadian and U.S. jurisdictions, and with several other international jurisdictions, to exchange their drivers' licences for an Ontario licence with full driving privileges, provided that the driver has at least two years of driving experience within the last three years. There is no requirement for a knowledge or road test. On average, the Ministry exchanges over 70,000 out-of-province licences annually.

Ontario does have a process for recognizing the driving experience of drivers from jurisdictions with which it has no reciprocal agreement. How-

ever, such applicants must still complete Ontario's vision, knowledge, and road tests before a fully privileged driver's licence is issued to them.

Figure 2 outlines the jurisdictions with which Ontario has reciprocal agreements and summarizes additional procedures (discussed further below) for verifying the status and driving history of drivers coming from some of those jurisdictions.

Before granting a licence exchange for drivers from other provinces and territories and from most U.S. states, driver examination centres make an inquiry through a network known as the Inter-provincial Record Exchange (IRE) to verify the current status of the applicant's licence in the jurisdiction that issued it. If the applicant's licence is suspended or invalid, either the licence exchange application is rejected or additional support is required before an exchange is approved. However, many foreign jurisdictions are not connected to the IRE; hence, the Ministry cannot determine whether the licence of a driver from such a jurisdiction is suspended or even valid at the time of the exchange application. For people coming from these jurisdictions, the issuance of an Ontario driver's licence is approved based solely on the applicant's having presented an out-of-province driver's licence that has not expired. Our analysis indicated that approximately 8,000 (11%) of the licences exchanged in 2004 fell into this category.

Twelve North American jurisdictions have also entered into a "Non-resident Violators Agreement" with Ontario. Under such an agreement, the records for all driving-related criminal convictions within the past 10 years, and for eight other types of driving offences committed by the driver within the past two years, are transferred from the original jurisdiction and form part of these drivers' Ontario driving records. These eight types of offences are considered the more serious violations of Ontario's *Highway Traffic Act*, such as failure to remain at the scene of an accident, careless driving, racing, exceeding the speed limit by 50 kilometres per hour

**Figure 2: Out-of-province Licence Exchange Agreements and Procedures**

Source of data: Ministry of Transportation

	Reciprocal Agreement	Inter-provincial Record Exchange	Non-resident Violators Agreement	MOU with Requirement for Validity Checks
other Canadian jurisdictions	✓	✓	✓ Except: • British Columbia • Nunavut Territory	
United States	✓	✓ Except: • Arizona • District of Columbia • Illinois • New Jersey • Vermont	✓ In place only with: • Michigan • New York	
Austria	✓			
France	✓			✓
Germany	✓			
Japan	✓			
Korea	✓			
Switzerland	✓			
United Kingdom	✓			✓
Canadian Forces–Europe	✓			

✓ = Existence of agreement or record exchange with Ontario

or more, failure to obey a stop sign or signal light, and failure to stop for a school bus. However, for all other reciprocal jurisdictions, there is no such transferral mechanism in place: drivers from those jurisdictions start with a “clean slate” in Ontario. Our data analysis indicated that almost 30,000 (45%) of the out-of-province licences exchanged in 2004 were done on this basis.

Ontario has also entered into a Memorandum of Understanding (MOU) on licence exchanges with both the United Kingdom and France. Under these memoranda, Ontario is required to notify the home jurisdiction of exchange applications and to obtain verification from them of the validity of the driver’s licence presented. However, we noted that although these agreements were signed in early 2004 and over 6,000 driver’s licences from these jurisdictions had been exchanged by the end of January 2005,

the Ministry had not yet requested the verifications as per these agreements.

In addition, there is growing concern that Ontario residents who fail multiple road tests in Ontario may be able to circumvent Ontario’s graduated licensing system by taking a “shortcut” path in another jurisdiction. Under the graduated licensing system, new drivers must pass a vision test, a knowledge test, and two road tests, and must have at least 20 months of driving experience, before becoming fully licensed. Our analysis indicated that from 1998 through 2004, over 2,100 drivers who failed their road test in Ontario subsequently obtained a full Ontario licence by exchanging a licence obtained in another jurisdiction within two to four years. Among this group of drivers, 367 (17%) had failed the road test in Ontario at least three times, and one had failed 15 times. Service

provider staff raised concerns that many jurisdictions, because they do not have graduated licensing systems, may be inadvertently providing licences with full driving privileges on presentation of a novice-class Ontario licence, which can be obtained without a road test. Most commonly these applicants had obtained a licence in Quebec, Alberta, or Michigan. The Ministry had no evidence that individuals originally possessing a novice-class Ontario licence ever took or passed a road test in these other jurisdictions.

We also noted that despite a ministry policy requiring driver examination centre management to review all out-of-province licence exchanges before they are approved and processed, this management review was being done only for jurisdictions outside North America at one of the five centres we visited, and was being done inconsistently at two of the others. This lack of proper authorization increases the risk of licences' being exchanged improperly.

## RECOMMENDATION

To ensure that only authorized and capable drivers with out-of-province licences obtain an Ontario driver's licence, the Ministry should:

- comply with existing exchange agreements and expand the scope of its out-of-province licence exchange program to include the sharing of serious conviction records with more jurisdictions;
- consider requesting proof of successful road test completion before approving a licence exchange for applicants who have failed multiple road tests in Ontario; and
- ensure that driver examination centre management complies with ministry policy and reviews all out-of-province licence exchange applications before an Ontario driver's licence is issued.

## MINISTRY RESPONSE

The Ministry shares the Auditor General's concern about the need to safeguard the integrity of the out-of-province driver's licence exchange process. The Ministry has a sound licence exchange system and has taken action to improve the security of its driver's licence, and further improvements to the driver's licence card will be made in the next 18 months.

In collaboration with other jurisdictions, the Ministry will explore the feasibility of exchanging serious conviction information where such information is not already exchanged. In fall 2005, the Ministry will begin exploring the feasibility of requiring a certified driver's licence abstract for all out-of-province exchanges.

The Ministry is currently reviewing the issue of verifying existing exchanged U.K. and France licences and expects to begin addressing this issue in late 2005. If the Ministry is advised that an exchanged licence is suspended, the Ontario licence will be revoked.

All future reciprocity agreements with jurisdictions outside of Canada and the United States, as well as those already signed with France and the United Kingdom, require that the Ministry verify the validity of the driver's licence presented for exchange. Verification will take place after the issuance of an Ontario licence. If the exchanged licence is found to be suspended or fraudulent, the Ontario licence will be cancelled.

Ontario's current policy with respect to exchanging out-of-province licences for individuals who have previously failed Ontario road tests addresses the concern that drivers may be circumventing Ontario's graduated licensing system. Novice drivers surrendering a licence with less than 24 months' experience from a reciprocating jurisdiction will be issued a novice-class licence. The driver will be expected to pass Ontario's G2 exit test to qualify for a full



G licence. Currently, most Canadian and many U.S. jurisdictions have a graduated driver's licence program. Current exchange agreements ensure that only equivalent classes of licence will be exchanged. Ontario recognizes the out-of-province licence as proof of successful completion of written and road tests.

Current policy requires that driver examination centre supervisors approve all out-of-province and out-of-country driver licence exchanges. Clarification of this policy will be sent to the driver examination centres' service provider in September 2005.

## ROAD USER SAFETY

In 2000, along with all other Canadian provinces and territories, Ontario endorsed Road Safety Vision 2010, a national initiative of the Canadian Council of Motor Transport Administrators aimed at making Canada's roads the safest in the world. This initiative targets a 30% reduction in the average annual number of deaths and serious injuries resulting from traffic collisions for the years 2008 through 2010 as compared to 1996 through 2001.

Since 2000, the Ministry has proclaimed Ontario one of the safest jurisdictions in North America, with a driving-related fatality rate that has been declining since 1996. However, we noted that the fatality rate has been used by the Ministry as its sole safety performance measure for several years, and that other factors, such as seat belt usage and improved vehicle safety features (for example, air bags), also reduce the risk of fatalities. In this regard, we noted that in early 2004 the Management Board of Cabinet directed the Ministry to improve its performance measures—including those for road user safety—and to submit revised measures to the Management Board for review by fall 2004. However, we noted that the Ministry did not address this directive either in its subsequent

2004/05 Management Board submissions or in its 2005/06 Business Plan submission. Revised measures aimed at more effectively measuring the Ministry's direct contribution to improving road safety were still in draft form at the end of our audit.

## RECOMMENDATION

To help improve the Ministry's ability to assess the effectiveness of its road user safety efforts, the Ministry should expand and enhance its performance measures for road user safety.

## MINISTRY RESPONSE

The Ministry is committed to improving its ability to measure the effectiveness of its road user safety programs.

In 2004, the Ministry developed a number of internal performance measures to assess the effectiveness of its road user safety efforts. Some of these internal measures include:

- involvement of senior drivers over 80 years of age in fatal collisions;
- young drivers/riders (16–19 years) killed and seriously injured in collisions; and
- fatalities and injuries due to improper use and non-use of occupant protection systems (e.g., seat belts and car seats).

Early results suggest that these measures demonstrate the effectiveness of the programs targeted.

New regulations took effect on September 1, 2005 that extend the requirement to use child car seats, including booster seats, for young children; restrict the number of teenage passengers that a teenage driver can carry when driving; and further protect children getting on and off a school bus. Bill 169, introduced on February 21, 2005, will, if passed, increase penalties for speeding and provide enhanced protection for children and other pedestrians at crosswalks, as well as for construction workers.

All of these initiatives are expected to decrease fatalities and lead to positive results for the Ministry's performance measures. The Ministry continues to look at its performance measures and is exploring additional road user safety measures.

## Demerit-point System

The demerit-point system provides the Ministry with an intervention tool to improve driver performance and behaviour. Drivers who are convicted of certain offences under the *Highway Traffic Act* have demerit points added to their driver records. The points remain on the driver's record for two years, after which they are removed. If a driver accumulates a designated number of demerit points within a two-year period, the Ministry's policy is to take various actions, as shown in Figure 3.

### Demerit-point Interview Scheduling Delays

During our 2001 audit of the Road User Safety Program, we noted that the Ministry had a backlog of scheduled demerit-point interviews, with approximately one-third of the interviews being cancelled due to this backlog. In our current audit, we noted that this situation had not improved. For 2002 and 2003, approximately 14,000 interviews were never scheduled within the two-year demerit-point period: accordingly, the related demerit points expired and were removed from the drivers' records. As of December 2004, we noted that there were over 7,000 demerit-point interviews outstanding, and over 3,000 (48%) of them were outstanding beyond the ministry target of three months. Failure to take advantage of the opportunity to use intervention measures reduces the effectiveness of this program in improving driving behaviour.

### Action Resulting from Demerit-point Interviews

Driver improvement counsellors have the authority to immediately suspend a driver's licence or impose various types of remedial action as a result of a demerit-point interview. Examples of such actions include a strong warning letter, a deferred suspension (whereby the driver's licence will be automatically suspended if the driver is convicted of another offence within a given time period), and requiring the driver to attend a defensive-driving course.

Although there is no policy with respect to how often interviews should lead to some type of action, as indicated in Figure 4, the rate of taking action has averaged about 10% over the last four years. In addition, our analysis indicated that the use of the strongest sanction—immediate licence suspension—was infrequent and had declined dramatically: as Figure 4 shows, the rate dropped from 1.2% in 2001 to 0.1% in 2004. According to the Ministry, the immediate-suspension sanction is being used less often because the Ministry believes other less severe remedial actions to be more effective in improving driver behaviour. However, the Ministry has not done any formal analysis—comparing subsequent driving records to the type of action taken—to support this view.

Figure 4 also indicates that while the decreased use of the immediate-suspension sanction was counterbalanced by increased use of remedial

**Figure 3: Demerit-point Levels Requiring Ministry Action**

Source of data: Ministry of Transportation

Ministry Action	Demerit Points	
	Novice Drivers	Full-licensed Drivers
driver is issued a warning letter	2	6
driver is required to attend an interview with a driver improvement counsellor	6	9
driver's licence is suspended		
for 30 days	—	15
for 60 days	9	—

**Figure 4: Action Resulting from Demerit-point Interviews, 2001–2004**

Source of data: Ministry of Transportation

Region	2001		2002		2003		2004	
	Immediate Suspension (%)	Remedial Action (%)	Immediate Suspension (%)	Remedial Action (%)	Immediate Suspension (%)	Remedial Action (%)	Immediate Suspension (%)	Remedial Action (%)
Central	0.9	20.5	1.7	20.8	0.4	6.2	0.1	4.2
Eastern	1.3	1.2	0.7	1.8	0.1	3.2	0.2	9.5
Northern	4.9	14.7	3.5	22.7	0.9	24.1	0.5	20.3
Southwestern	0.5	9.6	0.6	11.3	0.2	12.7	0.1	16.8
<b>Total</b>	<b>1.2</b>	<b>10.2</b>	<b>1.2</b>	<b>11.9</b>	<b>0.2</b>	<b>9.1</b>	<b>0.1</b>	<b>9.4</b>

actions in three of the Ministry's four regions, this counterbalancing did not occur in the Central Region, where the use of all types of remedial action dropped significantly from 2001 to 2004. This region had the lowest rate of remedial action taken in 2004.

In addition to varying across regions, the rate of imposing remedial action varied significantly by individual counsellor. While overall some form of remedial action was imposed for 9.3% of the interviews conducted in 2003 and 9.5% of those conducted in 2004, 38% of the counsellors imposed remedial action in less than 5% of their 2003 and 2004 demerit-point interviews. One counsellor imposed remedial action in only 16 (0.6%) of the 2,872 interviews conducted from 2002 through 2004.

We also noted that the Driver System did not have the capability of maintaining detailed records of remedial actions imposed or completed as part of a driver's record, nor could the system automatically generate a suspension for those drivers who had been given deferred suspensions and were convicted again within the period specified by the counsellor. Although such drivers were flagged in the system, Ministry staff had to manually monitor each case and take appropriate action when required.

Even though the Ministry often recommends defensive-driving and driver improvement courses

as a remedial action, it does not maintain a list of recognized courses. As well, the Ministry has not reviewed or set standards for the duration of driver improvement courses or established standard content/curriculum for either the defensive-driving or the driver improvement course.

#### Use of Questionnaire

The Ministry uses driver questionnaires as an alternative to driver improvement interviews when driver improvement counsellors are not available on the scheduled interview day (for example, due to illness) and for out-of-province drivers. Ministry staff review the completed questionnaires to determine whether to schedule (or reschedule) a driver improvement interview. However, we noted that the Ministry also used questionnaires to clear interview backlogs. The use of this alternative reduced the likelihood of a suspension or other remedial action being imposed, as we noted that 99.9% of the 1,180 questionnaires processed in 2004 resulted in no further action being taken.

We also found follow-up procedures on outstanding questionnaires to be insufficient. In particular, we noted that of the 2,500 questionnaires the Central region had distributed in 2004 and January 2005, 17% had not been returned within the Ministry's targeted turnaround time, and the regional office had not followed up on these drivers.

## RECOMMENDATION

To help achieve its objective of promoting safe driver behaviour, the Ministry should:

- ensure that it appropriately and promptly assesses drivers who have accumulated excessive demerit points;
- provide guidelines and training to driver improvement counsellors that would improve consistency in the assessment of drivers who have accumulated excessive demerit points and monitor counsellors in their implementation of the guidelines;
- measure the effectiveness of replacing immediate suspensions with less severe remedial action imposed by driver improvement counsellors;
- enhance the Driver System to maintain detailed remedial-action records and automatically suspend drivers when required;
- analyze the effectiveness of available defensive-driving and driver improvement courses and provide counsellors with a list of acceptable ones; and
- minimize the use of questionnaires, and follow up on outstanding questionnaires in a timely manner.

## MINISTRY RESPONSE

The Ministry is committed to promoting safe driving behaviour. The demerit-point system is a key strategy for meeting that objective.

Although there were 3,000 interviews scheduled beyond the Ministry's target of 90 days at the time of the audit, this number has now been reduced to 1,077. Regions will continue to work towards achievement of the 90-day target by conducting group demerit-point interviews and by redeploying additional resources. The Ministry is committed to reducing the waiting list

for demerit-point interviews to an acceptable level by fall 2005.

An assessment of core competencies related to the position of driver improvement counsellors will be completed by summer 2006. The results of this assessment will form a baseline for consistency. In addition, the Ministry will consider such remedial actions as:

- additional driver improvement counsellor training;
- business process improvements;
- the implementation of driver assessment guidelines for use by counsellors; and
- processes and tools for monitoring consistency in the application of the driver assessment guidelines by counsellors.

By January 2006, the Ministry will begin analyzing the effectiveness of imposing remedial actions versus immediate suspensions, with a view to having interim results by March 2007.

The Ministry will explore the feasibility of automating remedial actions. In the meantime, it will look into providing relevant staff with access to records of remedial actions imposed or completed by March 2006.

By summer 2006, the Ministry will develop standards for defensive-driving and driver improvement courses. The Ministry expects to have a listing of approved courses posted on its website by summer 2007.

The Ministry recognizes the value of in-person interviews. In April 2005, Central Region implemented a procedure to follow-up on outstanding interview questionnaires so that drivers are immediately sent a notice to attend an interview or group interview, depending on the nature of offences. The other regions are also now following this practice. Questionnaires will only be used for out-of-province drivers where an interview cannot take place and as an alternative to an interview when the driver

improvement counsellors are unavailable due to unplanned absences.

### High-risk Drivers

The Canadian Council of Motor Transport Administrators identifies high-risk drivers as those who have been involved in three or more traffic convictions, driving-related criminal convictions, or vehicle collisions within a two-year period. The Ministry has various programs to deal with such drivers.

In recent years the Ministry has established two road user safety programs that target drinking drivers: the Administrative Driver's Licence Suspension Program (ADLS) and the Ignition Interlock Program. Under the ADLS, a driver who is stopped by police and either refuses to submit to a breathalyzer test or registers a blood alcohol level over the legal limit of 80 milligrams of alcohol per 100 millilitres of blood is immediately suspended for a 90-day period. Under the Ignition Interlock Program, drivers convicted of certain Criminal Code drinking-and-driving-related offences are required to install an ignition-locking device in their vehicle as a condition of licence reinstatement. These drivers must use the device to test their blood alcohol level each time they intend to drive, and, if the device registers a blood alcohol level of greater than 20 milligrams per 100 millilitres of blood, the vehicle cannot be started.

We analyzed the rates of drinking-and-driving-related collisions and convictions before and after the introduction of these programs and noted that these rates have been declining. Accordingly, it appears that these programs have been successful in contributing to improved road safety.

Ministry policy defines a collision repeater as a licensed driver involved in three or more collisions within a two-year period, with some indication of improper driver action in at least two of the colli-

sions, including the most recent one. According to ministry policy, anyone who meets this definition must undergo a re-examination (consisting of a vision test, a knowledge test, and a road test) and an interview with a driver improvement counsellor. By analyzing the records of drivers who were found by the police to have been at fault in collisions (whether or not they were actually convicted of an offence in connection with the collision), we found 900 who met these criteria in 2003 and 2004. However, the actual practice being followed was to only take remedial action on drivers who were convicted of an offence connected with the collisions in question. Only 51 of the 900 drivers fell into that category; hence, the vast majority of collision repeaters were not being re-examined as required by ministry policy.

We also found that the Ministry did not have sufficient initiatives or programs for dealing with drivers who continued to drive while under suspension or who had multiple suspensions.

Under the *Highway Traffic Act*, when a driver is convicted of a driving-related offence under the Criminal Code of Canada, that person's licence must be suspended for a prescribed period—one year for a first conviction, three years for a second conviction, a lifetime suspension (with the possibility of applying for reinstatement after 10 years) for three convictions, and a permanent suspension for four or more convictions. Such Criminal Code convictions include causing death by criminal negligence while operating a motor vehicle, impaired driving with blood alcohol measured at over 80 milligrams per 100 millilitres of blood, and dangerous operation of a motor vehicle.

Between October 1998 and December 2004, the Ministry issued lifetime suspensions to over 3,200 drivers. However, our analysis found that at least 537 (16%) of them continued to drive, as we noted subsequent incidents where they were stopped by police on Ontario's roads. Further, 328 (10%) were subsequently convicted of additional driving-related

Criminal Code offences. We note that the Ministry does have a program for impounding vehicles driven by suspended drivers with driving-related Criminal Code convictions—however, since the driver of a vehicle is not necessarily the owner of the vehicle, this penalty does not always target the appropriate party. In this regard, Manitoba has initiated a program whereby local police are informed of such drivers so that they can be more closely monitored.

Our analysis also showed that a large number of drivers pose a safety risk on Ontario's roads in that they have had their licences suspended repeatedly because of accumulated demerit points. During the 1995–2004 period, we noted that of the over 197,500 drivers whose licences were suspended for driving-related offences under the *Highway Traffic Act*, approximately 14,900 of these drivers had had their licence suspended at least three times. One individual's licence had been suspended 18 times. The Ministry did not have any additional program targeting these high-risk drivers beyond the standard suspension period and payment of the licence reinstatement fee.

## RECOMMENDATION

To help reduce the risk of motor vehicle collisions, the Ministry should:

- as per ministry policy, identify and re-examine all drivers who, in the past two years, have had three or more collisions, of which at least two, including the last one, involve improper driver behaviour; and
- identify and consider, in consultation with stakeholders in the enforcement community, additional remedial action or sanctions for high-risk drivers not currently targeted under a ministry program, such as individuals who drive while under suspension or who are suspended multiple times.

## MINISTRY RESPONSE

The Ministry has refined its policy and relies on court convictions as the best determinant of improper driving behaviour and for identifying drivers who are most likely to be a threat to other road users.

The problem with drivers driving while under suspension is not confined to Ontario but is North America-wide. The Ministry is actively involved in research and is working in partnership with other North American jurisdictions to address this serious issue.

The Ministry is supporting MADD Canada's follow-up research study on the involvement of suspended drivers in collisions. This study will be underway by fall 2005.

The Ministry is participating as a member of a working group of the American Association of Motor Vehicle Administrators on suspended/revoked licences. This working group is examining the level and nature of involvement of suspended drivers/drivers with revoked licences in motor vehicle collisions and is expected to report its initial research findings by fall 2006. The working group will then consider possible countermeasures for dealing with such drivers who continue to drive.

The introduction of Access Enforcement Solutions (AES) in February 2004 has greatly improved the safety of both Ontario's law enforcement community and the public. By linking the Ontario Provincial Police and select municipal police agencies directly to ministry databases, AES provides fast access to comprehensive information on any Ontario driver or vehicle. Now, enforcement officers can quickly identify suspended drivers, stolen vehicles, and more, allowing them to remove more unsafe drivers and unsafe and stolen vehicles from the road.

## Senior Drivers

According to Statistics Canada, Ontario's population of seniors of age 75 or older increased by 41%—from 501,700 to 707,500—between 1993 and 2003. The number of Ontario drivers over 75 years of age has been growing even more dramatically, from 211,000 in 1993 to 427,000 in 2003—a 102% increase.

### Licence Renewal for Seniors

Until 1996, the Ministry's Senior Driver Renewal Program required all seniors aged 80 and over who wished to continue driving to retake their road test every two years. In 1996, the Ministry eliminated this road-test requirement. Under the current program, all senior drivers must take biannual vision and knowledge tests and attend a 90-minute group education session, but only seniors who have been convicted of a driving-related offence in the previous two years are required to take a road test. In 2004, this amounted to less than 5% of Ontario's senior drivers.

In our *2001 Annual Report*, we recommended that the Ministry assess the effectiveness of this new program in identifying and appropriately dealing with potentially unsafe drivers. The Ministry has since analyzed the rate of seniors' involvement in collisions where death or injury has occurred, and has found that the rate has been declining since the program was introduced.

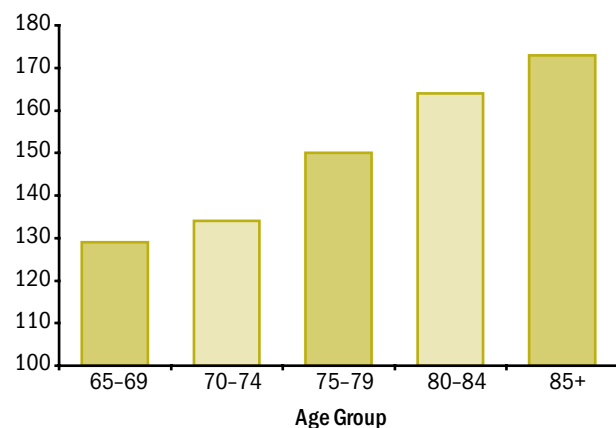
However, we noted that most other Canadian jurisdictions start their senior drivers' program when a driver reaches age 75. We therefore analyzed driver records from 2000 through 2003 to determine if there was evidence that driver performance deteriorated before age 80. Our analysis focused on collisions where drivers were found to be at fault. As Figure 5 illustrates, senior drivers have the lowest rate of at-fault collisions when they are in the 65–69 age group. From that point on, the at-fault collision rate increases. The most sub-

stantial increase in the at-fault collision rate occurs as seniors move from the 70–74 age group to the 75–79 age group, with the rate for the latter group being 12% higher than that for the former. This fact supports the practice of most other provinces of choosing 75 as the most appropriate age for beginning a senior-driver program aimed at mitigating road safety risks.

As mentioned earlier, in order to renew their licence, every two years, drivers aged 80 and over must attend a 90-minute group education session aimed at improving their awareness of potential traffic hazards and helping them drive more defensively. However, we found that the training materials provided at this session were out of date: they had not been revised since the program began in 1996. In this regard, we noted that the Ministry had hired a consulting firm in 2003 to update these materials, attempt to make them more senior-friendly, and incorporate enhanced features such as take-home pamphlets and improved visual presentations. Although ministry staff were trained by mid-2004 on these new materials, at the time of our audit they had not been incorporated into the group education sessions because of budgetary issues.

**Figure 5: Average Annual "At-fault" Collision Rate per 10,000 Active Drivers, 2001–2003**

Source of data: Ministry of Transportation



### Medical Requirement

Recent research has established a close relationship between certain types of medical conditions and collision involvement. For instance, studies have found that older drivers with heart disease, lung disease, or diabetes are twice as likely, and those with cognitive impairments are eight times as likely, to be involved in an at-fault collision as those without these conditions. While we noted that other jurisdictions (such as British Columbia, Alberta, and Quebec) require, as part of their senior renewal program, a medical assessment for early signals of such conditions or other health problems that may affect a senior's driving capability, the Ontario program does not.

#### RECOMMENDATION

To help ensure that only safe drivers retain their driving privileges, the Ministry should reassess the age and medical requirements for renewal of senior drivers' licences, taking into consideration the practices of other provinces, and update its group education session materials.

#### MINISTRY RESPONSE

The Ministry is actively working to find better ways of identifying senior drivers who are at risk, while allowing safe drivers of all ages to continue driving.

Ontario's Senior Driver Renewal Program is a success. Group education sessions were introduced in 1996. The average fatal-collision rate for drivers aged 80 and over declined by 28.8% in the periods from 1988 to 1995 and 1997 to 1999. More recent data indicate that by 2002, the rate was 40% lower than the average rate from 1988 to 1995.

There are currently no validated, evidence-based tests available enabling doctors to test cognitive abilities that indicate at-risk driving performance among seniors. Accordingly,

Ontario's Senior Driver Renewal Program serves as one element in a slate of programs designed to detect and remove higher-risk drivers from the road. This slate of programs includes the demerit-point program, mandatory and discretionary reporting of medical conditions, and the collision program for drivers over 70 years of age.

In addition, Ontario is part of a national effort (CanDRIVE) to develop a screening tool that will allow doctors and other health professionals to identify older persons with health-related conditions that make them unsafe to drive. At the same time, the tool will be assessed to see if people other than health professionals, such as licensing staff, can use it to screen at-risk older drivers for referral.

Group education session materials were updated and have been in use since July 2005.

### Young Offenders

For ministry purposes, a young offender is defined as a person under the age of 18 who is convicted of a driving-related offence under the Criminal Code of Canada. Federal legislation restricts access to criminal records related to young offenders in order to protect their identity.

To help keep these records confidential, the Ministry maintains all young offenders' driver records in manual files. We found that this practice contributed to a high rate of processing errors, particularly when staff must later access both these manual records and the electronically based records, which are initiated once these drivers reach age 18, in order to determine a course of action with respect to a particular driver. For instance:

- From a sample of 40 former young offenders with three or more driving-related Criminal Code convictions recorded in either the manual files or the electronic system, we found that at



least seven (17.5%) should have been given a lifetime driving suspension under the *Highway Traffic Act*, but had not.

- In another sample of 15 young offenders' manual records, we found that 10 (67%) of these records had date-related errors that either led to an inappropriate suspension being entered into the Driver System, or, conversely, could delay the commencement of appropriate disciplinary action.

### RECOMMENDATION

To ensure that the required legislative sanctions are applied consistently to all drivers, the Ministry should develop an automated database that maintains complete young-offender driver records.

### MINISTRY RESPONSE

The Ministry agrees that all legislative sanctions should be applied to the appropriate driver.

In spring 2006, the Ministry will establish an automated system for both storage and tracking of young-offender files.

### DRIVER'S LICENCE CARDS

Due to the widespread acceptance of the driver's licence as a form of identification and the potential impact of using a fraudulent licence, maintaining the security of driver's licence cards is critical to safeguarding the personal information stored on the card and to minimizing the risk of having the card fraudulently reproduced. As stated by the American Association of Motor Vehicle Administrators (AAMVA), "The driver's licence is one of the most commonly used, and most commonly counterfeited, forms of identification in North America."

In this regard, AAMVA has developed standards, specifications, and recommendations designed to

enhance driver's licence administration and identification security. Although the Ontario driver's licence meets all of AAMVA's minimum standards, and the Ministry has enhanced its security features by including ultraviolet ink, additional micro-text printing, and holographic images on all new licences issued since December 2004, a number of additional security features recommended by AAMVA have yet to be incorporated into Ontario's licences. These include the use of laser printing and enhanced bar-code technology that would make it more difficult to create forged or counterfeit licences.

We understand that the Ministry is currently in the process of redesigning Ontario's driver's licences and plans to incorporate some of these more-advanced security features during this exercise.

### RECOMMENDATION

To safeguard the driver's licence cards and the personal information stored within them, the Ministry should consider including additional technological security features as part of its licence card redesign project.

### MINISTRY RESPONSE

Identity theft is a worldwide problem. The Ministry recently introduced legislation that, if passed, would make it an offence to possess or display an imitation driver's licence and would increase fines for possessing or displaying a fictitious, imitation, altered, or fraudulently obtained driver's licence from \$5,000 to \$50,000.

By the end of 2006, the Ministry expects to have an improved driver's licence in place that uses modern, state-of-the-art production and has security features that exceed the Driver's Licence/Identification Security Framework established by the American Association of

Motor Vehicle Administrators. This framework identifies numerous security features, including a fine-line background, 2-D bar code, micro and rainbow printing, secondary photo and signature images, ultraviolet features, and more. Ontario is in the process of identifying the features and combination of features that will be needed. These features will be included in a request for proposals that is to be issued in late 2005.

## DRIVER RECORDS

The Ministry maintains records for each licensed driver in Ontario. This driver record, which is stored in the Driver System, includes both personal information (such as the driver's name, date of birth, and address) and the driver's operating record (which consists of a history of the driver's licensing transactions—such as applications, renewals, and information changes—and an “incident history” that lists reported motor vehicle collisions, convictions, or licence suspensions). The completeness, accuracy, and validity of this record is important in ensuring that the Ministry makes appropriate licensing decisions with respect to each driver and takes disciplinary action when required.

### Personal Information

Ministry policy requires that the personal data maintained for each driver include a full given name and a residential address. However, we found that the Driver System did not have the capability to ensure that this policy was complied with. Front-counter staff were therefore able to, and often did, process transactions without ensuring that all required information was obtained and entered into the driver's record. Our computer data extraction testing indicated that full given names had not been provided for over 9,600 drivers, and 4,200

records did not include a valid or complete residential address. As well, we noted that proof of residency was not required when applying for a licence or when drivers requested an address change.

When a licensed driver dies, the person's next of kin may return the driver's licence card to the Ministry or otherwise inform it of the driver's death. However, if the Ministry is not so informed, an active driver record continues to be maintained. In this regard, we noted that the Ministry of Health and Long-Term Care receives regular updates of registered deaths from the Ontario Registrar General, and uses these updates to cancel deceased persons' eligibility under the Ontario Health Insurance Plan. Since the information is available and already being shared, it should be relatively simple and inexpensive for the Ministry of Transportation to obtain such updates.

### Operating Records

The Ministry relies heavily on drivers' operating records to evaluate driver behaviour and to initiate remedial action when appropriate. However, backlogs and delays in entering incidents into these records affect the timeliness and appropriateness of these ministry actions.

When a driver is convicted of a motor vehicle-related offence, the Ministry of the Attorney General transfers this conviction record to the Ministry of Transportation so that the driver's operating record can be updated. While this update is for the most part automated, we noted that there were over 7,100 transferred conviction records for which the drivers' records had not been updated because of difficulties matching the information transferred with the Ministry of Transportation's driver records. It should be noted that all of these convictions, when input, would trigger additions to the driver's demerit-point balance—and therefore possible warning letters, driver improvement interviews, or suspensions as per ministry regulations.

We noted an even larger backlog in the processing of minor convictions, such as exceeding the speed limit by less than 15 kilometres per hour: over 57,000 such convictions had not yet been attributed to the responsible driver. Inadequate efforts were being made to resolve these unmatched cases, such that many convictions were never entered into the driver's record. We also noted that unmatched-conviction files were being destroyed without proper authorization or documentation.

The Driver System maintains records for all collisions, convictions, and suspensions for each driver, accumulates his or her demerit points, and automatically suspends drivers when they reach the appropriate thresholds. However, we found that the system incorrectly calculated drivers' demerit points and accordingly failed to suspend licences appropriately in certain situations. These included court-ordered suspensions, convictions related to driving while under suspension, and situations involving multiple convictions for the same incident. We also noted some instances where, conversely, drivers had been inappropriately suspended. In some of these situations, the Ministry manually intervened to make corrections, while in other situations, the Ministry was not aware of the errors until we brought them to its attention.

### Licensing Services

The private issuing offices provide licensing services and process transactions on the Ministry's behalf. These transactions include driver's licence renewals, licence replacements, and changes to driver information. Subsequent to processing, transaction documentation is forwarded to the Ministry for microfilming, after which the original documents are destroyed. Our review of these processes indicated that the Ministry needed to improve its procedures to ensure that all processed transactions are valid, complete, and accurate.

Private issuing offices are not required to reconcile daily transactions with supporting documents, and, given the volume of transactions processed, the Ministry does not check documents received to ensure that all transactions processed were valid. We reviewed transactions processed by the private issuing offices we visited and found discrepancies for eight of the 19 business days we reviewed. These discrepancies included missing supporting documents or lack of evidence that the applicant had presented proper identification.

### Medical Reports

A driver's licence can be suspended if the driver cannot meet a minimum standard of medical fitness for operating a motor vehicle. Medical practitioners and optometrists are required to report to the Ministry any individual who, in their opinion, has a condition that could make him or her a dangerous driver. In this regard, we noted improvement since our last audit in 2001 in the timeliness with which the Ministry processes medical reports received, with the Ministry now meeting its performance benchmark.

After reviewing medical reports received or conditions reported by drivers, the Ministry comes to a determination of whether the driver is capable of continuing to drive or should instead have his or her driver's licence suspended. Information concerning each case—including the diagnosis and the result of the assessment by the Ministry's medical review staff—is entered into the computerized Medical Review System. However, because this system has no automatic interface with the Driver System, all of these decisions must then be re-entered into the Driver System. This duplicate effort needs to be done for approximately 116,000 medical results annually, which impairs the efficiency of the medical review program and raises the risk of processing errors.

When drivers renew their licences and indicate that they have medical condition(s) that may affect their driving ability, private issuing offices are required to forward all related documents separately to the Ministry's medical review office. However, four of the five private issuing offices we visited were in some cases not separately forwarding these documents. In such cases, the Ministry would be unaware of the medical condition, and accordingly would be unable to conduct a review and take any required action.

## RECOMMENDATION

To ensure the accuracy and completeness of drivers' personal information and operating records, the Ministry should:

- improve the validation procedures of the Driver System to ensure that complete names and addresses are on file for all drivers in accordance with ministry policy;
- co-ordinate with the Ontario Registrar General to obtain regular updates on deceased persons so that their driver's licences can be cancelled on a timely basis;
- review the process for attributing convictions to the responsible drivers to ensure that all convictions are recorded in driver records on a timely basis;
- review the Driver System's computerized demerit-point calculation process to ensure that drivers are suspended according to regulation;
- consider implementing a reconciliation process to ensure that appropriate documentation is on file to support all driver-licensing transactions;
- assess the feasibility of an automatic system interface to update driver records based on medical review results; and
- ensure that private issuing offices properly submit all documents required for assessing drivers' medical conditions.

## MINISTRY RESPONSE

The Ministry recognizes the importance of maintaining database integrity in terms of the accuracy of drivers' identity information and driving history and agrees that improvements are needed to protect the integrity and confidentiality of personal information.

The Ministry updated its validation procedures in 2002 to ensure that driver's licence record information includes a full registrant name and address. While the Ministry appreciates the Auditor General's concerns, the Ministry believes that records with incomplete information will be brought up to date at the time of renewal. The Ministry will closely monitor adherence to this process and is committed to taking additional action on this issue, if required.

The Ministry shares the Auditor General's concern about the need to obtain information about deceased persons. In fall 2005, the Ministry expects to be able to obtain death information from the Ministry of Government Services such that when a licensed driver dies, the Ministry's driver's licence database will automatically be updated and the licence will be cancelled.

The Ministry of the Attorney General provides the Ministry with conviction information through the Integrated Court Offences Network. The Ministry is responsible for recording convictions on drivers' records; errors in the incoming data may prevent the recording of some convictions in a timely manner while staff attempt to resolve the errors. The Ministry is working with the Ministry of the Attorney General, the police, and the courts to ensure the accuracy of the data at the outset. As a first step, in July 2005, the Ministry introduced the automation of convictions associated with commercial vehicles and will endeavour to have further system enhancements developed over the winter of 2005/06.

The Ministry has reviewed the driver records database. Driver records have been corrected, and programming changes are underway. The Ministry will continue monitoring the database to ensure that programming problems are resolved and additional errors do not occur. It is anticipated that all programming problems will be resolved by December 2005.

The Ministry will develop a reconciliation process for the private issuers and the driver examination service provider to ensure that necessary documents have been obtained and viewed with transactions processed for each day. The development of this new policy will be completed by June 2006.

The Ministry is presently working to create, by December 2005, an interface between the medical imaging system and the driver system to validate that driver records have been updated with suspension/reinstatement information before a file is closed.

A new risk-based audit process for the private issuing network (PIN) will be implemented during winter 2005/06. It will enable the Ministry to better monitor PIN compliance with policies and procedures, including those that relate to the submission of documentation to support driver-licensing transactions and the assessment of a driver's medical condition. In addition, the Ministry's new oversight and audit office, expected to be in place by the end of this fiscal year, will have an opportunity to identify and share best practices and areas of improvement with the network.

## Protection of Driver Records

### Driver Examination Centre Personnel

As part of the Ministry's agreement with the private service provider that operates the driver examination centres, background checks must be obtained

on all employees who deliver driver examination services. The service provider is also required to notify the Ministry immediately if the results of these checks indicate that an employee or a prospective employee has a criminal record.

We reviewed the personnel files for 100 driver examination centre employees and found that the required background checks had not been completed for 25 of them, thereby exposing the Ministry to undue risk. We further noted that the 75 completed background checks indicated that four employees had criminal records, but these results appeared to have been ignored. Management at both the Ministry and the driver examination service provider indicated that they were unaware of these criminal records until we brought them to their attention.

We also noted four cases from 2003 where the service provider had properly notified the Ministry of employees who were found to have criminal records, but at the time of our audit the Ministry had not provided guidance to the driver examination service provider as to what action should be taken with respect to these and any future prospective employees with criminal records.

### Security of the Driver System

The Driver System consists of a large mainframe system and several client-server-based applications. The main purpose of this system is to create and maintain driving records for all Ontario drivers. System users include the driver examination centres, private issuing offices, and ministry and other government employees (such as the Ontario Provincial Police). Due to the scale and complexity of the Driver System, we focused our security review on the security administration procedures for the mainframe system and the security of the government's network. We concluded that there were several areas where security could be improved:

- Duties and responsibilities were not always segregated adequately. Some individuals were

assigned multiple job functions that granted them incompatible system rights, thereby increasing the risk of inappropriate use of driver information.

- The Ministry used GONET, the Government of Ontario's wide-area network, to transmit driver information in unencrypted clear text. This practice exposes confidential driver records to potential unauthorized access and tampering.
- System access and user profiles were not adequately monitored, increasing the risk that unauthorized individuals could gain inappropriate access to the system and thus to driver information. We found that:
  - an excessive number of individuals had been assigned system security administrator privileges;
  - system access and security violation reports were not being reviewed regularly;
  - dormant user accounts were not being removed from the system promptly;
  - user accounts with generic user names (that is, with no specific individual being accountable for their use) had been created;
  - user profiles, which control system access, were not being updated in a timely manner; and
  - end-user system access controls were not being properly maintained.

## RECOMMENDATION

To help ensure that confidential information in the Driver System is adequately protected against unauthorized access and data tampering, the Ministry should:

- establish guidelines and procedures to ensure that the driver examination service provider conducts appropriate security

checks before hiring staff who will have access to confidential driver records;

- explore cryptography and other approaches to securing confidential data transmitted over the wide-area network;
- restrict and segregate security administration duties so that individuals are not assigned excessive system rights; and
- implement regular system access reviews and more rigorous controls over user accounts and profiles.

## MINISTRY RESPONSE

The Ministry acknowledges the need to better protect its driver records against unauthorized access and data tampering.

The agreement between the Ministry and the driver examination service provider stipulates that criminal-record and security checks must be completed for employees. Upon learning of the Auditor General's findings, the Ministry immediately requested the driver examination service provider to undertake a comprehensive review of all employee records. The service provider has confirmed that a complete file review for all employees is underway and that discrepancies will be resolved by December 2005.

The Ministry will implement cyclical criminal-record and security-check procedures by the end of 2005 that will require the driver examination service provider to certify every three months that all required security-check and criminal-record information for all new employees is complete and on file.

The Ministry is conducting a request for information (RFI) to determine the most cost-effective solution that balances optimal encryption, protection, and cost. Both short- and long-term solutions will be determined, including timelines and deliverables following the assessment of the RFI responses.

The Ministry will review system access rights and, where possible, segregate the duties and responsibilities of security administrators from system users by December 2005.

The Ministry recognizes the need for more rigorous controls over user accounts and profiles. Security violation reports have been reformatted to facilitate improved monitoring, and the Ministry will begin auditing this report and taking necessary steps to identify and address abuse by December 2005.