

Chapter 4

Section 4.06

Ministry of Transportation

Driver Licensing

Follow-up to VFM Section 3.06, 2005 Annual Report

Background

The Ministry of Transportation's (Ministry's) Road User Safety Division'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.

During the 2006/07 fiscal year, the Ministry spent \$165 million on its Road User Safety Program (\$173 million in 2004/05), while its licensing and registration activities generated approximately \$975 million in government revenues (\$766 million in 2004/05). Over 4.7 million driver's licenses are issued or renewed every year. To carry out its licensing and registration activities, the Ministry has contracted with about 280 private issuing offices that provide driver's licence and vehicle licence renewal and related services.

In our *2005 Annual Report*, we concluded that the Ministry needed to strengthen its systems and procedures if it was to ensure that only legitimate and safe drivers were 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 had undoubtedly contributed to the Ministry's challenges in this regard. Our specific concerns included the following:

- Some of the identification documents accepted when someone applies for a new driver's licence were of questionable reliability. For instance, membership cards for wholesale warehouse clubs and employee or student cards without photos were being accepted as one of the two required identification documents.
- Improvements were needed to ensure that only individuals entitled to an Ontario driver's licence had one. Specific areas for improvement were the procedures for identifying potentially fraudulent or duplicate driver's licences and for exchanging licences from other provinces for an Ontario driver's licence.
- While programs relating to drinking and driving appeared to have been successful in contributing to road safety, we found deficiencies in ministry procedures with respect to dealing with drivers who were at fault in three or more collisions within a two-year period, drivers who continued to drive with a suspended licence or whose licence had been suspended many times, and young offenders who should have received lifetime suspensions.
- We found weaknesses in the measures taken to protect the integrity and confidentiality of drivers' personal information.
- The Driver Licence System did not always calculate demerit points accurately; accordingly,

driver suspensions were not always generated automatically as intended.

- The Ministry had not developed adequate policies and procedures for cases where prospective and existing employees of driver examination service providers had criminal records.

We made a number of recommendations for improvement and received commitments from the Ministry that it would take action to address our concerns.

Current Status of Recommendations

On the basis of information provided by the Ministry of Transportation, we concluded that the Ministry has taken some action on all of our recommendations and has made significant progress on several. For the most part, either system changes had been implemented to address our concerns fully or partially, or implementation was under way. One ongoing area of concern that affects all of North America is that of drivers who continue to drive with suspended licences: at the time of our follow-up, the Ministry was still at the research stage in developing effective mitigation strategies for such drivers. The status of actions taken on each recommendation is described below.

DRIVER'S LICENCE APPLICATION

Identification Documents and Duplicate Driver's Licences

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.*

Current Status

Effective January 2006, the Ministry revised its list of acceptable identification documents needed to prove the three key elements of identity: legal name, date of birth, and signature. According to the Ministry, the new list is consistent with the identification documents that the American Association of Motor Vehicle Administrators considers reliable and verifiable, and the new ministry policy with respect to these documents makes it clear that expired documents are not acceptable, and that original documents—rather than photocopies or certified copies—must be provided. Private membership cards from such issuers as retailers or fitness clubs, government employee cards, and debit cards are no longer acceptable. A public news release was issued to educate the public on the new requirements, the ministry website was updated, and information posters were placed at driver examination centres.

To help issuers improve procedures for validating identification documents presented by driver's licence applicants, the Ministry issued a number of new memoranda and question-and-answer sheets.

As one step in improving its contender check process, the Ministry completed a review of its policy and amended the driver's licence application form to include an inquiry regarding any Ontario driver's licence issued to the applicant under a different name. It also provided issuers with a guideline containing scripted questions to help clerks conduct an interview when two or more similar driver's licence records are encountered.

The Ministry also reviewed the feasibility of installing identity-document-authentication devices (document readers) in issuer offices to assist further in document validation. However, the Ministry concluded that would be costly, would introduce a number of operational and customer service concerns, and would provide only marginal benefits.

With respect to direct confirmation of identification documents with issuing authorities, the Ministry completed a review of options for expanding this program and is encouraging the Government of Canada to establish the infrastructure required for connectivity between provincial and national issuing agencies. The Ministry considers the lack of this infrastructure to be a significant barrier to verification at source.

Out-of-province Licence Exchange

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.*

Current Status

The Ministry informed us that, at the time of our follow-up, preliminary analysis had been completed regarding the possible exchange of serious-conviction information where that was not already

taking place. In this regard, it is working with the Canadian Council of Motor Transport Administrators to develop a Canadian Driver Licence Agreement that would encompass the exchange of conviction information. While the proposed agreement had been drafted at the time of our follow-up, the timeline for signing it had not been determined.

To ensure that existing exchange agreements are complied with, the Ministry has also provided issuers with a number of updated policies and guidelines that are intended to clarify procedures for dealing with driver's licence applications from out-of-country applicants and applicants licensed in a jurisdiction that does not have a reciprocal agreement with Ontario.

With respect to requesting proof of successful road test completion for applicants who have failed multiple road tests in Ontario, the Ministry informed us that it considered this recommendation but decided not to implement it. The Ministry reiterated its position that it recognizes an out-of-province licence as proof of successful completion of written and road tests, that most Canadian and many U.S. jurisdictions have graduated driver's licences, and that current exchange agreements provide reasonable assurance that only equivalent classes of licence will be exchanged. For example, any novice drivers with less than 24 months' experience exchanging a licence from a reciprocating jurisdiction would first need to pass Ontario's G2 exit test to qualify for a full G licence.

In late 2005, the Ministry also issued a bulletin to all driver examination centres clarifying its policy and reminding issuers that centre supervisors need to approve all out-of-province and out-of-country driver's licence exchanges.

ROAD USER SAFETY

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.

Current Status

According to the Ministry, in fall 2006, it conducted a review of its corporate performance measures. At the conclusion of this exercise, the Ministry decided that, in keeping with Treasury Board directions to provide only key measures for corporate performance purposes, its annual business plan submission for the 2007/08 fiscal year would provide only seven such measures. Six of these pertained to ministry activities unrelated to the road user safety program, such as highway and bridge maintenance, winter storm clearance, highway congestion, and GO Transit ridership. The only road user safety measure selected for corporate reporting continued to be the number of fatalities per 10,000 licensed drivers. The Ministry informed us that new measures will be considered as part of the 2008/09 planning cycle.

The Ministry also informed us that, in addition to the corporate performance measures discussed above, it uses a number of internal measures to help management track performance and results. At the time of our follow-up, some of the road user safety measures being tracked were the involvement of senior drivers over 80 years of age in fatal collisions, drivers between the ages of 16 and 19 years killed or seriously injured in collisions, and fatalities and injuries owing to improper use of seat belts and car seats. However, the Ministry has acknowledged the need to develop additional internal performance measurement tools and has launched an initiative to develop a number of business effectiveness measures to improve the management and reporting of its various operational areas. What these measures will actually be and how they will be used in practice was still under development at the time of our follow-up.

Demerit-point System

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.*

Current Status

The Ministry informed us that, by fall 2005, it had reduced the backlog of interviews with drivers who had excessive demerit points. The backlog, consisting of interviews that were scheduled beyond the Ministry's target of 90 days, had been reduced from some 3,000, at the time of our audit, to 1,077. It subsequently provided additional resources to its regions for conducting group interviews for drivers with similar conviction profiles in order to deal further with this backlog and achieve its 90-day performance target. As of September 2007, the Ministry reported that, of the more than 3,800 drivers awaiting demerit-point interviews, the number that will not be conducted within 90 days was down

to 389. It plans to have the backlog eliminated by February 2008.

With respect to the training of driver improvement counsellors, the Ministry conducted two focus group discussions with driver improvement counsellors in fall 2006, and provided 10 days of training to this group in early 2007. As part of this training, it provided additional guidance materials to help counsellors improve the consistency of their decisions, and informed us that monitoring procedures have been put in place to help ensure that counsellors make decisions in accordance with these guidelines.

With respect to our recommendation to measure the effectiveness of replacing immediate suspensions with less severe remedial actions, the Ministry informed us that it intends to conduct an effectiveness review of the demerit-point program to determine, among other things, whether a certain number of demerit points is the correct trigger to use in applying specific sanctions. The Ministry has completed a jurisdictional scan confirming that demerit-point systems are a widely used type of sanction. As part of a modernization initiative, the Ministry will be reviewing its sanctions and interventions, and it is anticipated that a study of the effectiveness of its demerit-point system may become part of that initiative.

The Ministry also informed us that, as a result of its assessment of costs and benefits, it will not be implementing our recommendation to enhance the Driver System to maintain detailed remedial-action records and automatically suspend drivers when required. The Ministry estimated the system-enhancement costs to be more than \$250,000 for this project. Since only approximately 200 suspensions annually would be affected by this enhancement, the Ministry decided it would not be cost-effective to implement. The Ministry indicated that it would continue to manually update remedial actions and manually suspend drivers as required.

In early 2007, the Ministry completed the development of guidelines for driver improvement and defensive driving courses, and was planning to provide a list of courses that meet these guidelines to driver-improvement counsellors by the end of the year.

The Ministry also informed us that, as of the time of our follow-up, it had begun monitoring the use of the demerit-point questionnaires to ensure that they are being used only for out-of-province drivers where an interview could not take place, or as an alternative when the driver improvement counsellors are unavailable because of unplanned absences.

High-risk Drivers

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.*

Current Status

With respect to our recommendation regarding drivers with three or more collisions in the past two years, the Ministry informed us that it has revised its policy to specify that re-examinations are to be required on the basis of two or more court convictions rather than on any lesser threshold, such as a finding by an investigating police officer of improper driver behaviour. The Ministry's view is that being identified as "at fault" in a police report,

or even being charged for an offence, does not provide the same standard of proof as a conviction, and that a conviction is the best objective determinant of improper driving behaviour and the best identifier of drivers who are most likely to be a threat to other road users.

The Ministry provided us with details of legislative changes, effective March 2006, that increased sanctions for some high-risk drivers. For example, under these changes, fines for speeding 30–34 kilometres per hour over the limit have increased from \$4.50 per kilometre to \$7.00 per kilometre, and offenders who repeatedly speed 50 kilometres per hour or more over the limit can have their licences suspended for longer periods. Anyone caught with a speed-measuring warning device can also be penalized with three additional demerit points.

The Ministry also outlined for us its recent legislative and regulatory changes to deal with other high-risk drivers, such as young drivers, drinking drivers, and aggressive or reckless drivers. For example, legislation took effect in June 2006 to provide the same penalties for drinking and boating as for drinking and driving, and new regulations effective September 2007 allow, among other things, for seven-day license suspensions and immediate roadside vehicle impoundments for street racing or stunt driving.

While the above efforts all work to improve road safety, work is ongoing on ministry efforts to effectively address those who drive while their licence is under suspension—a specific problem group addressed by our 2005 recommendation. Drivers who drive while unlicensed, either because their licence has been suspended or revoked, or because they have never been licensed to drive, are considered throughout North America to be a significant safety problem that appears to be reaching epidemic proportions, particularly in the United States. As indicated in the Ministry's response included in our *2005 Annual Report*, in 2004, the Access Enforcement Solutions (AES) was introduced, which linked

the OPP and certain municipal police agencies to ministry databases, providing faster police access to information on Ontario drivers and vehicles. The AES helps enforcement officers to identify suspended drivers and stolen vehicles more quickly, allowing them to remove unsafe drivers and unsafe or stolen vehicles from the road.

At the time of our follow-up, the Ministry was continuing to work with the American Association of Motor Vehicle Administrators (AAMVA) in efforts to research and develop a comprehensive strategy to address these drivers. One AAMVA research report indicated that about 20% of highway fatalities in the U.S. involve a driver whose licence has been suspended or revoked, and 28% of the drivers in this group had received three or more suspensions or revocations in the three years before their crashes. Another study estimated that from 30% to 70% of those who have had their driving privileges withdrawn continue to drive. While some of the causal factors underlying this problem differ in Canada, there is little doubt that we have similar compliance issues.

Senior Drivers

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.

Current Status

The Ministry updated its group education session materials for seniors and put them into use in summer 2005.

With respect to medical requirements for seniors, the Ministry advised us that, as of the time of our follow-up, there were no validated, evidence-based tests of cognitive abilities that would indicate at-risk driving performance for seniors. However,

the Ministry indicated that it is supportive of efforts to develop such tests, and is accordingly participating in a federal initiative known as CanDrive (Canadian Driving Research Initiative for Vehicular Safety in the Elderly) that is working to develop screening tools that would allow doctors, other health professionals, and possibly licensing staff, to identify older persons with health-related conditions that could make them unsafe to drive. A key ministry contribution to this project is the provision of its driver and collision data.

Young Offenders

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.

Current Status

In its response included in our *2005 Annual Report*, the Ministry indicated that, in spring 2006, it would establish an automated system for both storage and tracking of young-offender records. The Ministry has since informed us that the new automated system has been implemented, and staff were trained in its use. The Ministry provided us with documentation on this new system, including a detailed presentation of the new processes in place for handling its young-offender records.

DRIVER'S LICENCE CARDS

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.

Current Status

The Ministry agreed with our recommendation, and informed us that, in January 2007, it received Management Board approval to proceed with the development of a new, more secure driver's licence card. The contract was awarded in February 2007, and, at the time of our follow-up, the Ministry expected the new card, which is to incorporate security features designed to exceed the Driver's Licence/Identification Security Framework established by the AAMVA, to be available by December 2007.

DRIVER RECORDS

Personal Information, Operating Records, Licensing Services, and Medical Reports

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.*

Current Status

Although the Ministry acknowledged, at the time of our follow-up, that some driver records do not contain complete name and address records, it told us that it believes that system enhancements put in place prior to our 2005 audit should rectify this problem over time. Specifically, new validation procedures were put in place in 2002 that require new and updated driver records to include a full registrant name and address. Accordingly, the remaining records with incomplete information should be brought up to date as these drivers renew their licences. The Ministry indicated that it intends to monitor adherence to this process to ensure that the remaining incomplete records are updated appropriately, and has communicated with service providers, reminding them of the requirement to ensure complete and accurate data entry.

With respect to our recommendation to coordinate with the Ontario Registrar General to obtain regular updates on deceased persons, in December 2006, the Ministry entered into a data-sharing agreement with the Deputy Registrar General for this purpose. At the time of our follow-up, the Ministry informed us that it was receiving these regular death updates and was using them to automatically update its database and cancel driver's licences.

With respect to the Ministry's process for attributing convictions to the responsible drivers, the Ministry indicated that errors in the incoming data are a contributing factor in preventing the timely updating of drivers' records, and that it was therefore continuing to work with the Ministry of the Attorney General, the police, and the courts to

help improve the accuracy of all conviction data it receives. It informed us that it has made some progress in this area, such as the automatic update of commercial carrier records for convictions associated with commercial vehicles, and a new program developed to help identify, fix, and track conviction errors received from the Ministry of the Attorney General.

The Ministry informed us that, as of the time of our follow-up, it had corrected the demerit point calculation errors we noted in our *2005 Annual Report*, and that it was monitoring the database monthly to ensure that it remains accurate.

According to the Ministry, to improve its reconciliation process, it developed new training materials on reconciling its documents, and has incorporated them in its Private Issuer's Network (PIN) training program, and updated its PIN monitoring activities to include audit review of this area. It has also developed and distributed a reference guide to help the PIN staff quickly determine the appropriate documentation required for each type of transaction processed.

The Ministry informed us that, to improve the updating of driver records based on medical review results, it has established an electronic link between the medical imaging system and the driver system to validate that driver records have been appropriately updated with any suspension or reinstatement information before a medical review file is closed.

With respect to helping to ensure that private issuing offices properly submit all documents required for assessing medical conditions, the Ministry informed us that this was being addressed by the new risk-based audit process established in conjunction with the new oversight and audit office created in early 2006. According to the Ministry, the new audit process was designed to enable the Ministry to better monitor PIN compliance with policies and procedures, including those that relate to the submission of documentation.

Protection of Driver Records

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.*

Current Status

At the time of our follow-up, the Ministry informed us that, to ensure that the driver examination service provider conducts appropriate security checks

before hiring staff, it now requires the service provider to certify every three months that all required security checks and criminal record information for all new employees is complete and on file.

In response to our recommendation to explore cryptography and other approaches to securing confidential data transmissions, the Ministry informed us that it plans to deploy a new encryption solution for securing driver data transmitted over the government's wide-area network. It intends to have the new system in all private issuing offices and driver examination centres by March 2008.

The Ministry informed us that, to improve security administration and access controls, it has completed a review of system access rights and, where possible, segregated the duties and responsibilities of security administrators from system users. It also reported having implemented regular system access reviews and more rigorous controls over user accounts and profiles. According to the Ministry, security violation reports have been reformatted to facilitate improved monitoring, and audit procedures have been introduced for following up on violations flagged in these reports.