

# Chapter 4

## Section 4.04

Ministry of Transportation

# Driver Education and Examination

*Follow-up on VFM Section 3.04, 2007 Annual Report*

## Background

The Ministry of Transportation (Ministry) is responsible for protecting the public by ensuring that the privilege of driving is granted only to persons who demonstrate that they are likely to drive safely.

Although the province does not regulate driving schools, the Ministry administers a voluntary Beginner Driver Education (BDE) program under which driving schools that meet specified requirements can become Ministry-approved course providers. They may issue driver-education certificates to students who have completed the course successfully; the certificates entitle students to have their 12-month G1 stage reduced by up to four months and, possibly, to save on insurance. Of the approximately 218,000 new drivers each year, about 120,000, or 55%, take the BDE course and about 67,000 take advantage of the time reduction that allows them to attempt their G2 road test earlier.

In our *2007 Annual Report*, we found that collision-involvement rates for novice drivers who enrolled in the BDE program were significantly higher than those for drivers who did not participate in the program. Although this statistic is not necessarily an indication of the effectiveness of the BDE course, the Ministry had not followed up on

the reasons for the higher collision rates. We also noted the following:

- Our analysis of statistics concerning Ontario drivers and a number of other studies showed that drivers who had taken advantage of the time reduction had higher collision rates than those who had remained longer in the supervised stage.
- Virtually all the external stakeholders we interviewed had expressed concerns about the sale of driver-education certificates by unscrupulous driving schools to students who had not completed the BDE course requirements.
- The Ministry's inspection of BDE driving schools had not focused on ensuring that the training was in accordance with the Ministry-approved curriculum. Where inspections had been done, they had found many cases of repeated non-compliance by driving schools.

Although the Ministry is ultimately responsible for the examination and licensing of drivers, the administration of driver examination services is outsourced. We noted that there had been significant improvement in the wait times for taking a road test, a major issue that also had been noted in our last audit in 2001. However, we noted differences in the pass rates of examiners that were large enough to indicate that applicants had not been

passed or failed on a consistent basis throughout the province. In addition, there were many cases where applicants had not been required to complete all necessary driving-test manoeuvres. As well, some applicants may have been travelling significant distances from their home area to take their test at more distant centres that seemed to have less stringent testing requirements.

The Ministry's driver-examination outsourcing agreement had good oversight mechanisms that included a number of performance standards. However, in monitoring the performance of the service provider, the Ministry found a high number of defects that could be indicative of persistent problems.

Under the Driver Certification Program, the Ministry designates bodies such as municipalities, trucking firms, and school-bus companies as Recognized Authorities to operate driver-liscence training and testing programs for their employees. Upon successful completion of the program, employees are entitled to have their class G driver licences upgraded to a commercial class licence. About 8,600 commercial licences, or 20% of such licences, are issued this way annually. Ministry inspections and investigations of complaints had found instances where Recognized Authorities and their trainers had been upgrading drivers who had neither received any training nor demonstrated the necessary driving skills, as well as instances where non-employees had been upgraded.

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

## Status of Recommendations

According to the information we received, the Ministry has made significant progress in addressing many of the recommendations in our *2007 Annual Report*, including improvements to the Ministry's

inspection process for the delivery of driver education under the BDE program and stronger controls over the issuing of driver-education certificates. For a number of our other recommendations, such as taking corrective action on differences in pass rates and reviewing the appropriate amount of time needed to administer road tests, we noted that the Ministry's action was ongoing and there had been some progress in implementation. The status of the action taken on each of our recommendations at the time of our follow-up was as follows.

### DRIVER EDUCATION

#### Beginner Driver Education (BDE) Program

##### Recommendation 1

*To ensure that novice drivers enrolled in the Beginner Driver Education (BDE) program receive effective training in safe driving, the Ministry of Transportation should evaluate the effectiveness of the BDE program, including investigating the reasons for the higher collision involvement rates for drivers who have completed the BDE program.*

##### Status

The Ministry indicated that it had made significant changes to improve the BDE curriculum standards and strengthen its oversight of driving schools. In addition, an internal review of the Graduated Licensing System (GLS) had identified several improvements to the GLS that would affect the BDE program, such as increasing the minimum amount of time that a novice driver must remain in a supervised driving stage (G1). The Ministry was in the process of seeking the regulatory amendments that would allow it to implement these improvements.

Given this and other significant changes to the BDE program described in the section below, the Ministry indicated that it would be more appropriate to wait and evaluate the effectiveness of the new BDE program instead of evaluating the program using old standards. It estimated that a combined evaluation of both the GLS and BDE could be done in about three to five years, the time generally

required for the accumulation of the collision and violation data needed for the evaluation of program changes.

The Ministry contracted the Traffic Injury Research Foundation (TIRF) to develop a methodology to evaluate the GLS, which is to be used in the future to determine the effect of recent changes to the system. As part of that contract, TIRF is to deliver a safety evaluation and survey of G1 drivers who have taken a BDE program and used the time discount. Finalized versions of the methodologies were expected to be completed by September 2009.

### **Driver-education Curriculum, and Drivers with Reduced G1 Stage**

#### **Recommendation 2**

*To help ensure that new drivers receive adequate behind-the-wheel supervised training, the Ministry of Transportation should:*

- *update its standards and curriculum to recognize changes in the driving environment over the last decade; and*
- *reconsider the desirability of reducing the supervised (G1) driving stage for drivers who successfully complete the Beginner Driver Education program.*

#### **Status**

The Ministry informed us that it had updated the BDE standards and developed a new curriculum that recognized changes in the driving environment. The previous standards had focused on the mechanics of driving. The new BDE standards still include all the mechanics of driving, but add a greater focus on driving attitudes, placing particular emphasis on risk awareness, attention, and responsibility.

BDE course providers had the option of purchasing the new curriculum from the Ministry or developing their own and submitting it to the Ministry for approval by April 17, 2009. According to the Ministry, all BDE course providers had complied and were required by regulation to teach the new curriculum as of September 1, 2009. The

Ministry will be auditing schools as part of its compliance-monitoring to ensure that all of them have complied.

Regarding the desirability of reducing the duration of the supervised driving stage for drivers who have completed the BDE program, the proposed changes to the GLS would increase both the minimum length of the G1 stage and the time BDE drivers must spend in that stage before the time discount can apply. Under the existing GLS, novice drivers are required to remain in the G1 stage for 12 months before attempting a road test to progress to the unsupervised G2 stage, and this time would be reduced to eight months for drivers who successfully complete the BDE program. With the proposed changes, the minimum length of the G1 stage would be extended to 18 months, and drivers who have completed the BDE program would be required to remain in a supervised stage (G1) for 12 months.

### **Inspection of Driving Schools**

#### **Recommendation 3**

*The Ministry of Transportation should ensure that driving schools are providing students with training in accordance with the Ministry-approved curriculum by:*

- *developing and following a more comprehensive and curriculum-based approach to inspection;*
- *following up on deficiencies found and taking more definitive action where repeat violations are being noted; and*
- *working with the Ministry of Government Services to help inform students about driving schools that are on its Consumer Beware List.*

#### **Status**

The Ministry indicated that it had implemented a new audit program in December 2008 that involved the inspection of all schools, with a special focus on those considered high-risk. The audit program takes into account previous audit results and includes features such as an improved field-audit program for opening new schools, compliance with Ministry standards, fraud prevention, and awareness of identity theft (which occurs when students'

information is falsely used to book road tests). The new process also placed more emphasis on inspectors' attending sessions to observe what is being taught in a class. As well, the Ministry indicated it had continued to conduct "mystery shopping," where people engaged by the Ministry pose as members of the public and enroll in a BDE course, then evaluate whether the course was delivered in accordance with ministry standards.

The Ministry also stated that it had taken action to revoke the "Ministry-approved" status from schools that were found to have committed fraud. After audits conducted in 2007, eight schools had their status revoked for selling driver-education certificates and another 23 schools for teaching below standards. Depending on the severity of the non-compliance, the Ministry also initiated follow-up audits to ensure that any compliance issues had been rectified. According to the Ministry, its action to date had been effective and subsequent audits had indicated that, overall, driving schools were complying with Ministry standards.

Regarding driving schools that were on the Ministry of Consumer Services (previously the Ministry of Government Services) "Consumer Beware List," the Ministry has been posting information on its website for students considering or currently taking BDE, to make them aware of program requirements and the responsibilities of the BDE course provider.

## **Driver-education Certificates**

### **Recommendation 4**

*The Ministry of Transportation should strengthen its controls to minimize the risk of driver-education certificates being issued to students who have not completed the required driver training. It should also follow up on any suspicions of fraudulent selling of certificates and take immediate action where such suspicions are confirmed.*

### **Status**

The Ministry indicated that, beginning in September 2008, it had replaced paper driver-education certificates with an electronic interface that links

driver-education certificate data to the driver-test database. This eliminates the need to issue and keep track of blank paper certificates and prevents schools that are not Ministry-approved from gaining access to certificates. The electronic system matches the name and driver licence number with that in the driver-test database to ensure that the records and identity are legitimate. The system also does not allow back-dating of course completion information and a student can only receive a time discount at the time that they book their test. These checks help to prevent unscrupulous providers from readily selling driver-education certificates.

The Ministry also informed us that only certified instructors and schools have access to the system, and the volume of certificates issued by schools was being tracked and monitored. Any school found (for example, through an audit) to be graduating students who had not completed a BDE course would have its Ministry-approved status revoked and its access to the system cut off. The Ministry can also lay charges against a school under the *Highway Traffic Act*, if warranted.

## **Non-Ministry-approved Driving Schools**

### **Recommendation 5**

*To protect the public, the Ministry of Transportation should work with the Ministry of Government Services and take action to ensure that only legitimate course providers are allowed to operate and advertise as Ministry-approved course providers.*

### **Status**

As of June 2007, it is an offense under the *Highway Traffic Act* for a school to advertise itself as Ministry-approved if it is not. In the past, the Ministry's response to any non-approved school engaged in false advertising of this sort was to issue a cease-and-desist order. The Ministry informed us that it had since strengthened its response and would lay charges on any school making a false claim, if warranted. Regulations implemented in September 2007 have also helped to accelerate the timeframe

for sanctioning a school for failing to meet the BDE standards, and to help prevent sanctioned owners from reopening a new school under a different name.

Effective December 2007, only those driving instructors working in Ministry-approved schools providing BDE courses were allowed to teach new drivers in Ontario. The Ministry indicated that the change from paper-based driver-education certificates to an electronic system would prevent non-approved schools from having access to driver-education certificates and anyone attending these schools would not receive a certificate.

## Driving Instructors

### Recommendation 6

*To ensure that student drivers receive proper training, and to protect the safety of the public, the Ministry of Transportation should:*

- update the driving-instructor curriculum and consider reinstituting training for new master driving instructors;
- consider strengthening the training requirements for maintaining a driving-instructor licence; and
- ensure that instructors who are the subject of numerous complaints are more stringently dealt with.

### Status

The Ministry informed us that it had developed standards for training new master driving instructors, but a curriculum based on the new standards had yet to be developed. The Ministry informed us that it was to meet with industry stakeholders in fall 2009 to work on designing new curricula for master driving instructors and driving instructors.

The Ministry also indicated that it had taken action to strengthen the requirements for obtaining and maintaining a driving instructor licence. The new requirements included no demerit points and criminal convictions to be allowed before becoming licensed, licences to be revoked for any fraud

conviction, and a reduction in allowable demerit points after licensing. The Ministry had reviewed all existing driving instructor licences according to the revised policy and it resulted in the revocation of over 150 instructor licences. The Ministry was also in the process of implementing a requirement that all driving instructors take refresher courses within a specified time period.

Regarding driving instructors who had been the subject of numerous complaints, the Ministry informed us that it could assess instructors on “fit and proper” grounds if they engaged in fraudulent activities, such as selling driver-education certificates. This was a new approach—the Ministry was previously unable to take such actions. Revoking an instructor’s licence under the fit and proper clause, although a complicated process requiring a great deal of information, at least exists as an option where it did not before.

## Driver Certification Program

### Recommendation 7

*To minimize risk to the safety of the public and given the concerns that are arising from current inspections of those organizations that are allowed to train and test drivers for the more advanced licence classes, the Ministry of Transportation should:*

- comply with its policy to inspect those organizations annually and expand its inspection to include the training and examination processes; and
- pay particular attention to the risk of those organizations providing an advanced class of licence to unqualified drivers.

### Status

The Ministry indicated that, to improve program integrity and strengthen consumer protection, it had developed a risk-based inspection process to target and follow up on high-risk Recognized Authorities every one to three years. The new process included inspection of training and examination processes. Should an audit reveal non-

compliance with the program, an administrative suspension would be applied against the Recognized Authority. As of March 31, 2009, the Ministry had completed audits of all Recognized Authorities not inspected in the last two years. According to the Ministry, any organization that had a previous history of providing advanced-class licences to unqualified drivers would be automatically designated high-risk.

## DRIVER EXAMINATIONS

### Monitoring the Service Provider's Delivery of Examination Services

#### Recommendation 8

*To help ensure that the outsourced driver-examination function meets its objective of passing only qualified persons, the Ministry of Transportation should:*

- *conduct compliance monitoring according to the frequency established under its risk-based approach;*
- *provide the service provider with more information on systemic non-compliance areas noted where a formal default notice was not issued and ensure that such areas are specifically assessed in future compliance reviews; and*
- *enhance the query and reporting capabilities of the management information system to enable a more proactive approach to identifying the more serious and recurring problems.*

#### Status

The Ministry informed us that its compliance-monitoring focus had shifted to monitoring high-risk and problem locations. It developed new rating standards based on the history of performance and past defaults, geographic location, transaction volume, etc., to help assess the frequency of compliance monitoring. These standards have been distributed to all field staff to ensure uniform practice and compliance with standards.

Ministry staff advise Drive Test Centres of any performance problems immediately following an audit. In addition, new governance structures

were put in place in fall 2007 to better collaborate and share information with the service provider. Working committees, made up of staff from both the Ministry and service provider, have also been meeting regularly to discuss various operational and compliance issues and make recommendations on specific issues.

The Ministry informed us that it had remedied the problems with its compliance-monitoring reporting system. The system is able to supply the service provider with monthly data and reports on systemic non-compliance areas, organized by location and performance standards. In addition to normal reporting, the system can run ad hoc analyses more easily than it could in the past. Previously, any non-standard reporting would have required a significant amount of programming effort.

## Results of Driver Examinations

#### Recommendation 9

*To ensure that driving examinations are carried out consistently across the province, the Ministry of Transportation should:*

- *investigate significant differences in the pass rates of individual examination centres and require corrective action to reduce the differences; and*
- *review the time needed to administer road tests with all required manoeuvres being tested, recognizing that this may necessitate either less or more time depending on the municipality in which the centre is located.*

#### Status

The Ministry indicated that its service provider had formalized procedures and protocols for Drive Test Centre supervisors to use when examiner pass rates deviate from the norm. It was establishing an acceptable pass-rate norm for each Drive Test Centre and examiners are to be monitored against this acceptable norm.

The Ministry and the service provider initiated a comparison of the characteristics of all routes used

with the requirements prescribed by road tests. The purpose of this exercise was to identify gaps that might prevent requirements and manoeuvres from being met as a result of the required road infrastructure being absent from a test location, as well as to estimate the time needed to reasonably complete a test using that route. The Ministry expected all routes to have been driven by the end of September 2009 and all information to have been consolidated by October 2009.

## Customer Service

### Recommendation 10

*To maintain a high level of customer service, the Ministry of Transportation should periodically monitor the service provider's compliance with its customer-service performance standards, including its complaint-handling and -resolution process.*

#### Status

The Ministry informed us that a customer survey had been conducted at all Drive Test Centres in fall 2007 and the final results presented to the Ministry in August 2008. Overall, province-wide satisfaction was reported to be 87%. The Ministry indicated that it had continued to conduct annual customer surveys and work with the service provider to develop action plans to address annual survey results.

In addition, the Ministry worked with its service provider to develop a Customer Care Report protocol. The initial report, for the period May through July 2008, was finalized in October 2008. The Min-

istry was to continue to produce the Customer Care Report semi-annually and was to work with the service provider to develop action plans to address the Report's findings.

## Performance and Training of Examiners

### Recommendation 11

*To maintain a high standard for driving examinations, the Ministry of Transportation should ensure that:*

- All driver examiners receive the required training; and
- Their work is evaluated periodically and effective performance management procedures are followed.

#### Status

The Ministry informed us that the service provider had provided comprehensive records for all trainers, driver examiners, and customer service agents. This assured the Ministry that the required training had been given and that records had been properly documented and maintained.

In addition, since our 2007 audit, the service provider has provided the Ministry with semi-annual reports on in-car examinations to prove that they were done and to ensure that examiners' qualifications were up to date. Spot-auditing was also conducted as part of compliance-monitoring activities to ensure that only qualified examiners were conducting only those road tests for which they were trained.