

# 3.11–Road User Safety Program

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## BACKGROUND

The Ministry of Transportation’s goal is to foster improved road user safety and well-planned highway expansion and preservation to bolster provincial growth and development. The Ministry’s Safety and Regulation Division administers the Road User Safety Program (Program) with the following key responsibilities:

- setting safety standards, policies, and regulations for road users, vehicles, and commercial carriers;
- inspecting, monitoring, and enforcing compliance with those standards;
- testing and licensing drivers and vehicles;
- educating drivers about safe driving behaviour and about government policies and legislation for road user safety; and
- maintaining information on every driver, vehicle, and commercial carrier in Ontario.

The Ministry’s Road User Safety Program, through public education, legislation, and enforcement, strives to ensure that all drivers take responsibility for their behaviour on Ontario’s roads.

Pursuant to the *Highway Traffic Act*, the Ministry is responsible for protecting the public by ensuring that the privilege of driving is granted to, and retained by, only those persons who demonstrate that they can drive safely. Full driving privileges are to be granted to novice drivers only after they acquire experience and develop or improve safe driving skills in controlled conditions.

To carry out its responsibilities, the Ministry operates 48 driver examination centres and 37 temporary examination points that ministry staff travel to on designated days to administer driver examinations. Another eight ministry offices offer written driver examinations, as well as driver and vehicle issuing services, such as renewals for licences and validation tags and transfers of vehicle ownership. The Ministry also operates 60 kiosks throughout the province that issue validation tags, provide driver record abstracts, and allow drivers to input any changes to their address. In addition, the Ministry has contracted with 280 private issuing offices that provide driver and vehicle licence renewal and related services.

In Ontario, there are approximately 8.1 million licensed drivers and 9.2 million registered vehicles. During the 2000/01 fiscal year, the Ministry administered 611,000 road tests and

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549,000 written tests and processed over 18 million over-the-counter transactions. The Road User Safety Program spent \$101 million, and its licensing and registration activities generated approximately \$894 million in revenue.

## AUDIT OBJECTIVES AND SCOPE

The objectives of our audit of the Road User Safety Program were to assess whether the Ministry had adequate procedures in place to:

- ensure that resources were managed with due regard for economy and efficiency;
- ensure compliance with legislation and government and ministry policies; and
- measure and report on the Ministry's effectiveness in fulfilling its legislated responsibilities.

The criteria used to conclude on our audit objectives were discussed with and agreed to by senior ministry management and related to systems, policies, and procedures that the Ministry should have in place.

The scope of our audit, which was substantially completed by February 2001, included discussions with staff and a review and analysis of documentation provided to us by the Ministry's head office and regional offices. By means of a survey we also canvassed ministry staff who worked in the driver examination centres as well as private issuers. In addition, we reviewed practices in other jurisdictions with respect to road user safety programs and their experiences with outsourcing various aspects of the program. The scope of our audit did not include the Ministry's Carrier Safety and Enforcement Branch as it was covered by our 1997 audit of Commercial Vehicle Safety and Regulation, which we followed up on in 1999.

Our audit was performed in accordance with the 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.

Our audit included a review of the activities of the Ministry's Internal Audit Services Branch. However, we did not reduce the scope of our audit work as the Branch had not issued any recent reports on the administration of the Road User Safety Program. However, the Branch had carried out some risk assessments on certain processes within the Program and, in these areas, we incorporated their work into our audit procedures.

### Ministry-imposed Limitations on Access to Information

Contrary to Section 10 of the *Audit Act*, management at the Ministry's Safety and Regulation Division did not provide us with all the information and explanations needed to complete our audit of the Road User Safety Program, thereby limiting our ability to fulfill our legislated audit responsibilities. The *Audit Act* states that every ministry of the public service:

...shall furnish the Auditor with such information regarding its powers, duties, activities, organization, financial transactions and methods of business as the Auditor from time to time requires, and the Auditor shall be given access to all books, accounts, financial records, reports, files and all other papers, things or property

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belonging to or in use by the ministry...and necessary to the performance of the duties of the Auditor under this Act. (Section 10)

When conducting audit examinations, audit staff must have full access to all pertinent information and explanations. During this audit, however, we encountered difficulties and delays in obtaining the required information: we were not given full access to files or given all the information we requested. In some cases, information had been altered by deleting parts of documents that were provided, or information was specifically prepared to only answer our questions without providing supporting documentation to verify the answers.

Finally, restrictions were often placed on ministry staff in that they were not allowed to be interviewed without their superiors present. Consequently, staff, who typically have the best hands-on knowledge of program operations, may have been inhibited from speaking freely.

As stated in the professional handbook of the Canadian Institute of Chartered Accountants: “The assumption of management’s good faith is a fundamental auditing postulate. . . . This assumption means, in the absence of evidence to the contrary, the auditor can accept accounting records and documentation as genuine and representations as complete and truthful.” However, management of the Safety and Regulation Division hindered the audit process and, despite repeated requests for access to original or supporting documentation, did not provide complete information for this audit.

Another result of the difficulties we encountered was that many more hours of audit time had to be unnecessarily spent implementing additional and alternative audit procedures.

### **MINISTER’S COMMITMENT**

Subsequent to the completion of our audit, we reiterated our concerns regarding access to information to the new Deputy Minister of Transportation, who had been appointed March 31, 2001. The Deputy Minister presented our concerns to the new Minister of Transportation, and a meeting was arranged to discuss access to information issues. Subsequent to that meeting, the Minister wrote a letter to the Provincial Auditor dated June 28, 2001, as excerpted below:

I appreciate the gravity of the issues you raised and as I said at our meeting, I am deeply distressed at the matters brought to my attention. Following our conversation I directed the first item of business for the MTO audit committee is the development of a Code of Conduct for dealing with your office. You will be consulted on the content of this Code, which will be fully implemented throughout the Ministry by the end of Summer 2001.

As I mentioned this morning, I feel very strongly about the vital role of your office in serving the public and the Legislative Assembly to ensure value for money in the operations of government. Fulfilling this role requires that you have open and unfettered access to all necessary information needed to carry out your audit. As a result, I have instructed the MTO audit committee to provide me with an update on their progress by August 13, 2001.

Thank you again for bringing these serious matters to my attention. You have my personal commitment that you will have no such difficulties with my Ministry in the future.

[signed]

Brad Clark,  
Minister

This letter clearly expresses the Minister’s commitment to take corrective action to facilitate the work of our Office. We are confident that the commitments conveyed to us by the new Minister

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and Deputy Minister will ensure that the access to information problems we encountered during this audit will not re-occur in future audits.

## OVERALL AUDIT CONCLUSIONS

We concluded that in managing resources for its Road User Safety Program, the Ministry was deficient in ensuring due regard for economy and efficiency. We also concluded that the Ministry did not ensure compliance with programs designed to enhance road safety and that procedures to measure and report on program effectiveness were not satisfactory.

Deficiencies related to due regard for economy and efficiency and compliance included:

- The Ministry hired 280 additional staff in the 16 months ended January 2001 at a cost of \$10.3 million to reduce the lengthy waiting time for drivers' road tests and then opted for outsourcing driver testing without a completed business case to support this decision.
- A significant number of applicants were waiting over six months to take a road test even though the Ministry's maximum standard waiting period is set at six weeks.
- Extreme variations in driver examiner pass rates have persisted for over 10 years without resolution.
- The Ministry failed to demonstrate that the \$101 million it will spend on computer systems work was supported by sufficient strategic plans and a proper business case.
- The Ministry did not properly manage millions of dollars worth of consultants' work—often without following a competitive tendering process and bypassing relevant Management Board of Cabinet directives.
- The Ministry ineffectively managed its private issuers such that issuers were not sufficiently being held accountable for cash management, commissions charged, and stock like licence plates and renewal validation tags.
- The Ministry had not adequately dealt with an accumulation of over 39,000 NSF (not sufficient funds) cheques submitted to pay vehicle registration fees and municipal parking fines.
- The achievement of the Ministry's road user safety goals was impaired because certain drivers were allowed to operate vehicles even when:
  - they had taken a road test that was shorter than the minimum standard time needed to properly evaluate the necessary driving skills;
  - their driver's licence had been suspended because of impaired driving but this suspension had been rescinded without justification;
  - they had a medical condition that could make it dangerous for them to operate a vehicle (the backlog of unprocessed reports by medical practitioners and optometrists stood at 30,000, some dating as far back as 1997);
  - they had accumulated a number of demerit points and, because of backlogs in scheduling interviews, the Ministry did not take the required remedial action; and

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- the waiting period to take their first road test in the graduated licensing system was shortened because they had taken a driver education course, even though the Ministry knew since 1998 that such drivers had a 45% higher collision rate than new drivers who had not had their waiting times reduced.

Deficiencies related to procedures to measure and report on the effectiveness of the Road User Safety Program included the following:

- Annual road safety reports were out of date (the last one was for 1997) and did not contain recommendations for the prevention of motor vehicle accidents as required under the *Highway Traffic Act*.
- With respect to customer service, although users were 95% satisfied with self-service kiosks, 49% of people responding to comment cards completed at ministry and private issuing offices were dissatisfied. This was mainly due to lengthy wait times, service not being prompt and efficient, and staff not being courteous and helpful.
- The key performance measure used to measure the success of the Road User Safety Program—the rate of collision fatalities per 10,000 drivers—is not within the direct control of the Program.

## DETAILED AUDIT OBSERVATIONS

### ***DUE REGARD FOR ECONOMY AND EFFICIENCY***

#### **Driver Examinations**

The Ministry's driver examination function is responsible for conducting vision, knowledge, and road tests for individuals applying for a driver's licence. We reviewed the operations of the driver examination centres, which included observing the timeliness of road tests, the application of driver testing standards, and the training and monitoring of driver examiners. We found significant weaknesses in the management of the driver examination function, as outlined below.

With the Graduated Licensing System, an applicant must first pass a written exam that tests the person's knowledge of the rules of the road and safe driving practices. The Ministry has 10 different versions of the written test that have remained substantially unchanged for the past five years. We noted that certain driving schools had produced their own driver's handbooks that contained the answers and the exact questions found in the Ministry's version of the written test. Because the Ministry did not periodically change the content of its written tests, students from these driving schools received an unfair advantage on the written test. In addition, there is a risk that rather than actually learning the rules of the road, these applicants could have merely memorized the correct answers to test questions.

In our audits of the Program in 1989 and in 1994, we noted the problem of lengthy waiting times to take a road test. Since the introduction in 1994 of the Graduated Licensing System—which demands that applicants take two road tests rather than one, as required previously—the problem of waiting times has worsened. The Ministry has not adequately managed the driver examination function to achieve its standard of a maximum six-week waiting period for a road

test. In September 1999, applicants for road tests were waiting as long as 64 weeks (15 months). To help reduce waiting times and achieve the six-week standard, between September 1999 and January 2001, the Ministry hired 280 additional staff at an estimated cost of \$10.3 million. At some of its centres, however, the Ministry was still experiencing significant waiting times, ranging up to 29 weeks (over 6 months). Lengthy waiting times to take a road test remain a chronic problem that needs to be resolved by the Ministry.

Standards for road tests are set by the Ministry to ensure that all exams are conducted in a consistent manner throughout the province. District supervisors are required to monitor pass rates as well as periodically observe examiners during road tests. The average provincial pass rate for the 1999/2000 fiscal year was 62%. While some differences in pass rates are expected, we noted considerable variances between regions, examination centres, and examiners at the same centre. On a regional basis, the average pass rates ranged from 55% to 84%. We reviewed in detail the pass rates for eight driver examination centres, some of which we visited, and noted the following variances.

**Averages and Ranges of Centre  
and Examiner Pass Rates, 1999/2000**

Exam Centre	Centre's Average Pass Rate (%)	Highest Examiner Pass Rate (%)	Lowest Examiner Pass Rate (%)
A	91	99	81
B	86	93	84
C	77	93	70
D	67	84	45
E	61	84	52
F	60	73	46
G	47	62	22
H	45	63	30

*Source of data: Ministry of Transportation*

For the eight driver examination centres noted above, the pass rates ranged from 45% to 91%. In addition, some examiners passed almost every individual tested (99%), while others passed as few as 22%. Supervisors responding to our survey indicated that they generally do not monitor the pass/fail rates of the examiners as required by ministry policy. In addition, the Ministry's Safety and Regulation Division did not evaluate the pass/fail rates of regional or individual examination centres to determine whether the standards were being applied consistently. The significant variances we noted highlight the inconsistent application of driver examination standards and are similar to variances we noted in our 1989 audit of the Program. In response to our survey, experienced driver examiners noted that they received little formal or refresher training—training they felt was necessary to ensure that ministry standards for road tests were applied in a consistent manner.

The Ministry's standard time for a road test is a minimum of 20 minutes for the first driving test and 30 minutes for the second test. Over two-thirds of examiners responding to our survey indicated that, due to the scheduling backlog, they had shortened tests in an attempt to help clear up the backlog of applicants. In fact, at one major centre, the road tests we timed averaged 12 minutes, and over 90% of these took less than the minimum 20 minutes. Examiners responding to our survey also indicated that the standard times, which they were already not meeting, were insufficient for evaluating drivers. Examiners also commented that they felt "pressure to pass borderline applicants to help clear up the backlog." We concluded that examiners were not adequately testing and evaluating drivers in accordance with ministry standards, which increased the risk that applicants were obtaining driver's licences even though they might not possess the necessary driving skills.

### **Recommendation**

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

- **periodically revise written tests;**
- **achieve the six-week waiting time standard for road tests;**
- **implement procedures, including periodic training for examiners, to better achieve consistency in the application of driver test standards; and**
- **adequately test and evaluate applicants in accordance with ministry driver test standards.**

### ***Ministry Response***

***The Ministry will review the current bank of questions and revise the knowledge test on a regularly scheduled basis (for example, annually).***

***Written test examinations are developed using a bank of 70 existing test questions that are scrambled within 10 test versions, with the answer in the multiple choice list appearing in different positions. This makes each test unique and makes it unlikely that the same test would be administered to an individual on a subsequent attempt. In addition, test questions are amended/updated as procedures or legislation change. In February 2001, a bulletin was issued to remind all test administrators of the policy and procedures to follow to ensure the confidentiality of ministry examinations.***

***In the short term, the Ministry is working to achieve its six-week road test waiting time standard. To do so, the Ministry has:***

- ***provided extended hours of service;***
- ***hired 290 new staff, including 184 driver examiners, and plans to hire 74 additional staff;***
- ***opened three new driver examination centres;***
- ***set up a Road Test Call Centre to allow applicants to book tests anywhere in the province; and***

- **implemented a \$25 fee for missed appointments that are not cancelled 24 hours in advance.**

***In the long term, the government responded to lengthy wait times by approving, in September 1999, the hiring of 301 staff. In order to provide sustained customer service improvements, we also introduced, on May 31, 2001, Bill 65, Improving Customer Service for Road Users Act, 2001, as an alternative service delivery option.***

***Such a move towards the selection of a service provider for driver examination would improve customer service (creating the potential for new value-added services). Criteria would be built into a Service Level Agreement with the service provider to ensure that drivers are carefully and consistently examined in accordance with ministry driver test standards. The service provider would be required to meet the six-week waiting time standard for road tests. It would also be required to commit to ongoing driver examiner training.***

***Currently, centre supervisors do discretionary check rides (based on selected criteria, including pass/fail rates) with driver examiners. They document information that focuses on the road test requirements—for instance, start and finish times, preamble, manoeuvres, variance to procedures, traffic/weather conditions that may impact length of test, etc.***

***Beginning in August 2001, the Ministry will implement reviews of driver examiners' road test score sheets and identify driver examiners at either ends of the pass/fail continuum and ensure equity by conducting check rides with these driver examiners. In addition, the Ministry will review best practices to better achieve consistency in the application of driver test standards.***

## Alternative Service Delivery

The Management Board of Cabinet has issued principles for strategies of alternative service delivery. These principles state that the choice of delivery method should be based on a sound business case and ensure customer service and the best value for money.

In April 2000, the Ministry submitted options for the alternative service delivery of the driver examination function to the Cabinet Committee on Privatization and SuperBuild—a special cabinet committee that reviews the government's privatization proposals and makes recommendations to Cabinet. The proposal presented detailed financial analysis for three alternatives: continue to provide the service, set up a not-for-profit corporation to provide the service, or offer a 10-year licence to an external service provider through a competitive process. The Ministry presented the option for a 10-year licence as the best value from a financial perspective.

On November 17, 2000, the Ministry issued a Request for Qualifications and Expressions of Interest in the delivery of driver examination services. This was intended to give private-sector companies the opportunity to compete for the 10-year licence to deliver driver examination services. One of the Ministry's main objectives in proceeding with the outsourcing was to achieve a maximum six-week waiting period for driver examinations. At the completion of our

audit in February 2001, the Ministry was still in the process of evaluating the submissions from its Request for Qualifications and Expressions of Interest.

We reviewed the Ministry's initiative to outsource the driver examination system and had the following concerns:

- The Ministry paid a consultant over \$1 million to prepare a business case for alternative service delivery, but we were informed by the consultant that, although the business case had been started, at the Ministry's request it was not completed. Since the objective of the assignment was not achieved, the money spent on the consulting contract was not well spent. In addition, not preparing a business case before undertaking an outsourcing initiative is contrary to principles that the Management Board of Cabinet has outlined in its Alternative Service Delivery Framework.
- The financial information presented to the Cabinet Committee on Privatization and SuperBuild to support the Ministry's calculations and demonstrate the financial prudence of the licence option was taken from the unfinished business case. Nowhere in the portions of the submission we received was this limitation noted. Consequently, we are concerned that the Committee based key decisions for this initiative on incomplete information.
- At the conclusion of our audit in February 2001, the Ministry informed us that it was still in the process of gathering information—such as revenue, costs, volume, and demographics—for the outsourcing of the driver examination function. As well, it was reviewing proposals submitted by the private sector. The Ministry stated that the business case for alternative service delivery would be completed when the successful bidder was selected. We question the prudence of making important decisions, such as selecting a service delivery option, without sufficient information and without a complete business case.

Although we requested that the Ministry provide us with a copy of the parts of the business case that were completed, the submission made to the Cabinet Committee on Privatization and SuperBuild, and the Committee's decision on the Ministry's recommended option, the Ministry only provided us with partial information and did so only after our audit was completed. Therefore, the Ministry did not demonstrate to us that a proper cost/benefit analysis was done, nor did it demonstrate the validity of the assumptions and other information on which the decision to outsource was made.

### **Recommendation**

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

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

**Ministry Response**

***The Ministry undertook the selection of an Alternative Service Delivery model for driver examination to improve customer service and create the potential for new value-added services.***

***The Ministry, in seeking policy direction from the Cabinet Committee on Privatization and Superbuild to proceed with a procurement strategy, provided financial data outlining the potential for an Alternative Service Delivery solution.***

***The Ministry agrees with the Provincial Auditor and a full and complete business case analysis will be prepared prior to seeking approval for any recommendations brought forward for the outsourcing of the driver examination function.***

## Information Technology

The Transportation Information and Information Technology Cluster manages the Ministry's information technology. For the Road User Safety Program, a legacy system that is over 30 years old supports the licensing and registration of drivers and vehicles. The first component, its driver licensing system, was developed in the 1960s. A vehicle registration system component was added in the 1980s. The legacy system's functions include:

- maintaining registration and licensing information on approximately 8.1 million drivers and almost 9.2 million vehicles in Ontario;
- processing almost 1 million batch and on-line transactions daily, or about 250 million transactions per year;
- managing a database with more than 100 million records;
- providing information to monitor the performance of a network of small business operators engaged in the delivery of almost 20 million licensing transactions annually; and
- collecting approximately \$900 million annually in revenues.

Since the 1998/99 fiscal year, the Ministry has spent approximately \$71 million on the legacy system for new initiatives, maintenance, and ongoing operations.

Over the years, the funding for system enhancements was provided incrementally and was not based on a long-term strategic plan to ensure this critical system's long-term viability. The Ministry has determined that the current legacy system will not efficiently support the government's direction to expand electronic service delivery, including Internet-based service, nor will it easily support additional services and regulatory initiatives.

In December 2000, the Ministry submitted a business case to renew the legacy system to the Management Board of Cabinet. In that submission, the Ministry indicated that the total cost of the proposed renewal was \$101 million for the next four years, ending in the 2003/04 fiscal year. The Ministry proposed a phased migration approach in which it would operate both old and renewed infrastructures to ensure business continuity and the maintenance of customer service

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levels. We understand that in the 2000/01 fiscal year, the project started its initial phase, which included funding for equipment upgrades and overall migration planning. The Ministry is to report back to the Management Board of Cabinet in the fall of 2001 with details on its migration plan and on its implementation of the remaining phases of the renewal.

For audit purposes, we requested access to the Ministry's strategic plans and business case for renewing the legacy system, but the Ministry would not provide us with that information. In fact, even after repeated requests on our part, the Ministry only provided us with incomplete documents that were missing pages and attachments.

Because the Ministry did not provide the necessary information on a timely enough basis for this annual report, we cannot provide assurance that the proposed legacy system renewal was based on a properly completed business case and strategic plan. We will follow up on the Ministry's efforts to develop and implement the proposed legacy system renewal at an appropriate time.

## Consulting Services

Since the 1998/99 fiscal year, the Ministry has paid over \$27 million for consulting services, primarily for information technology projects and alternative service delivery projects for its Road User Safety Program. In acquiring such services, ministries must comply with the Management Board of Cabinet directives that state the key principles for decision-making during the planning, acquisition, and management of consulting services. These principles include: competition, access, fair and equal treatment of suppliers, responsible management, and best value for money. For instance, ministries must justify the need for retaining the services of consultants; the process for selecting a supplier must be open and fair; suppliers should not be permitted to gain a monopoly for a particular kind of work; ministries must not continuously rely on a particular outside organization; and upon the completion of each consulting assignment, a formal written evaluation should be prepared. As well, as of May 2000, when they acquire goods and services, ministries must use vendors of record, which are firms qualified and listed by the Management Board Secretariat through a standing agreement.

We examined a sample of assignments for consulting services and found that the Ministry often disregarded Management Board of Cabinet directives and ministry policies and procedures for the acquisition of consulting services and did not have adequate procedures in place to ensure the economic acquisition and proper management of consulting services. For example:

- We noted contracts totalling \$4.5 million where the Ministry hired consultants either with no justification on file of the need for the assignment or with justification that was prepared after the contracts were signed.
- Without a written contract in place, the Ministry engaged consultants for over \$1 million. For one of these engagements, work began eight months prior to the date the contract was signed. In addition, the terms of reference for these assignments were not documented until well after the work began, which brings into question what work the consultant carried out before the scope of work was defined.
- For the assignments we reviewed, the Ministry could not provide us with the details of how the estimated costs of consulting assignments were calculated. Therefore, we question the Ministry's ability to determine whether the prices quoted by the consultants were reasonable.

- We found that the Ministry generally did not evaluate the experience, qualifications, and price of more than one vendor when awarding consulting contracts. In addition, the Ministry permitted a supplier to gain a monopoly by continuously selecting that particular consultant to provide consulting services for alternative service delivery and awarding this consultant six successive contracts totalling over \$3.2 million.
- The Ministry bypassed the required competitive acquisition process by selecting a consultant from the vendor-of-record list for alternative service delivery even though the consultant was to perform information systems work and was not on the approved vendor-of-record list to provide such services without competition. That consultant was paid \$180,000 for information systems services.
- We noted three instances in our sample where the Ministry acquired consultants without tender and awarded them successive assignments. Each of the contracts was marginally less than the \$25,000 tender limit, but the cumulative total exceeded this amount. These follow-on assignments were not unique or different from the work in the original contract, and the terms of reference for the new assignments did not change substantially.
- The Ministry exceeded the ceiling price of an agreement when it engaged a consultant at a cost of \$600,000 to develop a business plan for alternative service delivery of the driver examination function and subsequently awarded the same consultant another contract for \$450,000 for substantially the same service. We also question the value for money received by the taxpayer on these contracts totalling over \$1 million since, at the request of the Ministry, the business case was not completed.
- We could not determine the propriety of ministry payments to consultants. For instance, the Ministry had altered a consultant's invoice totalling \$234,000 by recording the amount as paid against another contract with the same consultant and indicating that the work was done during a different time period.
- The Ministry had not prepared the required written evaluations for any of the consulting engagements we reviewed. These evaluations are necessary to assess the quality of the work, whether value for money was obtained, and the suitability of the consultant for future assignments.

### Recommendation

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

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

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

### **Ministry Response**

*The Ministry agrees that consultants should be acquired in the most economic and equitable manner.*

*The Ministry is taking steps (beginning in July 2001) to improve its procurement and consultant evaluation processes in accordance with the Provincial Auditor's recommendations. These steps include:*

- *requiring staff to attend training on the improvements to the consultant procurement and evaluation processes;*
- *monitoring consultant acquisition processes to ensure Management Board of Cabinet directives and guidelines are strictly adhered to prior to the actual acquisition of consulting services;*
- *monitoring consultant performance/evaluations during the contract period and maintaining this information in a central repository for future reference.*

## **Private Issuers**

The Ministry contracts with private issuing offices to renew vehicle plates and driver licences and provide other related services.

### **SERVICE AGREEMENTS AND ISSUER OPERATIONS**

Currently, there are approximately 280 private issuers providing services under agreements with the Ministry. These agreements generally expire upon the death or the voluntary withdrawal of an issuer. We reviewed the service agreements with private issuers and their operations and noted the following concerns.

We found that the agreements between the Ministry and private issuers were not current. In many cases, agreements were signed at the time of the original appointment, which could be over 20 years ago, and therefore reflect the nature of the business at that time. The Ministry has made changes to the agreements through addenda, but we noted that this mechanism was not consistently applied. For example, in 1998, the Ministry introduced an addendum dealing with its Performance Management Program that set out clearly defined procedures, methods, operating requirements, performance standards, and responsibilities for issuers. However, the program was only made mandatory for new issuers. As of January 2001, over 100 private issuers were not participating in this program.

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In addition, agreements with private issuers did not have clauses specifying remedial actions for improving performance, penalties for not following proper policies and procedures, or dispute resolution mechanisms. With the exception of the issuers that participate in the Performance Management Program, standard service agreements do not specify the roles and responsibilities of the issuers and the Ministry. Responses to our surveys indicated that because clear remedial actions were not specified in the agreements, it was difficult for the Ministry to impose penalties on or terminate agreements with issuers that were continuously poor performers.

For example, issuers are paid a commission based on the nature of the transaction, but we noted that some issuers increased their commission by processing several transactions separately instead of processing them as a single transaction. The Ministry produces a Multiple Transaction Processing Report to identify such occurrences. These occurrences are to be followed up on when an audit of the issuer is carried out. Although issuers are told to process transactions properly in these cases, some issuers continued to process the transactions so as to yield a high commission. The Ministry did not impose a penalty for this practice, nor did it change its procedures to prevent this occurrence.

In addition, we found that some issuers processed transactions and earned a commission even when all the proper documentation was not submitted. For example, an issuer refused to issue a 10-day trip permit because the applicant did not provide the required documentation. The applicant subsequently went to another issuer and received the permit without the required documentation. The Ministry, even though it was aware of the problem, did not impose a penalty on the second issuer for selling the permit without receipt of the required documentation.

Private issuers are responsible for the safeguarding and control of stock like vehicle plates, renewal stickers, and trip permits. Over half of the administrators that responded to our survey indicated that issuers did not reconcile stock as required by ministry policy. When an issuer reported that stock could not be located, the Ministry routinely recorded the stock as missing. If lost or stolen, stock can be used for fraudulent or illegal purposes. As well, issuers are to lock up their stock in a secure place, but some issuers were leaving stock at the front counter where it would be susceptible to theft. Lost stock in these cases included vehicle plates, renewal validation tags, and trip permits. In cases where the proper safeguards were not taken or when stock could not be located, the issuers were not being held accountable by the Ministry.

### ***SELECTION AND MONITORING OF ISSUERS***

The Ministry selects new issuers using a competitive process that evaluates candidates based on certain criteria, such as education, work experience, technical skills, communication and interpersonal skills, business and staff management experience, and customer-service orientation. Although the selection process was comprehensive and fair, it took up to six months, which significantly disrupted customer service in the affected area.

Inconsistencies in the training programs for new issuers were another cause of disruption to customer service. Some regional offices had well-developed training programs, including a one-week classroom session on operational procedures and instruction on the processing of transactions on computer terminals at an existing issuing office. Other regions had no established formal training. For instance, in the region with the largest turnover of issuers, informal training was primarily accomplished during the first few weeks of opening the office. Administrators from this region indicated that there was insufficient time to develop a formal training program mainly because of workload pressures.

The private issuing offices are monitored by the Ministry's Issuing Office Administrators (IOAs), who are responsible for dealing with the private issuing offices' day-to-day problems as well as performing a detailed audit of each private issuing office annually to ensure ministry revenue is remitted properly, policies are complied with, and stock is safeguarded. There is a risk that private issuers could sell items like validation tags and not inform the Ministry of the revenue collected. When an office is experiencing problems, the IOA's time is diverted from the normal monitoring and auditing functions. Responses to our survey indicated that, in some offices, the IOA had no time to adequately monitor the issuers because they were constantly dealing with higher-priority items, such as the selection and training of new issuers and problems of theft or fraud at issuing offices. Consequently, the required audit checks of other issuers were not performed, and systematic problems, such as poor record keeping, were not rectified on a timely basis. One issuer indicated to us that the required annual audit had not been performed at their office for at least three years.

### **Recommendation**

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

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

### **Ministry Response**

***The Ministry agrees that a greater clarity of the roles and responsibilities of both the private issuers and the Ministry is required. To this end, the Ministry has undertaken the Private Issuer Project to review the current Memorandum of Agreement and develop a new contract that would provide for greater clarity of the roles and responsibilities. This is to be completed by Fall 2001. In addition, it is the Ministry's intention that all private issuers will be subject to a new and revised contract.***

***The Ministry agrees that private issuers should only be paid for commissions permitted by ministry procedures. The new contract will include penalties and will require the refund of any overpayment of commissions.***

***The Ministry also agrees that issuers should be held responsible for lost stock when the proper safeguarding procedures have not been followed. The new contract will require that issuers pay for all stock in their possession and any lost stock and ensure that security provisions for lost stock are established.***

***The Ministry agrees that new private issuers should be hired on a timely basis to minimize disruptions to customer service. The Ministry will strengthen “Termination of Contract” requirements under the new contract to require more notice from issuers who are resigning. The Ministry is also in the process of designing an expedited issuer selection process. This process will be piloted in fall 2001.***

***The Ministry agrees that resources to train new private issuers and monitor existing issuers should be adequate and consistent throughout the province.***

***As part of the ongoing review of the Licensing Services Program, the Ministry is in the process of issuing a request for proposals for the delivery of selected products and services currently provided by ministry staff. One of these products and services is the auditing of issuers.***

***Delivery of the auditing function by a third-party service provider will enable a regular and timely focus on the monitoring of issuers, thereby allowing Issuing Office Administrators to place more effort on improved training of new issuers.***

## Revenue Collection and Control

Driver and vehicle registration fees from ministry and private issuers amounted to \$894 million in revenue in the 2000/01 fiscal year. Private issuing agents are required to make daily deposits at the end of the business day or when the amount of cash on hand exceeds \$15,000, and they must electronically submit a daily financial summary to the Ministry. All supporting documents for processed transactions are to be submitted on a weekly basis. The Ministry subsequently reconciles the daily financial summaries, the weekly submissions, and the bank deposits. The Ministry’s Licensing Services office is responsible for the management of all funds collected through the driver and vehicle business, which includes ministry issuing offices, private issuing offices, kiosks, and driver examination centres. Based on our review, we noted that the Ministry’s revenue collection and related controls needed improving, as illustrated by the following weaknesses we found:

- The reconciliation of transactions to deposits was not completed by the Ministry on a timely basis. We noted that, as of September 30, 2000, the Ministry’s direct-deposit system contained over 1,550 deposits that could not be matched to the records of private issuers, with some dating back to April 1997. After reviewing these deposits, the Ministry still could not match approximately 1,200 of them to private-issuer statements to determine the nature of the discrepancies. In addition, the Ministry did not follow up on and resolve these unmatched deposits.

- The Ministry had accounts receivable totaling \$13.5 million on March 31, 2001, which represented a 500% increase over 10 years ago. The major reason for the increase was an accumulation of 39,000 NSF (not sufficient funds) cheques—some dating back more than 15 years—that had been submitted to the Ministry to pay vehicle registration fees and outstanding municipal parking fines.
- There was no cross-referencing between the Ministry’s vehicle registration system and the driver licensing system to help in the collection effort. In addition, when a private issuing office accepts a cheque that is subsequently returned as NSF, the Ministry does not hold the issuer accountable even when the issuer did not comply with the Ministry’s cheque acceptance policy. In such cases, ministry policy is to charge the issuer for the amount of the NSF cheque, but this was seldom done, and the Ministry has been left with the task of collecting the outstanding amount.
- In response to the collection problem, the Licensing Services office ran a pilot project in November 1999 to collect outstanding amounts. It informed vehicle permit holders that their driver’s licences would be cancelled if the Ministry did not receive payment. The pilot project was successful, as the Ministry collected approximately \$148,000 in the first month. However, the project was stopped by the corporate office because it determined that the Ministry did not have the authority to cancel a driver’s licence in such cases. In general, the Ministry’s collection efforts have been insufficient, and write-offs have increased from \$250,000 in 1998 to over \$925,000 in 2000.
- When they renew their vehicle plates, vehicle owners must pay the Ministry in full for any outstanding municipal parking fines and NSF cheque amounts before a validation sticker is issued. We noted that the Ministry transferred funds to be remitted to the municipalities before determining whether payments by cheque had cleared the customer’s bank. When a cheque is not honoured by a bank, the Ministry pursues the outstanding amount through its normal collection process. Given the large accumulation of NSF cheques, the Ministry is, in essence, subsidizing the payment of parking fines on behalf of Ontario drivers—especially if the account receivable is never collected and written off by the Ministry.

### **Recommendation**

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

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

### **Ministry Response**

***The Ministry agrees with the Provincial Auditor's findings and recommendations. The Ministry has taken action by undertaking a Revenue Control Review with its Internal Audit Branch. As part of this review, the Ministry has identified potential system and process changes to improve the timeliness of the reconciliation report.***

***Since fall 2000, the Ministry has been able to clear some of the older deposit discrepancies and has instituted a regular review to resolve older bank inquiries. As well, the Ministry is investigating a regulatory change to reduce the occurrence of NSF cheques.***

***Following a November 1999 pilot project in which the Ministry advised drivers that their licences could be cancelled for outstanding debt, the Ministry is developing a proposal to have legislation/regulations amended to allow it to cancel driver licences for any outstanding debt.***

***The Ministry is also looking to implement a number of strategies set out in an internal review of accounts receivable, including making system changes to identify previous debtors. We continue to pursue ways to reduce the level of outstanding debt and the subsequent write-offs.***

***The Ministry of Transportation has a number of partners in the collection of parking fines. After the police issue the tickets, municipalities first spend a minimum of 90 days trying to collect fines on their own behalf before passing the matter on to the Ministry of the Attorney General. The Ministry of Transportation then acts as a collection agent for the Ministry of the Attorney General. The Ministry will work with the Ministry of the Attorney General to ensure that only amounts for parking fines that have been fully paid are transferred to municipalities.***

## **COMPLIANCE WITH POLICIES AND PROCEDURES**

### **Driver Performance Monitoring and Intervention**

The Ministry's Driver Improvement Office is responsible for the administration and delivery of programs that involve drivers and their fitness to drive. Driver performance is monitored using information from the Administrative Driver's Licence suspension program, the medical review program, and the demerit-point system. The Driver Improvement Office is responsible for suspending, cancelling, or reinstating driver's licences in accordance with these programs. We noted that the Ministry's initiatives in these areas needed improvement to ensure efficient and timely remedial action and licence suspensions.

In an attempt to reduce drinking and driving, the Administrative Driver's Licence Suspension (ADLS) program was introduced in December 1996. ADLS imposes an immediate 90-day roadside suspension of the driver's licence of any driver who has a blood alcohol level of more than 0.08%. The police officer immediately inputs the suspension on the Ministry's system, and

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the suspension is confirmed when a notice is received by the Ministry from the police and entered into the ADLS tracking system. If the notice is not received within seven days, the Ministry rescinds the suspension. From the time the program was introduced to December 2000, over 400 drivers had their suspensions rescinded because the Ministry did not receive the notice to confirm it. This posed a safety concern because it allowed drunk drivers to have their licences reinstated before the required time and before any remedial action could be taken. We believe the seriousness of drunk-driving violations warrants appropriate follow-up by the Ministry when notice to confirm a suspension is not received.

Suspension of a driver's licence can also occur when a driver cannot meet a minimum standard of medical fitness to operate a motor vehicle. Medical practitioners and optometrists are required to report to the Ministry any individual who, in their opinion, is suffering from a condition that could make it dangerous for that person to drive. During the 1999/2000 fiscal year, the Ministry received approximately 150,000 medical reports. At the end of January 2001, the Ministry had a backlog of over 30,000 medical fitness reports that had not been processed. We noted approximately 950 cases to be resolved that dated back to 1997 and another 6,500 cases dating back to 1998. With such untimely processing of medical reports, the Ministry may have subjected the public to unnecessary risk, as some of these individuals could still be operating motor vehicles when they are not medically fit to do so.

The demerit-point system offers the Ministry another intervention tool to improve driver performance and behaviour. If a driver accumulates a designated number of demerit points within a two-year period, the Ministry may send the driver a warning letter, require that the driver attend an interview with a driver improvement counselor, or suspend the driver's licence. We noted that the Ministry had a backlog of cases where an interview was to be scheduled. In some cases drivers were not scheduled for the required interview because their demerit points had been automatically deducted after two years, bringing the total demerits below the threshold for intervention by the Ministry. The Ministry did not keep any statistics for the number of interviews cancelled, but staff we spoke with estimated that approximately one-third of the drivers that should have been interviewed were not interviewed because of the backlog. In this regard, the Ministry failed to take advantage of the opportunity to use intervention measures to improve driving behaviour and accordingly reduce the risk of motor vehicle accidents.

We found inconsistencies in the application of suspensions by driver improvement counsellors, who are responsible for remedial action for drivers who have been convicted of a criminal offence while operating a motor vehicle or who have accumulated a prescribed number of demerit points. For example, in 1999, one counsellor recommended suspension for one out of every six drivers interviewed, while another counsellor recommended suspensions for only one out of every 150 drivers interviewed. In response to our survey, counsellors indicated that training was inadequate and that a lack of regular training and direction from the Ministry led to inconsistencies in applying suspension standards.

In addition, over 85% of the counsellors who responded to our survey indicated that they did not have sufficient information to review cases where a driver was convicted of a criminal offence related to the operation of a motor vehicle. They had to make their recommendations based on the driver's description of the incident and the charge laid. Counsellors indicated that more information, such as a police accident report or court disposition, would be helpful in making more informed recommendations for licence suspensions.

## Recommendation

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

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

## Ministry Response

*The Ministry recognizes that even one impaired driver who is allowed to drive is too many. Since 1996, the Ministry has successfully suspended 91,853 licences because of impaired driving. Of these, 400 (0.4%) were rescinded due to the Driver Improvement Office not receiving the Notice to Registrar from the police. The Ministry is working with its policing partners to find ways to ensure that paperwork is received from them in the required time frames.*

*As an active member of the Inter-ministerial Drinking and Driving Monitoring and Evaluation Committee, the Ministry is continuing to monitor and evaluate the Administrative Driver's Licence Suspension Program. The Committee includes representatives from the ministries of the Attorney General and Solicitor General and the Ontario Provincial Police, Toronto Police Services, and the Ontario Association of Chiefs of Police.*

*The Ministry agrees that reports of drivers who do not meet the minimum medical fitness standards should be reviewed on a more timely basis. The Ministry has ensured that high-priority cases are currently processed within three to eight weeks. This includes suspension of driver licences when medical reports indicate a high risk to road safety and reinstatement when reports indicate medical standards have been met.*

*In addition, significant improvements to productivity have been made due to increased staff levels, training, telephone and case-management technology upgrades, and re-engineering of workflow processes. These improvements have resulted in an almost 50% increase in the number of cases processed. There are no longer any 1997 cases waiting to be processed.*

*The Ministry is working with the Ontario Medical Association to develop an improved medical fitness form to make it easier for physicians to report to the*

***Ministry in a prompt and consistent fashion, thereby reducing the number of follow-up inquiries by ministry staff.***

***The Ministry agrees that demerit-point interviews are important to modify the behaviour of drivers who have committed serious safety infractions. The Ministry has recently reviewed this area and will implement the Provincial Auditor's recommendation.***

***The Ministry agrees that a standard training program for driver improvement counsellors is needed and is therefore developing a standard orientation and training plan. The Ministry has run a province-wide training program for regional driver improvement staff on medical suspension interviews.***

***The Ministry agrees that it would be useful for driver improvement counsellors to have access to full information on a driver's case. However, this detailed information is not always available from the courts on a timely basis. The Ministry will work with the ministries of the Attorney General and Solicitor General to improve the accessibility and timeliness of this information.***

## Disabled Person's Parking Permits

The Ministry issues disabled person's parking permits to eligible applicants who are unable to walk unassisted for more than 200 metres in eight minutes or less without serious difficulty or danger to their safety or health. The applicant's condition must be certified by a medical practitioner. The Ministry annually processes approximately 60,000 new applications and 42,000 renewals. We noted the following weaknesses in the Ministry's processing and monitoring of these parking permits:

- The Ministry does not adequately scrutinize the application forms received from the applicants. There are no checks to ensure that the medical practitioner who certified the applicant's disability is a member of the medical profession. This results in the risk that individuals who are not entitled to a permit submit applications to the Ministry and obtain a parking permit.
- The only medical criterion that is required to obtain a parking permit is the applicant's ability to walk a certain distance within a specified time. However, the Ministry does not require certification that this disability does not impair the person's ability to safely operate a motor vehicle, as is done in other jurisdictions.
- Once a parking permit is issued for a permanent disability, it is automatically renewed every five years without further scrutiny. We noted that when renewing a permit, the Ministry was not cross-checking with its own driver's licence database to see if the person was still living, nor was it checking with the Registrar General Branch of the Ministry of Consumer and Business Services, where the province's deaths are recorded. As a result, police forces frequently had to deal with disabled person's parking permits that were inappropriately being used by friends and family members of deceased permit holders.

## Recommendation

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

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

## Ministry Response

*The Ministry agrees that there are opportunities to strengthen eligibility criteria to ensure that permit holders are entitled to a disabled person's parking permit.*

*Applications will be verified to ensure that the information has been fully completed by a physician, chiropractor, osteopathic physician, physiotherapist, or occupation therapist, and includes the professional association the practitioner is registered with.*

*In addition, the Ministry is undertaking a comprehensive review of the Disabled Person Parking Permit program. The Ministry is reviewing with a number of stakeholders all aspects of the existing program, including:*

- *approaches for ensuring the eligibility of applicants;*
- *eligibility criteria for obtaining a permit;*
- *medical re-certification at five-year renewals;*
- *the scrutiny of applications;*
- *the design/features of the permit;*
- *penalties for permit misuse; and*
- *communications to permit holders and the general public.*

*This review is a component of the Ministry of Citizenship's Disability Strategy. The Ministry of Citizenship is planning to include in its Ontarians with Disabilities Act an increased fine (and possibly new penalties) for misuse/fraud of a disabled person's parking permit.*

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# MEASURING AND REPORTING ON PROGRAM EFFECTIVENESS

## Road Safety

The goal of the Road User Safety Program is to help make Ontario's roads safer for all road users. This is accomplished through a combination of education, legislation, enforcement, and initiatives directed at identifying high-risk causes for accidents and taking action to mitigate these risks.

To demonstrate the effectiveness of its initiatives, the Ministry needs to provide the public with current information, measure their success, and take corrective action where objectives are not met. During our audit, we noted the following deficiencies.

The Ministry is required by the *Highway Traffic Act* to annually report various characteristics of motor vehicle accidents and make recommendations for the prevention of motor vehicle accidents. The report, titled the *Ontario Road Safety Annual Report*, is intended to help in the design of education and intervention programs that lead to corrective action. However, the last report issued by the Ministry was the 1997 Annual Report, and it contained no recommendations for the prevention of motor vehicle accidents. In addition, the Ministry was reporting results in its 2000/01 Business Plan that were based on this outdated 1997 information. Therefore, the Ministry was reporting results related to safety issues based on outdated and incomplete information.

One of the Ministry's major road safety programs, implemented in 1994, is the Graduated Licensing System. The System's main objective is to help reduce the risk of collision for new drivers by requiring that they progress through a two-step licensing system (with two road tests) before granting them a full licence. In 1998, the Ministry carried out an interim evaluation of the new system and determined that the collision rate for novice drivers had decreased. However, the evaluation also determined that novice drivers who had taken an approved driver education course, and thereby had the one-year interval between the written test and their first road test reduced by four months, had a collision rate that was 45% higher than other novice drivers. The 1998 report indicated that further study of this situation was required. In this regard, we noted that a 1996 federal report, based on a study of several jurisdictions, recommended that governments not shorten the required waiting period for a road test in their graduated licensing systems for drivers having undergone driver education. At the completion of our audit in February 2001, the Ministry had neither reviewed nor taken action on the effects of driver-training time reductions on road safety.

Another aspect of road safety is ensuring that drivers are properly trained and tested to operate a motor vehicle. When the Graduated Licensing System was first introduced in 1994, the Ministry carried out a public education program that involved presentations to high-school students and road safety groups. Since then, there have been no ministry education programs for new drivers entering the system other than information contained in the *Driver's Handbook*, which informs student drivers about the rules of the road. Ministry staff responding to our survey expressed concerns that many novice drivers are not fully aware of these rules and are unprepared for their road tests. Moreover, the *Driver's Handbook* was last updated in May 1997 and does not reflect legislative changes made since then.

In 1996, the Ministry had carried out a study of the collision risk for senior drivers. At that time, senior drivers over 80 years of age were required to take annual vision, knowledge, and road tests. The ministry study indicated that if the amount of driving was taken into account, senior drivers had collision rates that were much higher than those observed for middle-aged drivers. While the Ministry determined there was no clear safety benefit associated with mandatory, age-based road testing, it introduced a new program for senior drivers that required seniors to take vision and knowledge tests biannually, attend classroom instruction, and have a driver record review. Only in some cases would a senior driver be asked to take a road test. The Ministry was to evaluate this new program to assess its ability to identify potentially unsafe drivers. However, at the completion of our audit in February 2001, no evaluation had been done.

### **Recommendation**

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

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

### ***Ministry Response***

***The Ministry is committed to continuously improving its processes and reporting mechanisms. The Ministry will prepare the Ontario Road Safety Annual Report in a timely manner and the Ministry's Business Plan will reflect the most up-to-date figures and include recommendations for the prevention of motor vehicle accidents.***

***The Ministry agrees with the recommendation to update the Driver's Handbook to ensure that any changes to legislation, policies, and procedures are incorporated and that advice on driving behaviour is incorporated promptly.***

***The Ministry is strongly committed to continuously improving its performance measures and program-level performance reporting.***

## **Customer Service**

The Ministry provides many services to the public through its Road User Safety Program, including issuing new and renewal driver's licences, scheduling and delivering road tests,

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registering motor vehicles, renewing validation tags, undertaking public education programs, and responding to inquiries made in person or by telephone.

During our 1994 audit of the driver licensing and control function, the Ministry acknowledged that the level of customer service it was providing was less than satisfactory. Since that time, the Ministry has undertaken a number of initiatives, including developing performance indicators to measure and track customer service and implementing a management process to help ensure that customer-service problems are adequately addressed.

In December 2000, customer satisfaction ratings measured by the Ministry indicated that the public was 95% satisfied with self-service kiosks. However, customer comment cards completed at ministry offices, driver examination centres, and private issuers indicated that 49% of respondents were generally dissatisfied with customer service for the following reasons: lengthy waiting times, not receiving service in a prompt and efficient manner, and staff not being courteous and helpful. Although the Ministry has attempted to improve customer service through various initiatives, we noted areas that still require improvement, as described below.

The comment card tracking system that the Ministry implemented in June 1999 was to standardize and streamline the process for handling customer complaints. This system includes a database of customer-service issues identified through customer comment cards. From this database, a repository of best practices was to be established to share successes with other sections of the Ministry and to improve customer service. We noted, however, that the Ministry had not established the repository of best practices, nor was it using the information gathered from the comment cards to improve customer service.

Customer complaints are sent to the appropriate regional office for investigation and resolution. We found that the Ministry did not analyze the information or provide feedback that would enable centres to implement improvements or take corrective action. Specifically, no trend analysis of customer feedback was performed to determine if policy or program changes were effective or necessary, and complaints were not detailed by month or quarter to determine ongoing trends in customer-service satisfaction. The last report produced by the Ministry with respect to comment cards covered the period from June to December 1999.

A critical indicator of efficiency and customer service is the amount of time customers must wait for service, which is also a key performance indicator. In fact, waiting time is the primary measure of customer service in many other jurisdictions. Of the customer comments collected by the Ministry, 91% indicated that waiting time was the main reason for dissatisfaction with ministry customer service. Nevertheless, the Ministry had not established an internal performance target with respect to acceptable waiting time for over-the-counter services. In addition, the Ministry had not evaluated the factors that could influence waiting time, such as the quality of staff training, number of customers, the number of available staff, and even the time of year. The Ministry left local offices to deal with lengthy waiting times on their own. Some offices tried to improve service by using an electronic queuing system or asking customers to visit an information counter first to ensure that they had all the documentation necessary to process the transaction.

## Recommendation

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

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

### *Ministry Response*

*The Ministry agrees that analysis of customer comments is important to assist management in determining common concerns. However, the Ministry feels that its statistical customer-service survey, which is run on an ongoing basis, is a more valid measure of customer satisfaction than the customer comment cards, which are only available on request. The ongoing customer-service survey results from private issuing offices indicate an 87% overall customer satisfaction rating.*

*The Ministry agrees with the recommendation that a repository of best practices that offices use to address customer concerns be established. There is currently an informal method in place, and a formal repository of best practices is under development.*

*The Ministry agrees with the need to establish internal performance benchmarks with respect to waiting times for over-the-counter services and to periodically report on performance by office and region against established benchmarks. The Ministry has initiated a study to establish benchmarks and best practices to measure customer-service satisfaction. The Ministry notes that the customer satisfaction rating with length of wait time has increased by 23% over the last two years to 69%.*

## Effectiveness Measures

Effective performance measurement and reporting gives the Legislature the necessary information for making informed funding and policy decisions regarding the administration of a program. The Ministry's publicly available business plans contain performance measures and outcomes for the Road User Safety Program. The Ministry is to report on its performance in its *Ontario Road Safety Annual Report*, which provides statistical information on various characteristics of motor vehicle collisions in the province, such as the severity of injuries, the age of the drivers, accident locations, weather conditions at the time of accidents, and any known causes for collisions.

In the Ministry's business plans from the 1998/99, 1999/2000, and 2000/01 fiscal years, the primary goal or outcome for the Road User Safety Program was "safer Ontario road users and

drivers.” The program’s performance goal was for Ontario to rank as one of the 10 safest jurisdictions in North America as measured by its rate of collision fatalities per 10,000 drivers. However, the Ministry acknowledges that the achievement of this goal is not within the direct control of the Road User Safety Program, which does not exercise a reasonable degree of influence on the collision fatality rate. Other parties can influence the rate, including the Ministry of the Attorney General, the Ministry of the Solicitor General, and the Ontario Provincial Police, as can other factors, including the economy, weather conditions, and the way cars are manufactured. Consequently, this performance measure is to be applied at a higher, ministry or government-wide, level, rather than being the exclusive responsibility of the Road User Safety Program.

The Ministry has developed a number of indicators to measure and report on its initiatives relating to alcohol impairment, seat-belt usage, aggressive driving, repeat offenders, and fatalities involving novice drivers. However, the performance measures the Ministry was using at the time of our audit were based on activities, such as the percentage of drivers stopped at random sobriety checkpoints who had been drinking. These measures were not linked to the Program’s primary goal. Consequently, program management was not being held directly accountable for its initiatives. To demonstrate whether its initiatives were effective, the Ministry needed to link its activity measures to the Program’s primary goal of “safer Ontario road users and drivers.”

### **Recommendation**

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

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

### ***Ministry Response***

***The Ministry is strongly committed to continuously improving its performance measures and program-level performance reporting.***

***The Ministry will continue to develop performance measures that focus on effectiveness indicators that are results oriented and demonstrate the value and benefits of the Road User Safety Program.***