Legislative Assembly of Ontario

Assemblée législative de l'Ontario

STANDING COMMITTEE ON PUBLIC ACCOUNTS

DRIVER AND VEHICLE PRIVATE ISSUING NETWORK

(Section 3.05, 2005 Annual Report of the Auditor General of Ontario)

2nd Session, 38th Parliament
55 Elizabeth II

Library and Archives Canada Cataloguing in Publication Data

Ontario. Legislative Assembly. Standing Committee on Public Accounts
Driver and vehicle private issuing network (Section 3.05, 2005 Annual report of the Auditor General of Ontario) [electronic resource]

Text in English and French on inverted pages.
Title on added t.p.: Réseau privé d'immatriculation et de déliverance des permis (Rapport annuel 2005 du vérificateur général de l'Ontario, section 3.05)
Electronic monograph in PDF format.
Mode of access: World Wide Web.
Issued also in printed form.
ISBN 1-4249-2907-5

1. Ontario. Ministry of Transportation—Auditing. 2. Motor vehicle drivers—Services for—Ontario—Evaluation. 3. Automobiles—Registration and transfer—Ontario. 4. Drivers' licenses—Ontario. 5. Contracting out—Ontario. I. Title. II. Title: Réseau privé d'immatriculation et de déliverance des permis (Rapport annuel 2005 du vérificateur général de l'Ontario, section 3.05)

HE5635 O5 O56 2007 354.76'528409713 C2006-964042-4

Legislative Assembly of Ontario

Assemblée législative de l'Ontario

The Honourable Michael A. Brown, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.

Norman Sterling, MPP
Chair

Queen's Park
January 2007

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PREAMBLE

The Standing Committee on Public Accounts held hearings on the Auditor General's report on the Ministry of Transportation's Driver and Vehicle Private Issuing Network on April 27, 2006. The Committee endorsed the findings and recommendations in the Auditor General's *2005 Annual Report* (s. 3.05).

Each section of this report provides an introduction based directly on the Auditor's *Annual Report*, followed by a summary of the Ministry's 2006 status report and an overview of the 2006 hearings. Committee recommendations have been prepared as required.

The Committee would like to take this opportunity to acknowledge that the Ministry of Transportation and other ministries participating in the 2006 hearings provided updates in advance of the hearings on the status of their action plans in response to the Auditor General's recommendations. The Committee is of the opinion that this practice contributed immensely to the hearings process. In the case of the Driver and Vehicle Private Issuing Network, the April 2006 update provided a comprehensive "current" statement on the initiatives undertaken and commitments to address shortcomings in the Private Issuing Network (see Appendix).

Acknowledgements

The Standing Committee on Public Accounts would like to thank the Deputy Minister of Transportation and Ministry officials for attending these hearings. The submission of a status report in April 2006 on the action taken to address the Auditor General's (the Auditor) recommendations was helpful, as was the supplementary information provided following the hearings in response to Committee enquiries. The Committee acknowledges the assistance provided during these hearings and the subsequent deliberations by the Office of the Auditor General, the Clerk of the Committee, and the Research Officer from the Ontario Legislative Library's Research and Information Services Branch.

1. BACKGROUND

The Private Issuing Network (PIN/the Issuing Network) processes approximately 19 million transactions annually – almost 80% of Ontario's vehicle registration transactions and 40% of the driver-licensing transactions. The PIN, which is comprised mostly of stand-alone businesses, processes the full range of renewal and replacement transactions for licences, validation stickers and plates, and applications for products such as Disabled Person Parking Permits. Operators receive commissions for processing transactions and the PIN collects retail sales tax for the Ministry of Finance on used vehicles sales and defaulted parking fines.

1. Audit Objectives and Main Findings

1.1. Audit Objectives

The audit focused on the management of the PIN and an assessment of whether adequate policies and procedures were in place to:

- ensure that driver- and vehicle-licensing products and services were provided with due regard for economy and efficiency and in compliance with legislation and Ministry policy; and
- measure and report on the effectiveness of network services.

1.2. Main Audit Findings and Ministry Response

The PIN has been a strategic asset for delivering front-line government services. However, without compensation increases over eight years, relations between the Ministry of Transportation (MTO) and the PIN have deteriorated. The Auditor addressed the quality of public services, controls at the issuer offices and the Ministry's monitoring of compliance with legislation and Ministry policy.

In 2005 the Ministry had agreed to pursue four priority areas by developing a strategy for compensation with consideration to both large and small offices. Specifically, MTO planned to implement effective methods to measure customer satisfaction, enhance internal controls, and introduce measures to improve the working relationship between the Ministry and the PIN.[1]

1.3. Ministry Response to Committee Recommendations

The Committee requests that the Ministry of Transportation provide the Committee Clerk with a comprehensive response to this report within *120 days* of the date of tabling with the Speaker, Legislative Assembly of Ontario. In the event that the Committee concludes that an alternative timeframe is warranted, it will be indicated in the body of the recommendation.

Incomplete Ministry Initiatives (April 2006 "Summary Status Table")

The Committee concluded that the Ministry of Transportation should provide a follow-up on all commitments to the Auditor's recommendations as outlined in the April 7, 2006 *Summary Status Table*. This report, which is in addition to responses to the following recommendations, should be submitted within *120 days* of the date of tabling to the Speaker, Legislative Assembly of Ontario.

List of Committee Recommendations

1. The Ministry of Transportation report to the Standing Committee on Public Accounts on its internal review of service provider compensation. The report should specifically address the development of immediate shorter-term compensation options.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 60 days of the date of tabling this report in the Legislature.

2. The Ministry of Transportation report to the Standing Committee on Public Accounts on its plans to establish a fair compensation model for the Private Issuing Network, specifically addressing the long-term viability of these offices. This report should explain the proposed compensation model and provide a timeline for the implementation.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

3. The Ministry of Transportation report to the Standing Committee on Public Accounts on its consideration of options to further increase other revenues for issuing offices.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

4. The Ministry of Transportation report to the Standing Committee on Public Accounts on the status of the draft agreement for issuers. The report should explain the business model, guiding principles and key provisions, indicating the timeline for implementation. The report should explain the extent to which this new agreement reflects current roles, responsibilities, and expectations of the Ministry and private issuers.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

5. The Ministry of Transportation report to the Standing Committee on Public Accounts on the progress achieved by the Strategic Planning Committee and the Policy and Communications Committee with respect to improvements in decision-making and the resolution of issues (e.g., customer concerns with wait times).

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

6. The Ministry of Transportation report to the Standing Committee on Public Accounts on the progress made in improving the response record to issuers' questions. The report should address the progress in moving from a response level of 70% of calls being answered within two minutes to achieving the Ministry target of 80%.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

7. The Ministry of Transportation report to the Standing Committee on Public Accounts on the impact of the coordinated communications approach with issuing offices, with reference to the role of the Policy and Communication Committee. The report should include an update on the use of operating committees to facilitate business relations with PIN offices.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

8. The Ministry of Transportation report to the Standing Committee on Public Accounts on its commitment to have initiated audits of all private issuing offices by April 2007. The report should indicate the number of office audits completed by December 31, 2006 and provide a summary of the main findings.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk by September 2007.

9. The Ministry of Transportation report to the Standing Committee on Public Accounts on the overall impact for fiscal years 2005-2006 and 2006-2007 of the improved monthly reporting system on customer input and the quarterly PIN newsletters. The report should comment on the extent to which this process has resulted in constructive improvements to the PIN.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk by September 2007.

10. The Ministry of Transportation report to the Standing Committee on Public Accounts providing an update on Ministry initiatives in the following sections as reported on in April 2006:

- **the internet as a service alternative (system changes to accommodate internet transactions);**
- **vehicle insurance and disabled person parking permits; and**
- **Ministry–issuer relations.**

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

OBSERVATIONS AND CONCLUSIONS

2. QUALITY OF SERVICE

2.1. Systemic Concerns

2.1.1. Compensation

Dissatisfaction with compensation has been an ongoing issue, particularly for smaller issuers in remote locations. Compensation consists of a time-based commission for each transaction processed and an annual stipend. The fact that the commission rate has not been adjusted over the last eight years is the main source of issuer dissatisfaction. The annual stipend which was last increased in 1997 is a fixed annual payment to issuers, set at $2,057.

The Auditor identified several related issues. In addition to staffing and other costs increases, the simpler most profitable transactions are increasingly being done through alternative channels such as ServiceOntario kiosks, and the PIN handles the more complicated and therefore more time consuming transactions. The issuers' view has been that the time-based commission does not compensate them for the interaction time spent with customers, and operators of ServiceOntario's kiosks have been paid a higher transaction fee for processing the

same driver and vehicle transactions. At the time of the 2005 audit the Ministry had recently negotiated a lower fee structure for this service option which was still higher than the PIN's.

Other concerns confronting issuers related to compensation include wage demands, staff turnover and training, and increasing expectations with respect to privacy and security procedures.

The Auditor General recommended that in order to ensure that the Private Issuing Network remains stable and customer service levels are maintained, the Ministry should, as part of the process of negotiating a new province-wide agreement with private issuers, conduct a review of its compensation arrangements.

Ministry Status Report[2]

In its initial response in 2005 the Ministry was considering alternative strategies for issuers to address revenue opportunities through selected consumer products and a minimum compensation guarantee for issuing offices with annual commissions below $10,000. By 2006 the Ministry had taken following action:

- initiated a comprehensive review of compensation arrangements;
- implemented a PIN pilot project to permit the market to provide information on the appropriate level of compensation;
- supported low-income issuers with a Minimum Compensation Guarantee;
- secured a vendor to deliver a Commercial Advertising Program to generate additional revenue opportunities for participating issuers; and
- considered proposals brought forward to the Ministry of Transportation from the Ontario Motor Vehicle Licence Issuers Association (OMVLIA), which included a per terminal per day increase.

Completed Initiatives

- minimum compensation guarantee;
- PIN Pilot Procurement Project (determination of compensation based on market demand – Ministry decision to reissue a Request for Proposals (RFP) in April 2006); and
- new revenue generation opportunities (March 2006).

Ongoing Initiatives (4/2006)

- Ministry to assess responses to the PIN Pilot Procurement Project and incorporate findings in a broader compensation review;
- new revenue generation opportunities - issuing an RFP to acquire service providers for electronic advertising media programs (mid-April 2006);
- prepare a draft model agreement to be shared with the OMVLIA; and
- develop and distribute the new Private Issuers Operations Manual.

Committee Hearings

PIN Compensation and RFP for New Issuing Offices

The Ministry reported that it is aware of the needs of the private issuers' network and that it is committed to a fair compensation model. Efforts have been made to reach a solution through a business model approach.[3] The Ministry staff have met with the OMVLIA board and obtained suggestions which will be the subject of MTO's overall review of this matter. There are various contributing factors to compensation which include, for example, increasing operational costs. Such expenditures require documentation for the purpose of establishing compensation levels.[4]

In the case of large issuers, the market price and opportunities for a successful business were reported to be fairly robust.[5] Voluntary retirements from such operations are rare, and in such events, a competitive process has resulted in quality proposals.[6]

The Ministry has taken action through increased compensation for small operators and the re-issuance of an RFP to identify service providers for issuing offices.

Increased PIN Compensation

Small Operators - Income Floor

The Ministry has increased compensation for small operators, thereby providing an income floor. A guaranteed minimum compensation program was established for these offices. They are eligible to apply for a top-up to bring commissions to a $10,000 income floor, with a cost to the province of approximately $39,000 in 2005-06.[7] It was noted that in 2006 the PIN-issuers' network was receiving $12 million more in commissions than it was since 1998. The last increase in the commission for private issuers was in 1997.[8]

The Committee enquired about the differential in payments at kiosks and issuers' offices.[9] The Ministry indicated that it is not meaningful to compare private issuer transactions and those done through kiosk.[10] Payments to offices are based on the time required for certain services and clients are inclined to use the services of a PIN office rather than a kiosk in instances of increasing complexity of the transactions required.[11] Presently there are only eight basic transactions available on kiosks that include, for example, renewals and change of an address.[12]

New Revenue Sources

The expansion of sources for PIN commissions has resulted in an increase in network commissions earned by the PIN offices.[13] The province has transferred 17 new transactions to the PIN since 1998, which expanded the product list and enhanced commissions to issuers by approximately 30%.

Planned Compensation Adjustments

Benefits have accrued to offices through IT improvements. For example, in instances where IT has made a transaction easier (e.g., driver licence using the new digital licence) requiring a shorter procedure, the Ministry did not reduce the commission.[14] MTO will be moving some products and services to the ServiceOntario's website which will enable the province to centralize the delivery of certain Ministry products; for example, validation tags for motor vehicle plate renewal and used vehicle information packages.[15] Furthermore, the additional benefits to issuing offices are addressed later in this report; namely, costs incurred by the Ministry for staff training.

2006 Status Report - PIN Pilot Procurement Project

On April 5, 2006 the Ministry issued a revised Request for Proposal (RFP) to seek proponents (service providers) for operating licence issuing offices in Cambridge, Georgetown/Brampton, Malton, Windsor & Pembroke/Petawawa, under contract to the Ministry.

Revised Business Model

The 2006 RFP was issued under a new business model transforming the business relationship between the Ministry and service providers. The project objective was to secure qualified proponents as part of MTO's review of compensation.[16] In addition, the Ministry wanted to determine the market interest across the PIN focusing on selected offices.[17] This information was to have been incorporated in a revised compensation formula.

The following provisions were included in the 2006 RFP:

- Office Technology Costs - private issuers would requisition/pay for technology (e.g., office terminals, screens, computers) shifting this responsibility from the Ministry.
- Economies of Scale - pursuit of synergies from bundling - inviting proponents to submit proposals on combining offices to reduce overhead. This could help with fixed costs thereby allowing an operator to run several offices.
- Multi-phase Scoring - the threshold was lowered for the multi-phase scoring to encourage participation (the threshold scoring on the business case component to move a firm to the next level [in the process dealing with the price proposal] was reduced to encourage more participation).[18]

Subsequent matters to have been addressed included:

- the commitment to consolidate Ministry policies and procedures;
- the maintenance of face-to-face training with issuers based on MTO's commitment to train the issuer and provide support for staff training; and
- the use of modern media and techniques for training to issuers.[19]

Cancellation of the 2006 RFP

The Ministry reported to the Committee that the April 2006 RFP to pilot a new business model for service providers to operate Issuing Offices in five communities had been cancelled. According to the Ministry's letter of November 1, 2006, the objective of the pilot was to test a new market-based, flat fee-per-transaction compensation model through the procurement of service providers. The results of the RFP evaluation process were reported as follows:

> Unfortunately, the Ministry's compensation criteria . . . [were] not met for the full potential ten-year contract for any of the opportunities, resulting in no acceptable proposals. Therefore, the Ministry will not be awarding contracts for this RFP and will no longer be pursuing a new flat fee-per-transaction compensation model. The Ministry has cancelled this RFP and has informed all of the proponents of the outcome. We [Ministry] are currently reviewing options to determine the next steps for the issuing office opportunities that were included in this RFP.[20]

Committee Recommendations

Service Provider Compensation Review

The Ministry is considering the results of the 2006 RFP as part of an internal review of service provider compensation. With ServiceOntario, MTO is attempting to develop and implement shorter-term compensation options in conjunction with longer-term solutions.[21]

The Committee therefore recommends that:

> **1. The Ministry of Transportation report to the Standing Committee on Public Accounts on its internal review of service provider compensation. The report should specifically address the development of immediate shorter-term compensation options.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 60 days of the date of tabling this report in the Legislature.**

Long Term Compensation

The Committee received a letter dated April 27, 2006 from the OMVLIA which stressed the need to resolve the matter of compensation for issuing offices. The Ministry has committed to address this matter based on the findings of a compensation review, which included consultations with the OMVLIA board.[22]

As part of this review process, the Committee expressed an interest in the feasibility of introducing a market-driven compensation scheme, or a price discovery mechanism.[23]

The Committee therefore recommends that:

> **2. The Ministry of Transportation report to the Standing Committee on Public Accounts on its plans to establish a fair compensation model for the Private Issuing Network, specifically addressing the long-term viability of these offices. This report should explain the proposed compensation model and provide a timeline for the implementation.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

Revenue Enhancements - PIN Offices

The Committee noted that the Ministry has taken initiatives to address the financial viability of issuing offices and its commitment to a fair compensation model. Specifically, compensation has been increased for small operators providing a guaranteed minimum compensation, and the expansion of income sources or transactions has resulted in an increase in network commissions for PIN offices.

The Committee therefore recommends that:

> **3. The Ministry of Transportation report to the Standing Committee on Public Accounts on its consideration of options to further increase other revenues for issuing offices.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

2.1.2. Contractual Agreements – A New Agreement

The Ministry does not have a standardized relationship with private issuers defining respective responsibilities; consequently, significant requirements are not being fully met. The current contractual agreements between MTO and its issuing offices include a Memorandum of Agreement (1982) and a Private Issuer Agreement (2001). The 1982 memorandum is out-of-date in terms of roles and responsibilities, and performance expectations, and the issuers' perception is that the Private Issuer Agreement favours the Ministry.

The Auditor General recommended that to ensure that policies, procedures, and the public's service expectations for processing driver and vehicle transactions are applied consistently and effectively across the province, the Ministry should work

with private issuers to develop a new agreement acceptable to both parties. The new agreement should be reflective of the current roles, responsibilities, and expectations of both the Ministry and private issuers.

Ministry Status Report[24]

In 2005 the Ministry indicated that it was working toward a common contract across the PIN for all issuers, noting however that there are clear benefits to the current Private Issuer Agreement (e.g., the issuer may assign the agreement to a third party). In 2006 MTO reported that it is committed to developing a new agreement with the OMVLIA through the clarification of policies and procedures, and enhanced accountability based on revisions to the Private Issuers Operations Manual.

Completed Initiatives

- initiated discussions with the OMVLIA on a new agreement (March 2006); and
- received/responded to feedback from the OMVLIA identifying the need to revise the Private Issuers Operations Manual and to clarify policies and procedures, followed by consolidation.

Ongoing Initiatives (4/2006)

- developing a draft model agreement to be shared with the OMVVLIA; and
- a new Private Issuers Operations Manual to be developed and distributed.

Committee Hearings

New Contract Orientation

The Ministry has been pursuing a new contract, and during this process concluded that the network is not homogeneous and that solutions need to be pursued with consideration to various offices sizes.[25] As noted, there are 230 issuers on the old contract that is being phased out, and 51 on a new contract.[26] The objective is to move all issuers to a new contract and to establish a timeframe to make the change on a voluntary basis.[27]

The Ministry is aware of the need to clearly define the roles and responsibilities for all parties in a new contract.[28] The new contract will be different in several respects, for example, fixed terms/renewals, terminations, resignations, and liability insurance.

> The old agreement has no fixed term, whereas the new one has a fixed five-year term, with provisions for renewal for another five. Under both, the Ministry can terminate within 60 days. The issuer must give 60 days' notice before resigning under the old, as opposed to 120 days under the new. There are differences in liability

> insurance; updating that. Under the new one, it actually can be a corporation as opposed to an individual, so the contract can survive, for example, upon the death of the issuer.[29]

Responsibility for Administrative Costs

The Ministry has set out the various factors that will be taken into consideration in the new agreement and compensation model:[30]

- Overhead Expenditures – operational costs would have to be updated (e.g., wages and rents).
- Financial Benefits Derived from New Technology – the Ministry noted that PIN benefits from new IT, which have enhanced services, and in the Ministry's view, resulted in a positive revenue stream. This has not been addressed and the Ministry has not quantified the new revenues accruing.
- Ministry Training Costs – MTO incurs costs related to the provision of issuer office administrators in the field who undertake training and assist new issuers in procedures and process, and the Ministry provides educational materials to support ongoing training. The Ministry plans to factor training costs into the expenditure formula, clarifying who bears which costs and how these expenditures should be reflected in a fair compensation model.

Committee Recommendation

Proposed New Agreement for Issuers

In April 2006 the Ministry was proceeding with a draft agreement for a new contract.[31] MTO indicated that it was not rigidly adhering to the 2001 contract, but was attempting to develop a document acceptable to all parties.[32] The Ministry acknowledged that the business model has outstanding matters to be addressed.[33]

The Committee concurs with the Auditor that a new agreement needs to be reflective of current roles, responsibilities, and expectations of the Ministry and private issuers.

The Committee therefore recommends that:

> **4. The Ministry of Transportation report to the Standing Committee on Public Accounts on the status of the draft agreement for issuers. The report should explain the business model, guiding principles and key provisions, indicating the timeline for implementation. The report should explain the extent to which this new agreement reflects current roles, responsibilities, and expectations of the Ministry and private issuers.**

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

2.2. Customer Concerns

Customers' satisfaction levels presented problems in 2004, particularly in terms of wait times. However, the Ministry is reluctant to provide additional computers unless business volumes justify the expenditure. The Auditor concluded that additional computer equipment and the reallocation of terminals were justified, and that this could have a positive impact on service needs at busier offices. Furthermore, the Auditor suggested that the Ministry could consider moving low-volume ServiceOntario kiosks to high-volume locations to improve service.

The Auditor recommended that to help improve service to the public in a cost-effective manner, the Ministry should consider giving additional terminals to those private issuing offices whose transaction volumes are significantly higher than the Ministry's standard; consider redistributing terminals from offices whose transaction volumes are significantly below the Ministry's standard; and evaluate the usage of ServiceOntario kiosks to determine if kiosks that are least used would be better located in higher-traffic areas.

Ministry Status Report[34]

The Ministry is enabling issuers to provide services in the right locations by establishing revised criteria that will provide the basis for redistributing terminals province-wide. Furthermore, MTO with the Ministry of Government Services is identifying and operationalizing opportunities to provide greater access and convenience to government products and services through ServiceOntario by centralizing government products and services.

Completed Initiatives

- terminal redistribution project – identification of private issuing offices that needed the removal or addition of terminals, and the re-distribution of existing terminals; and
- MTO transferred the kiosk contract to the Ministry of Government Services on April 1, 2006. Kiosks are located in high traffic locations, and a number of kiosks have been strategically located in areas with lower traffic, providing access to government services.

Ongoing Initiatives (4/2006)

- network-wide terminal redistribution program - audit current volumes/number of terminals for each office and implement new standards with the effective distribution of terminals, and launch a network-wide terminal redistribution program; and

- MTO, with the Ministry of Government Services/ServiceOntario, is developing a renewal strategy for the kiosk network.

Committee Hearings

Customer Relations

The Ministry acknowledged the importance of its partnership with the Issuing Network given that these offices provide front-line services.[35] As noted, there are approximately 280 issuing offices in rural and urban communities providing services that include driver licence renewal and replacement, registering vehicles, and issuing validation stickers, licence plates and used vehicle information packages. Each year in the order of 18 million driver and vehicle transactions are processed.[36]

The Ministry noted that the Issuing Network requires up-to-date information and equipment in a timely manner to ensure high level customer service.[37] This is being done, according to the Ministry, by clarifying roles and responsibilities, and enhancing communication through joint committees with the issuer's provincial association (OMVLIA) as follows:

- the Strategic Planning Committee examines long-term business initiatives and possible improvements; and
- the Policy and Communications Committee focuses on operational issues affecting issuers.[38]

Committee Recommendation

Enhanced Service Levels- Committee System

The Ministry has committed through the committees on Strategic Planning and Policy and Communications to continue to engage the broader network in improving decision-making and to resolve issues.[39] This is being done through direct communication and outreach with individual issuers. As noted, the Ministry has taken steps to address the Auditor's concerns on wait times, for example, with a commitment to further action.

The Committee therefore recommends that:

> **5. The Ministry of Transportation report to the Standing Committee on Public Accounts on the progress achieved by the Strategic Planning Committee and the Policy and Communications Committee with respect to improvements in decision-making and the resolution of issues (e.g., customer concerns with wait times).**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

2.3. Call Centre

The Ministry's call centre assists issuers to process driver and vehicle transactions, interpret policy and procedural clarifications, and to address backlogs and technical issues. The main problem experienced by issuers is one of poor response times, although there have been improvements in recent years. The call-centre staff learn on the job, without the benefit of training on policies and procedures.

The Auditor General recommended that to help the Private Issuing Network provide better service to customers, the Ministry should help reduce the extent to which issuers rely on the call centre by tracking the most common concerns or questions raised and developing procedures to train issuers on these matters; and by encouraging that, when the call centre is used, call-centre operators are properly trained and consistently available to take calls.

Ministry Status Report[40]

In 2005 the Ministry indicated that it would assess the impact of its communications and training in reducing reliance on the call centre, and ensure a more consistent application of policies and procedures.

By 2006 support services to the PIN were being improved through the call centre, and the Ministry had committed to working with the PIN to ensure that they receive the support required to effectively deliver services.

Completed Initiatives

- tracking and identifying potential training issues for the PIN on an on-going basis;
- modifying the systems to enhance the tracking of records-issuer questions and support requirements, and subsequent action/response provided by a call centre operator;
- continuing use of frequently asked questions (FAQs) and common concerns to enhance training for call centre operators and issuers;
- responded to the issuers' requests and implemented a new call centre operator training regime with training by experienced staff with a "trainer partner" for ongoing support (conducted training sessions for all call centre operators from November 2005 and March 2006);
- revised the call centre work schedule to maximize call centre operators' availability to take calls (November 2005);
- provided online tutorials, a reference library and training manual; and
- the new training regime resulted in more timely responses to issuers' questions (70-80% of calls are answered within two minutes - the Ministry's target is 80%.

Ongoing Initiatives (4/2006)

- online refinements to more accurately reflect questions and the responses provided (late April 2006).

Committee Hearings

Call Centre Communication

The Ministry reported that the call centre operations have been improved by streamlining communications. A coordinated approach for an information support network has been introduced through directives instead of multiple bulletins.[41] Also, as noted, the Ministry is working through operating committees to facilitate business relations with issuing offices.[42]

System/Service Improvements

The Ministry has improved customer services through training and new equipment.[43] The call centre "hotline" provides services to the PIN, for example, technical and procedural support and password reset.[44] The objective is to develop a seamless system, providing issuers with the necessary support to address common problems across the system on a timely basis.[45] Other service improvements include:

- Improved Hours of Operation – more staff are available when the PIN offices are open, including evenings and weekends.
- Conflicting Information – clarification by the Ministry of conflicting information received from various operators. Now the Ministry allows the issuer to discuss matters with a supervisor to receive a final answer.[46]
- New Telephone System Technology (IVR System) – the new technology permits tracking the nature of calls. Specifically, information is provided on customer-related errors (e.g., documentation problems and unnecessary complexity of transactions) which is used in training.[47]

Other improvements include a new training program for call centre operators with trainer partners, online tutorials, a reference library and a training manual.[48] The objective is to ensure more timely responses to issuers' questions, improving the record of 51% of calls made by issuers to the call centre being answered within two minutes.[49]

Committee Recommendations

Call Centre Response Record

The Ministry's objective is to achieve timely responses to issuers' questions through the call centre. At the time of the hearings in excess of 70% of the calls were being answered within two minutes, and the objective is 80%. The Committee acknowledged the positive results of the Ministry's efforts to improve responses to issuers' questions to the call centre.

The Committee therefore recommends that:

> **6. The Ministry of Transportation report to the Standing Committee on Public Accounts on the progress made in improving the response record to issuers' questions. The report should address the progress in moving from a response level of 70% of calls being answered within two minutes to achieving the Ministry target of 80%.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

Operating Committees - Communication

The Ministry has developed a coordinated communications approach with issuing offices. In addition, operating committees are used to facilitate ongoing business relations, specifically for providing directions to issuing offices.[50]

The Committee therefore recommends that:

> **7. The Ministry of Transportation report to the Standing Committee on Public Accounts on the impact of the coordinated communications approach with issuing offices, with reference to the role of the Policy and Communication Committee. The report should include an update on the use of operating committees to facilitate business relations with PIN offices.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

3. Compliance with Regulations and Requirements

3.1. Audit Activity

Private issuers are subject to audits to ensure compliance with government regulations and requirements. The Ministry administers an annual survey to establish customer satisfaction with issuers' service delivery, and an action plan is developed and updated based on information from the audit cycle. The Auditor expressed concerns with the Ministry's low audit coverage; however, it was noted that MTO was considering a new audit process and program.

The Auditor General recommended that to ensure that the Ministry adequately monitors the PIN for effective controls over such items as cash and stock and over such processes as revenue collection and to ensure that service is maintained without disruption, the Ministry should increase the number of complete audits it

conducts annually; and better co-ordinate the activities of the four groups involved in PIN monitoring.

Ministry Status Report[51]

The Ministry has implemented a redesigned and enhanced risk-based audit methodology to address financial, stock and Licensing Control System-related issues.

Completed Initiatives

- implemented a redesigned/enhanced, risk-based audit methodology (consolidation of the oversight and auditing functions into one office and better utilization of field staff) to more effectively address financial, stock and Licensing Control System-related issues within the PIN (April 2006);
- consolidated audit and oversight functions into one Audit Oversight Unit, and significantly improved the quantity/quality of audits;
- hired an additional 17 staff in regional functions pertaining to the Issuing Office Administrator and Audit Oversight Unit;
- developed an aggressive and comprehensive 2006/07 audit schedule to be commenced by April 2007;
- completed a total of 97 audits in 2005 (compared to three in 2002, one in 2003, and 19 in 2004); and
- revised audit manuals to provide guidance and reference to ensure the consistent application of audit principles and procedures.

Ongoing Initiatives (4/2006)

- by end of fiscal year 2006/07 MTO will have commenced audits on all private issuing offices, with 128 audits fully completed between October 2005 and April 2007;
- enhance audit and oversight presence by rigorous specialized auditing of higher-risk offices in an effort to deter and detect fraudulent activity and issues of non-compliance;
- conduct specialized audits of offices identified in the Auditor General's report and offices that were due on the Ministry's audit schedule (completion by July 2006); and
- establish a performance baseline and pursue a risk-based audit strategy for field audits (shift of resources to the field resulting in more field audit staff in the field complement with MTO auditing each office to establish a performance baseline and pursue a risk-based audit strategy).

Committee Hearings

Ministry Audits of PIN Offices

The Ministry explained the new audit process. There is now one office with responsibility for the audit function, resources, and an improved audit plan with the consolidation of the internal audit functions.[52] Additional staff were hired and by April 2007 the Ministry will have commenced audits in all issuer offices.

The Ministry indicated that its new auditing program will be effective in recognizing irregularities, and providing feedback to partners.[53] The methodology is based on recognized auditing principles, with current benchmarking used in the private and public sectors. Ministry audits could result in the termination of a contract within the PIN.[54]

Committee Recommendation

MTO Audits of PIN Offices

A redesigned and enhanced risk-based audit methodology was implemented with the objective of identifying financial, stock and licensing control system issues in the Network.[55] The Ministry committed to start audits in all PIN offices by April 2007.

The Committee therefore recommends that:

> **8. The Ministry of Transportation report to the Standing Committee on Public Accounts on its commitment to have initiated audits of all private issuing offices by April 2007. The report should indicate the number of office audits completed by December 31, 2006 and provide a summary of the main findings.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk by September 2007.**

3.2. Risk Management

3.2.1. Controls on Stock

Licence plates, plate stickers, temporary driver's licenses, vehicle permits, trip permits, and temporary Disabled Person Parking Permits are stocked by PIN offices and inventoried in the Licensing and Control System. The Auditor noted a wide variation in stock-safeguarding practices (e.g., cabinets without locks). Although high-risk stock items have been reported missing and others reported stolen, the Ministry had not investigated or attempted to recover the lost items.

3.2.2. Other Compliance Issues

Certain types of transactions must be processed manually by issuing offices. A third of the special handling transactions tested by the Auditor identified issuers' errors in the commissions charged and in document management.

The Auditor General recommended that to reduce the risk of staff and customers of the Private Issuing Network engaging in improper, non-compliant, and/or fraudulent activities with respect to driver and vehicle products and services, the Ministry should produce and follow-up on exception reports pertaining to the Licensing and Control System; enhance its controls over stock; follow-up on a timely basis on discrepancies identified when reconciling issuer revenue with deposits; and expedite the recovery of funds from NSF (not-sufficient-funds) cheques; and consider cross-referencing its vehicle registration system with its driver-licensing system.

Ministry Status Report[56]

The Ministry reported in 2005 that it was developing a risk-based audit framework for implementation in 2005/06.[57] The objective was to more effectively address financial, stock, and Licensing and Control System–related issues within the PIN.

In 2005 MTO, with the OMVLIA, attempted to mitigate the risk of fraudulent activities through training sessions for issuers. The focus was on strengthening business integrity and customer fraud awareness, stock inventory management, the protection of database and system integrity, and the recognition of fraudulent documents.[58]

In 2006 the Ministry reported that it had clarified expectations, accountabilities and consequences with the PIN with respect to stock management. This was completed through new procedures and controls that identify, track, report, investigate and reconcile missing stock items. In addition, the audit and level of oversight of the PIN have been increased.

Completed Initiatives

- modified exception reports to identify all irregular transactions found on the network, e.g., non-compliant/attempted fraudulent activities (November 2005);
- conducted a thorough investigation of all missing and stolen stock identified by the Auditor (unaccounted/stolen stock were reported to police);
- implemented an improved, multi-pronged approach to enhance controls over the stock system;
- introduced system enhancements including consultations with OMVLIA on restricted access, improvements to the automated reconciliation system to ensure the integrity of data loaded to the system, and the decision to not accept personal cheques; and
- increased and ongoing collection efforts since 2001.

Ongoing Initiatives (4/2006)

- modified exception reports will continue to be used by the Internal Audit staff to conduct specialty audits of the PIN and by Ministry regional staff in their on-site reviews;
- system changes are required to track stock items, link the stock information system to the Licensing Control System and enable real-time viewing of stock online (December 2006);
- conducting an internal audit of the stock management system;
- revising stock management requirements for the PIN (end of April 2006);
- restricting PIN access/ability to record missing/stolen stock on the system (mid-April 2006);
- improving collection of revenue and sending outstanding accounts to collection after one year (September 2006);
- consulting with stakeholders to determine the implications of amending the cheque acceptance policy to not accept personal business cheques or personal cheques by mail; and
- cross-referencing the vehicle registration system with the driver licensing system.

Committee Hearings

Training and Management - Fraud Prevention

In 2005 MTO trained 226 issuers on customer fraud awareness, which entailed the recognition of fraudulent documentation, process and system integrity, and stock inventory management.[59] The protection and appropriate use of information (e.g., collisions, convictions and suspensions) is addressed in training sessions. The Ministry acknowledged the importance of completeness, accuracy and validity in records management, and the importance of protecting the integrity and confidentiality in information management.[60]

Accounting for Stock Problems

The Ministry acknowledged the need to account for stock, and explained that the 56,000 pieces of unaccounted for stock have been addressed.[61] An internal investigation resulted in 94% of the missing stock being reconciled. Unaccounted for stock, which was reported to the police, represented 0.004% of the total distributed by issuers over a four-year period.[62] The Ministry explained the issue of stolen versus missing stock as follows:[63]

- Stolen Stock: - the Auditor General reported on stolen stock items, which was not a stock management issue. The Ministry has addressed this matter which affected three offices, two of which are no longer in operation and the third was audited.

- Missing Stock - there were 49,000 units reported lost or missing. The Ministry reconciled all but 3,000 units (approx.) of the missing stock and as of April 2006 the identification process was ongoing:
  - 56,000 stock items – the Ministry's investigation discovered that approximately 5,000 to 5,300 were lost in a fire at an issuing office in Flinton. MTO recalled approximately 22,000 permits that were production errors and 15,000 units of stock that were time-dated (val tags) due to a revised format.
  - 1,700 (approx.) stock items – the Ministry identified clerical errors such as the transposition of numbers or typing errors, keying errors, and use of an inappropriate disposition code.
  - the 2002 labour disruption - private issuers performed more than two million manual transactions through the 10-week period as Ministry systems were not available. MTO reconciled the stock used and concluded that approximately 800 units were outstanding.

Improvements to Stock Management

MTO addressed the problems around the management of stock through several improvements, specifically:

- clarification of the Ministry's expectations and the issuer's obligations for safeguarding inventory;
- introduction of province-wide training for issuers with a focus on business integrity, including fraud and stock inventory management; and
- implementation of a new audit plan:
  - an improved, multi-pronged approach to enhance controls over the stock system;
  - instructions regarding stock management obligations;
  - daily reporting of missing stock items, and the review of reports by senior managers;
  - improved internal tracking of controls;
  - reporting unaccounted stock to police; and
  - the sharing of the information on stolen and missing stock with Canadian and American jurisdictions.[64]

3.3. Selection of New Private Issuers

The selection process for a new PIN operator takes approximately 27 weeks and an additional 12 weeks to prepare for the opening, during which time the Ministry would appoint an interim issuer. The Auditor concluded that it required an average of four months to reintroduce service for an issuing office following closure and in some cases six to 11 months.

The RFP selection process entails a business-demand analysis and a three-stage evaluation that includes a criminal reference check. The Ministry has been lenient on its procurement practices in certain instances due to problems in attracting qualified applicants, particularly in northern Ontario. The Auditor concluded that the stage three interview could be of questionable value in cases in which applicants are familiar with the questions (participation in previous applications), resulting in an unfair advantage.

The Auditor General recommended that to ensure that only competent and qualified bidders, selected via a fair and equitable competitive process, are awarded contracts to manage issuing offices, the Ministry should review its policies and procedures to ensure that they can be applied in a consistent and effective manner; and ensure that the in-person presentation and interview portion of the selection process does not give repeat applicants an unfair advantage. The Ministry should also expedite the appointment of interim issuers and selection of new issuers to minimize disruptions to customer service.

Ministry Status Report[65]

The Ministry addressed the need to ensure that the procurement process for the selection of private issuers is fair, open and transparent. It is committed to minimizing any disruption to customer service.

Completed Initiatives

- streamlined the procurement process in seven smaller issuing office opportunities (February/March 2006), for example by replacing standard interview questions with a business plan presentation with expedited selection process for interim issuers.

Ongoing Initiatives (4/2006)

- review the PIN procurement process to streamline and enhance efficiency (Summer 2006).

Committee Hearings

Employee Screening and Confidentiality Requirements

The Committee enquired about the screening of employees given the sensitivity of the information being managed by the PIN.[66] Under the 51 new contracts or private issuer agreements, there is an explicit requirement that criminal reference checks be performed by issuers on their employees. The findings are to be current and on file, subject to audit.[67]

The Ministry explained the confidentiality requirement for employees with respect to non-disclosure, and the role of MTO guidelines, policies and procedures:

> . . . they [employees] also have staff sign a statement of non-disclosure that lays out very

> clearly what their obligations are with the data, what their responsibilities are with that information. So while they don't do a criminal reference check, our [Ministry] guidelines and our policies and procedures are very clear. In the case of those 208 issuers, they actually sign a statement acknowledging their responsibility and obligation. It's another piece of evidence -- it was a volunteer program -- that they take it seriously as well and that they practise good protection of information in their offices.[68]

4. Performance Measurement

The Ministry initiated a methodology to measure the performance of the PIN. The audit process in the Performance Management Program includes a desk audit and on-site audit visits, an annual customer survey, a scorecard summarizing audit results, and a Ministry action plan to address improvements.

4.1. Customer Survey

The Auditor reviewed the customer survey component of the Performance Management Program, and noted that the response level was low (99 of 267 offices reporting). Furthermore, the Ministry did not have assurance that the results are truly representative of the sample targeted, given that issuers were responsible for distributing and managing the survey in the field.

4.2. Comment Cards

The Ministry receives comment cards from private-issuer customers. Reports on these cards are to be sent each month to the Ministry's regional offices that have an oversight responsibility for the PIN offices. This process has been inconsistent and the reports filed require improvement, for example, including summary information of customer comments. Also, PIN training and follow-up communications could be improved by addressing recurring issues.

The Auditor General recommended that to improve both its current methods of assessing issuer performance and public satisfaction with services received, the Ministry should consider a different method of administering customer surveys that would ensure that all customers have an equal opportunity to participate; and summarize customer comments regularly to identify the most common concerns, share this information throughout the entire Private Issuing Network, and develop strategies to address these concerns.

Ministry Status Report[69]

In April 2006 the Ministry was evaluating alternative methods for measuring customer satisfaction with the PIN.

Completed Initiatives

- analyzed various customer survey distribution methods with recommendations for the next customer survey of the PIN (April 2006);
- explored alternative methods for measuring customer satisfaction with PIN services as a supplement to customer surveying (April 2006);
- sharing of comment card data, customer service trends and best practices on a quarterly basis with the issuing offices through a newsletter (November 2005/ongoing);
- began sharing enhanced comment card reports on a monthly basis with regional staff to identify areas for improvement (June 2005/ ongoing); and
- developed the *Comment Card Annual Report* (April 2006).

Ongoing Initiatives (4/2006)

- new methods for measuring customer satisfaction (May 2006) followed by implementation (Summer 2006);
- implement survey distribution method for next customer survey of the PIN (Summer 2006); and
- develop/determine feasibility of service improvement options based on customer comment card and survey data analysis (Summer 2006).

Committee Hearings

Performance Management

The Ministry explained the relevance of the performance management plan in terms of the commitment to customer service enhancement:

> Even where it is not an explicit requirement in the MOAs or memoranda of agreement, there is a provision in what we call the performance management plan, which is a program for customer service enhancement, feedback and performance metrics that we entered into on a volunteer basis with the issuers. There are about 208 issuers who are in that program. All of the new PIA [Private Issuer Agreements] ones are in, and about . . . 150 or so of the other issuers in the MOA are also in it.[70]

Surveys/Comment Cards

The Ministry has improved its comment cards and is using that information to provide feedback to MTO staff and issuers.[71] Secondly, the Ministry is putting out surveys to network users and at the time of the hearings it was considering other survey techniques.[72] Options include directing people to a website by way of the

vehicle renewal application notice or mailing notices asking individuals to return the comment card.[73]

The Auditor noted the 30% dissatisfaction rate among people using PIN services and asked for a more recent figure with reference to the comment cards and customer surveys. In June 2005 the Ministry introduced a system, enhanced by a monthly reporting system, to ensure that comments were captured and the results shared in a quarterly newsletter to the PIN.[74] A customer survey conducted in 2004-05 for example, resulted in 37,000 responses or a 93% response rate.[75]

Committee Recommendation

Impact of Monthly Reporting System - Quarterly PIN Newsletter

The Ministry introduced improvements to the monthly reporting system to capture customer input, with the results being shared in a quarterly newsletter to the PIN offices.[76] There is a commitment to customer service enhancement through the performance management plan.

The Committee therefore recommends that:

> **9. The Ministry of Transportation report to the Standing Committee on Public Accounts on the overall impact for fiscal years 2005-2006 and 2006-2007 of the improved monthly reporting system on customer input and the quarterly PIN newsletters. The report should comment on the extent to which this process has resulted in constructive improvements to the PIN.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk by September 2007.**

5. Miscellaneous Audit Topics

The Committee focused on selected parts of the Auditor's report during the hearings which has resulted in several Committee recommendations. Nevertheless, the Committee has an interest in the Auditor's report in its entirety and requires a response to certain outstanding matters not addressed in full during the hearings.

Committee Recommendation

Ongoing Ministry Commitments

The Committee requires an update on those sections of the Auditor's report that were not the subject of detailed review during the hearings, but were nevertheless addressed in the Ministry's status report of April 2006.

The Committee therefore recommends that:

10. The Ministry of Transportation report to the Standing Committee on Public Accounts providing an update on Ministry initiatives in the following sections as reported on in April 2006:

- **the internet as a service alternative (system changes to accommodate internet transactions);**
- **vehicle insurance and disabled person parking permits; and**
- **Ministry–issuer relations.**

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.

NOTES

[1] Ontario, The Office of the Auditor General of Ontario, *2005 Annual Report* (Toronto, the Office, 2005), p. 103.
[2] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[3] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-153.
[4] Ibid., P-145.
[5] Ibid., P-153.
[6] Ibid.
[7] Ibid., P-149.
[8] Ibid., P-150.
[9] Ibid., P-154.
[10] Ibid., P-155.
[11] Ibid., P-157.
[12] Ibid.
[13] Ibid., P-145.
[14] Ibid., P-157.
[15] Ibid., P-158.
[16] Ibid., P-157.
[17] Ibid., P-158.
[18] Ibid., P-153.
[19] Ibid., P-157.
[20] Letter of November 1, 2006 from the Deputy Minister of Transportation to the Clerk, Standing Committee on Public Accounts, on the subject of the Ministry's 2006 RFP to pilot a new business model for service providers.
[21] Ibid.
[22] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006,., P-153 and P-154.
[23] Ibid., P-152.
[24] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[25] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-152.
[26] Ibid., P-151.
[27] Ibid., P-150 and P-151.
[28] Ibid., P-151.
[29] Ibid.
[30] Ibid., P-145 and P-157.
[31] Ibid., P-151.
[32] Ibid.
[33] Ibid., P-161.
[34] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[35] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-144.
[36] Ibid., P-144.
[37] Ibid.

[38] Ibid.
[39] Ibid.
[40] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[41] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-148.
[42] Ibid., P-152.
[43] Ibid., P-149.
[44] Ibid.
[45] Ibid., P-148.
[46] Ibid., P-149.
[47] Ibid.
[48] Ibid., P-144.
[49] Ibid.
[50] Ibid., P-152.
[51] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[52] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-161.
[53] Ibid., P-161.
[54] Ibid.
[55] Ibid., P-145.
[56] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[57] The Office of the Auditor General of Ontario, *2005 Annual Report* p., 120.
[58] Ibid.
[59] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-114.
[60] Ibid., P-114.
[61] Ibid., P-155.
[62] Ibid., P-145.
[63] Ibid., P-155.
[64] Ibid., P-145.
[65] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[66] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-150 and P-151.
[67] Ibid.
[68] Ibid., P-152.
[69] Ontario, Ministry of Transportation, the Ministry's submission to the Standing Committee on Public Accounts (*Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network, s. 3.05*), dated 7 April 2006 and the Ministry's response in the *2005 Annual Report.*
[70] Legislative Assembly of Ontario, *Official Report of Debates*, Hansard, Standing Committee on Public Accounts, 38th Parliament, 2nd Session, 27 April 2006, P-151and P-152.
[71] Ibid., P-159.
[72] Ibid.
[73] Ibid.
[74] Ibid.

[75] Ibid.
[76] Ibid.

APPENDIX

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.06) Ministry of Transportation

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
QUALITY OF SERVICE **Systemic Concerns** **Compensation** In order to ensure that the Private Issuing Network remains stable and customer service levels are maintained, the Ministry should, as part of the process of negotiating a new province-wide agreement with private issuers, conduct a review of its compensation arrangements.	**We are undertaking a comprehensive review of compensation arrangements and we have immediately taken action to address this issue by:** • **Implementing a Private Issuing Network pilot project that will allow the market to provide information on the appropriate level of compensation;** • **Supporting low-income issuers with a Minimum Compensation Guarantee;** • **Securing a vendor to deliver a Commercial Advertising Program that will generate additional revenue opportunities for participating issuers; and** • **Considering proposals that have been brought forward to us from the Ontario Motor Vehicle Licence Issuers Association including, for example, a per terminal per day increase.** **These are the most significant improvements to issuer compensation since 1997.**	
	Minimum compensation guarantee: • Implemented minimum compensation guarantee – November 2005 • First annual payments processed to bring issuer compensation up to $10,000 to those that qualify based on commissions earned in 2005 – March 2006 **Private Issuing Network Pilot Procurement Project:** The Ministry is initiating a new procurement approach that will determine compensation based on market demand. This pilot will involve five offices. • An Initial procurement process did not result in a successful pilot. The business model has been adjusted and the Request for Proposal has been redrafted and reissued – April 2006 **New revenue generation opportunities:** • Obtained input from every issuer on their interest level in participating in commercial advertising programs – March 2006	**Private Issuing Network Pilot Procurement Project:** MTO to assess responses to the pilot and incorporate findings of pilot into a broader compensation review **New revenue generation opportunities:** • Issuing Request for Proposal to acquire service providers for electronic advertising media programs with potential to derive net revenue – mid-April 2006

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
QUALITY OF SERVICE **Systemic Concerns, Contractual Agreements** To ensure that policies, procedures and the public's service expectations for processing driver and vehicle transactions are applied consistently and effectively across the province, the Ministry should work with the private issuers to develop a new agreement acceptable to both parties. The new agreement should be reflective of the current roles, responsibilities and expectations for both the Ministry and private issuers.	**We are committed to working with the Ontario Motor Vehicle Licence Issuers Association to develop a new agreement. We are immediately taking action to clarify policies and procedures and enhance accountability by revising the Private Issuers Operations Manual.**	
	New Agreement • Initiated discussions with the Ontario Motor Vehicle Licence Issuers Association regarding aspects of a new agreement acceptable to both parties – March 2006 **Private Issuers Operations Manual** • Received feedback from the Ontario Motor Vehicle Licence Issuer Association – responded to their feedback by identifying need to revise the Private Issuers Operations Manual to clarify policies and procedures and consolidate them into one resource document	**New Agreement** • Developing a draft model agreement to share with the Ontario Motor Vehicle Licence Issuers Association **Private Issuers Operations Manual** • New manual to be developed and distributed

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
Ministry Issuer Relations In order to ensure an effective long-term partnership with the Private Issuing Network, particularly given the role in enhancing front-line government services, the Ministry should develop a formal strategy to improve this partnership.	**The Ministry's strategy to improve the partnership/relationship with the Private Issuing Network will enhance communication, improve discussions and strengthen problem solving.**	
	Strengthen the relationship with the Ontario Motor Vehicle Licence Issuers Association • Gained issuers perspective by sharing products (e.g. surveys, training plans, policies, communications products) and requesting input prior to implementation • Resolved mutual issues and concerns • Established two committees to discuss strategic and operational issues on a regular and ongoing basis **Engaged the broader network, in addition to the Ontario Motor Vehicle Licence Issuers Association** • Surveyed network to gauge interest in programs • Responded to the issuers' requests and Ministry requirements by delivering training across the province to provide tools and techniques to prevent, detect and report fraud	**Continuing to strengthen the relationship with Ontario Motor Vehicle Licence Issuers Association** • Building on newly-formed committees, will continue to gain organization's perspective, improve decision making and issue resolution **Engaging broader network, in addition to Ontario Motor Vehicle Licence Issuers Association** • Developing and initiating additional training opportunities for the network • Committed to ongoing direct communications and outreach with the individual issuers

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
Customer Concerns To help it improve service to the public in a cost-effective manner, the Ministry should:	**We are enhancing front-line government service by giving issuers the right tools to provide services in the right locations across the province. We immediately established revised criteria that will provide the basis for redistributing terminals across the province.** **The Ministry is working with the Ministry of Government Services to identify and operationalize opportunities to provide Ontario citizens with greater access and convenience to government products and services. Managing the customer experience by bringing together or centralizing government products and services is a key priority of the ServiceOntario vision.**	
▪ Consider giving additional terminals to those private issuing offices whose transaction volumes are significantly higher than the Ministry's standard; ▪ Consider redistributing terminals from offices whose transaction volumes are significantly below the Ministry's standard; and	**Terminal Redistribution Project** • Identified private issuing offices that had requested removal of or additional terminals • Revised criteria and standards (including consideration of wait times) to approve requests for additional terminals to improve customer service • Initiated the process for re-distributing existing terminals	**Terminal Redistribution Project** Audit current volumes/number of terminals for each office and implement new standards and effective distribution of terminals as required • Use criteria established/revised to launch network-wide terminal redistribution program

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
▪ Evaluate the usage of Service Ontario kiosks to determine if kiosks that are least used would be better located in higher-traffic areas.	• The Ministry transferred the kiosk contract to the Ministry of Government Services on April 1, 2006. Transfer of the management of the kiosk contract will assist the Ministry of Government Services in realizing the ServiceOntario vision. • The kiosk network is made up of 70 kiosks located throughout the province. The majority of kiosks are located in high traffic locations (e.g. shopping centres) where customer traffic ensures high volumes at the kiosks. • In addition to high traffic locations, a number of kiosks have been strategically located in areas of lower traffic (e.g. rural communities) in order to provide customers with access to government services where there is either limited or no service provided • The Ministry continues to regularly monitor the kiosk network for overall volumes as well as individual kiosk usage. Kiosk volumes and customer trends are considered in the relocation of a kiosk. • In partnership with ServiceOntario, the Ministry relocated the kiosk in the Rideau Centre in Ottawa to the newly opened ServiceOntario Centre that is located in the Ottawa City Hall – September 2005 • In addition, the Ministry also relocated the kiosk that was located in Landsdowne Place in Peterborough to the newly opened ServiceOntario Centre in Peterborough – December 2005	• The Ministry is currently working with ServiceOntario to relocate the kiosk from the Quinte Mall in Belleville to the new ServiceOntario Centre that is currently being established in Belleville – implementation date is targeted for May 2006 • Kiosks will continue to have an important role in an integrated approach to delivering government services • The Ministry is working with the Ministry of Government Services/ServiceOntario on a renewal strategy for the kiosk network

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
THE INTERNET AS A SERVICE ALTERNATIVE	**The Ministry supports the ServiceOntario vision to provide customers with the services they want, when, where and how they want them, and in a manner that is intuitively understandable to them.**	
Promotion of the Service, System Changes to Accommodate Internet Transactions		
To help ensure services are delivered cost effectively and that the public receives such services in as convenient a manner as possible, the Ministry should: ▪ Fully integrate its internet service with its driver and vehicle licensing system and expand and promote its use; and	• The Ministry updated the Vehicle Licence Renewal Application form to include the Ministry's website so that customers have the option to renew vehicle plate validation stickers online – March 2006	• The Ministry is working with Ministry of Government Services/ServiceOntario to develop and make available five popular end-to-end Ministry of Transportation products over the Internet, through the ServiceOntario website. These transactions include ordering plate validation renewal stickers, Used Vehicle Information Packages, Own Choice Plates as well as purchasing driver and vehicle abstracts. Expected implementation date of these transactions is Spring/Summer 2006 • The Vehicle Licence Renewal Application will be further updated to reflect ServiceOntario's website and the five new online products and services – Spring/Summer 2006 • The Ministry will work with the Ministry of Government Services/ServiceOntario to promote the electronic transactions once they are available
▪ Develop strategies for ensuring that the Private Issuing Network remains viable as Internet usage increases.	• The Ministry has implemented a minimum compensation guarantee for issuing offices that are located in remote, under-serviced communities and whose annual commissions are below $10,000 – November 2005	• The Ministry is looking at alternative strategies for issuers to improve revenue opportunities – mid-April 2006

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
Call Centre To help the Private Issuing Network provide better service to customers, the Ministry should:	**We are improving support services to the Private Issuing Network through our call centre. We will continue to work with the Private Issuing Network to ensure that they are provided with the support they need to effectively deliver driver and vehicle licensing services.**	
▪ Help reduce the extent to which issuers rely on the call centre by tracking the most common concerns or questions raised and developing procedures to train issuers on these matters; and	• Tracking and identifying potential training issues for the issuing network on an on-going basis • Modified our systems to enhance our tracking tool that records issuer questions and support requirements and the subsequent action/response provided by a call centre operator • Used and will continue to use frequently asked questions and common concerns to enhance training for call centre operators and issuers	• Refine online tool to more accurately reflect the question and the response provided – late April 2006

▪ Ensure that when the call centre is used, call-centre operators are properly trained and consistently available to take calls.	• Responded to the issuers' requests and have implemented a new call centre operator training regime
	  o New operators are trained by experienced operators and provided with a "trainer partner" for ongoing support – ongoing
	  o Tools available to staff include online tutorials, a reference library and a detailed training manual – ongoing
	  o Conducted training sessions for all call centre operators – November 2005 and March 2006
	  o Revised the call centre work schedule to maximize call centre operators availability to take calls – November 2005
	• This new training regime has resulted in more timely responses to issuers questions – currently, 70-80% of all calls are answered within two minutes. We are continuing to work towards the Ministry's target of 80% of all calls answered within two minutes.	

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
COMPLIANCE WITH REGULATIONS AND REQUIREMENTS **Audit Activity** To ensure that the Ministry adequately monitors the Private Issuing Network for effective controls over such items as cash and stock and over such processes as revenue collection and ensure that service is maintained without disruption, the Ministry should: ▪ Increase the number of complete audits it conducts annually; and	**We have implemented a redesigned/enhanced, risk-based audit methodology that will more effectively address financial, stock and Licensing Control System-related issues within the Private Issuing Network.**	
	Implemented a redesigned/enhanced, risk-based audit methodology that will more effectively address financial, stock and Licensing Control System-related issues within the Private Issuing Network – April 2006 Significantly improved quantity and quality of audits: • Hired an additional 17 staff in regional Issuing Office Administrator and Audit Oversight Unit functions • Developed an aggressive and comprehensive 2006/07 audit schedule and audits have commenced • A total of 97 audits were completed in 2005 (compared to three in 2002, one in 2003 and 19 in 2004)	• By end of fiscal year 2006/07, the Ministry will have commenced audits on every private issuing office across the province (281offices in total) • 128 audits will be fully completed between October 2005 and April 2007

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
▪ Better co-ordinate the activities of the four groups involved in Private Issuing Network monitoring.	• Consolidated audit and oversight functions into one Audit Oversight Unit • Revised audit manuals which will provide guidance and reference to ensure consistent application of the audit principles and procedures	• Enhance audit and oversight presence by rigorous, specialized auditing of higher-risk offices in an effort to deter and detect fraudulent activity and issues of non-compliance • Specialized audits of offices identified in the Auditor General's report and offices that were due next on the Ministry's audit schedule. These audits will be completed by July 2006. Three of these audits have been completed to date. • Establish performance baseline and pursue a risk-based audit strategy for field audits. One complete audit will consist of four site visits.

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
RISK MANAGEMENT **Controls on Information System** **Controls on Stock** **Controls on Revenue Collection and Commissions** **Other Compliance Issues** To reduce the risk of staff and customers of the Private Issuing Network engaging in improper, non-compliant, and/or fraudulent activities, with respect to driver and vehicle products and services, the Ministry should: ▪ Produce and follow up on exception reports pertaining to the Licensing and Control System;	**We have clarified expectations, accountabilities and consequences with the Private Issuing Network in regard to stock management. New procedures and controls are in place to effectively identify, track, report, investigate and reconcile missing stock items.** **We have significantly increased our audit and oversight of the Private Issuing Network.**	
	Modified exception reports to identify all irregular transactions found on the network (e.g. non-compliant/attempted fraudulent activities) – November 2005 • These reports are used by Internal Audit staff to conduct Private Issuing Network specialty audits • Being used by Ministry regional staff in their on-site reviews	• These reports will continue to be used by Internal Audit staff to conduct Private Issuing Network specialty audits and by Ministry regional staff in their on-site reviews

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed

▪ Enhance its controls over stock;	Conducted a thorough investigation of all missing and stolen stock identified by the Auditor:
	• Accounted for 94% (45,870 of 49,000) of the controlled stock items identified by the Auditor that went missing from April 2000 to September 2004 – March 2006
	  o The remaining 3,130 missing stock items were thoroughly investigated but still remain unaccounted. This unaccounted stock has been reported to police – January 2006
	  o In the period April 2000 to September 2004, 77.9 million pieces of controlled stock items were used for various driver and vehicle transactions. The 3,130 pieces that remain unaccounted for represent 0.004% of that total.
	• Of the 7,000 stolen stock items, more than 50 percent was dated stock and will expire this year (e.g. validation tags). All stolen stock was immediately reported to police.
	
	Implemented an improved, multi-pronged approach to enhance controls over the stock system:
	• Instituted a requirement for daily reporting of missing stock and a review of these reports by Ministry senior managers – December 2005
	• Reinforced through written instructions to the private issuers their obligations for stock management – December 2005
	• Conducted fraud training sessions with the Private Issuing Network reinforcing stock management processes and best practices – October to December 2005
	• Improved internal tracking controls (i.e. weekly IT report on missing stock, mandatory reporting of missing stock) – January 2006
	• All missing and stolen stock is investigated
	• Reporting unaccounted stock to police on a quarterly basis – ongoing
	• Sharing information regarding stolen and missing stock items (i.e. permits) with Canadian and American jurisdictions
	
	System Enhancements:
	• Consultation with Ontario Motor Vehicle Licence Issuers Association regarding restricted access – March 2006
		• System changes are required to track stock items, link the stock information system to the Licensing Control System and enable real-time viewing of stock online – December 2006
		• Conducting an internal audit of the stock management system – underway
		  o Developing a framework for progressive intervention/sanctions by Ministry staff to address occurrences of missing stock
		• Revising stock management requirements for the Private Issuing Network – end of April 2006
		
		System Enhancements:
		• Restricting Private Issuing Network access/ability to record missing/stolen stock on system – mid-April 2006

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
▪ Follow up on a timely basis on discrepancies identified when reconciling issuer revenue with deposits; and	• Reconciled 185 of the 750 transactions noted in the Ontario Auditor General's report (represents a comparison of actual bank deposits to the deposits recorded in the Licensing Control System by issuers) o Remaining 565 transactions, representing a net value of $2,053.04, could not be reconciled. This high number of unreconciled transactions occurred during the labour disruption in 2002 when transactions were processed manually. The $2,053.04 has been written off – February 2006 • Improvements made to the automated reconciliation system ensure the integrity of data loaded to the system from the banks and the Licensing Control System allowing for timely identification and resolution of actual deposit discrepancies – November 2005	
▪ Expedite the recovery of funds from NSF cheques and consider cross-referencing its vehicle registration system with its driver licensing system.	The Ministry stopped accepting personal cheques for over-the-counter transactions – January 2005. Since implementation of this new policy, the number of NSF cheques has been reduced by 59% over the same period the previous year. **Increased and ongoing collection efforts since 2001:** • Phone calls to individuals who tendered non-sufficient funds (NSF) cheques • Notification letters at 30, 60 and 90 days outstanding • Denial of renewal for vehicle NSF, and cancellation of licence after 30 days for driver NSF • Sending outstanding accounts to collections after two years (due to two-year validation renewal) **Collection success:** As a result of these increased efforts, the Ministry collects approximately 75% of its NSF debt within the first two years, before it goes to collection.	• Improve collection of revenue by sending outstanding accounts to collection after one year (currently sent after two years) – September 2006 • We are consulting with a variety of stakeholders to determine the implications of amending the cheque acceptance policy to not accept personal business cheques or personal cheques by mail o Develop business case to determine implications and recommendations – July 2006 • Cross reference the vehicle registration system with the driver licensing system (in concert with the modernization of the driver and vehicle licensing systems) – date to be determined

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
Selection of Private Issuers To ensure that only competent and qualified bidders selected by a fair and equitable competitive process are awarded contracts to manage issuing offices, the Ministry should: ▪ Review its policies and procedures to ensure that they can be applied in a consistent and effective manner; and ▪ Ensure that the in-person presentation and interview portion of the selection process does not give repeat applicants an unfair advantage. ▪ The Ministry should also expedite the appointment of interim issuers and selection of new issuers to minimize disruptions to customer service.	**We have taken steps to ensure the procurement of private issuers is fair, open and transparent. We are committed to minimizing disruption to customer service.**	

	• Streamlined procurement process in seven smaller issuing office opportunities – February/March 2006
	  o Replaced standard interview questions with a business plan presentation
	  o Resulted in an enhanced interest in private issuing office opportunities
	  o Implemented an expedited selection process to identify an interim private issuer until a new issuer is selected
		• Review the entire procurement process to identify ways that it can be streamlined and made more efficient – Summer 2006

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
PERFORMANCE MEASUREMENT **Customer Survey Comment Cards**	**We are evaluating alternative methods for measuring customer satisfaction with Private Issuing Network services as a supplement to customer surveying to ensure all customers have an opportunity to participate.**	
To improve its current methods of assessing issuer performance and public satisfaction with services received, the Ministry should : ▪ Consider a different method of administering customer surveys that would ensure that all customers have an equal opportunity to participate; and	• Analyzed various customer survey distribution methods (e.g. over-the-counter, direct mail, telephone, in-person) and recommendations for next customer survey of the Private Issuing Network – April 2006 • Explored alternative methods for measuring customer satisfaction with Private Issuing Network services as a supplement to customer surveying – April 2006	• Develop additional methods of measuring customer satisfaction (e.g. mystery shoppers, dealer surveys) – May 2006 • Implement recommended methods for measuring customer satisfaction – Summer 2006 • Implement recommended survey distribution method for next customer survey of the Private Issuing Network – Summer 2006
▪ Summarize customer comments regularly to identify the most common concerns, share this information throughout the entire Private Issuing Network, and develop strategies to address these concerns.	• Share comment card data, customer service trends and best practices on a quarterly basis with the Issuers through a newsletter – November 2005 and ongoing • Began sharing enhanced comment card reports on a monthly basis with regional staff to allow them to identify areas for improvement. Reports include the most common type of complaints received and trends over the previous two years – June 2005 and ongoing • Comment Card Annual Report developed – April 2006	• Develop and determine feasibility of service improvement options based on customer comment card and survey data analysis – Summer 2006

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
OTHER MATTERS **Vehicle Insurance Disabled Person Parking Permits**	**We are working with the insurance industry to develop a process through which the Ministry of Transportation can verify insurance information at the time a vehicle permit is renewed.** **We have consulted with the Ontario Medical Association regarding the verification of medical information on the Accessible Parking Permit.**	
To improve both road safety and the effectiveness of its driver and vehicle transactions, the Ministry should develop strategies for verifying both: ▪ Insurance information on licence-renewal applications; and	• The Ministry and the Insurance Bureau of Canada signed a Driver Record Licensing Agreement to share information between both organizations • Implementation of the Uninsured Vehicles Project is expected to reduce the number of uninsured vehicles on Ontario's roads by improving compliance with the Compulsory Automobile Insurance Act and by encouraging those drivers to purchase insurance • The Ministry and the Insurance Bureau of Canada are working towards implementing insurance verification at the time an individual renews their vehicle permit by developing an electronic link where the Ministry will be able to access the Insurance Bureau of Canada's database • Since July 2004, the Ministry and the Insurance Bureau of Canada have been conducting stakeholder consultations with all sectors of the insurance industry (including agents, brokers, direct insurers and companies) to understand business processes and determine the various means by which insurance policy information is transmitted to the Insurance Bureau of Canada • In addition, we have undertaken steps to improve the quality of data elements. In particular, these efforts have focused on the Vehicle Identification Number, which will be used as the key data element by both organizations to verify vehicle insurance.	• As part of the agreement between the Ministry and the Insurance Bureau of Canada, we are continuing to develop the Uninsured Vehicles Project – date to be confirmed

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
	• In spring 2005, the Ministry and the Insurance Bureau of Canada exchanged a Vehicle Identification Number file of approximately 5.5. million records. The results of this matching activity continue to be analyzed to determine the impact on customer service and to seek appropriate resolution of customer service issues. • Under the Compulsory Automobile Insurance Act, the responsibility remains with the vehicle owner to ensure they have valid auto insurance. Both the Compulsory Automobile Insurance Act and the Highway Traffic Act outline penalties for providing false information to the Ministry.	
▪ Medical information on Disabled Person Parking Permit applications.	• Consulted with the Ontario Medical Association to develop strategies to improve verification of medical information on the Accessible Parking Permit applications: o The Ontario Medical Association expressed concerns that verification would be too resource intensive to implement – October 2005 o The Ontario Medical Association also indicated that no other government agency requires additional verification of health practitioners – October 2005 • As a result, the Ministry is continuing its verification by randomly checking 25% of the incoming Accessible Parking Permit applications against the list of doctors on the College of Physicians and Surgeons of Ontario website.	

Summary Status Table in Response to the 2005 Auditor General's Report on the Private Issuing Network (Section 3.05) Ministry of Transportation

OAG Recommendation	Completed	Underway / To Be Completed
	• In January 2006, the Ministry implemented the new Accessible Parking Permit program, which demonstrates the government's commitment to remove and prevent barriers for people with disabilities, as part of Accessibility for Ontarians with Disabilities Act, 2005. The program: o Emphasizes the benefits of the program with a new program name – Accessible Parking Permit program; o Provides clear direction to the medical community with new eligibility criteria to ensure only qualified people receive permits; o Respects the dignity of people with disabilities through an improved certification process; o Minimizes fraud and misuse through the introduction of more secure and tamper-resistant permits; o Cuts the time it takes to process applications in half through improved business processes; and, o Removes barriers for permit holders who travel by air with a new Traveller Permit.	