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# 7 Service Nova Scotia and Municipal Relations: Registry of Motor Vehicles

## Summary

The Department of Service Nova Scotia and Municipal Relations' (Department) processes for identifying and taking action on high-risk drivers as well as monitoring motor vehicle inspection stations and testers are inadequate. Although it is impossible to prevent all accidents and injuries on Nova Scotia roadways, ensuring that only competent and safe drivers are licensed and the vehicles which they operate are mechanically fit are important aspects of accident prevention. Unsafe vehicles and drivers compromise the safety of our roadways. We have made 21 recommendations to address the weaknesses identified during the audit.

Our audit identified a ten-month backlog of collision reports and a three-month backlog of medical reports. These reports are key documents needed to identify and assess drivers who pose a safety risk to the public. We also found significant time delays between the Department's review of drivers' records and intervention action taken.

The Department is not enforcing deadlines for drivers to provide required medical assessments. This means drivers with medical conditions that could impact their ability to safely operate a motor vehicle may continue to drive. Additionally, the Department does not consistently review drivers' records when high-risk driving behaviour is identified. We did note however, that driver's licences were issued in accordance with legislative requirements and Departmental policies for the cases we examined.

We found poor controls over the issue and return of motor vehicle inspection stickers and renewal of inspection station and tester licences. We also identified areas in which policies and procedures should be established. Safety inspection investigation procedures and management oversight processes were unclear or not followed. Additionally, there were weaknesses in inspection station audit selection and coverage across the province. We recommended the Department establish investigation procedures and management oversight processes, as well as improve the audit selection process.



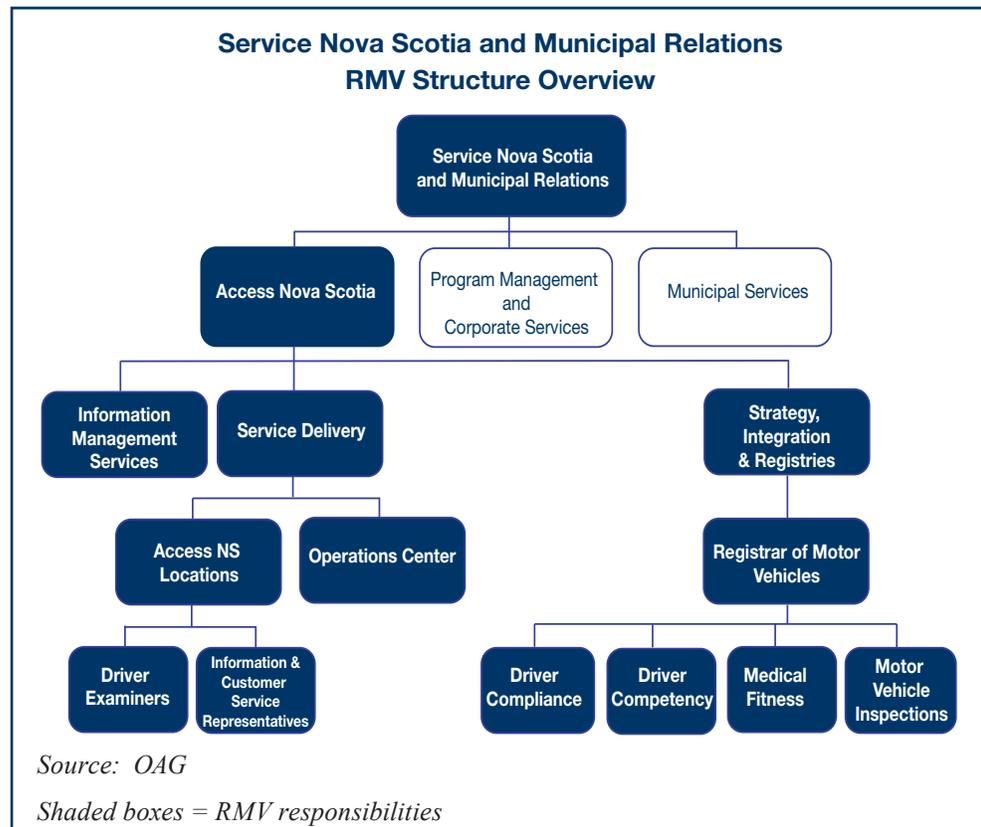
# 7 Service Nova Scotia and Municipal Relations: Registry of Motor Vehicles

## Background

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7.1 Registry of Motor Vehicles (RMV) operations are carried out within two divisions of the Department of Service Nova Scotia and Municipal Relations (Department) – the Service Delivery division and the Strategy, Integration and Registries division. The Service Delivery division operates 30 Access Nova Scotia and RMV offices and driver testing locations. Over 450 employees handle approximately 5.4 million customer transactions (RMV and other) annually. The Strategy, Integration and Registries division’s responsibilities include:

- monitoring driver compliance and maintaining driver records;
- managing the motor vehicle inspection program;
- licensing and inspecting driver training schools; and
- overseeing the commercial carrier safety fitness rating and audit program (examined in our April 2009 Report).





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- 7.2 The Department maintains a database and registry application (RMV system) to collect information to support RMV operations. Service Delivery customer service representatives initiate the licensing process and issue, renew or replace driver's licences. Driver examiners administer road tests when required.
- 7.3 Nova Scotia has a demerit point system for drivers. If a driver is convicted of certain offences under the Motor Vehicle Act, demerit points are added to the driver's record. The Department initiates remedial action if a driver accumulates a certain number of demerit points and revokes a driver's licence upon conviction of certain motor vehicle offences. The Department may suspend a licence if it determines mental or physical disabilities impair an individual's driving ability.
- 7.4 The Department requires motor vehicles to be safety inspected periodically at one of the 1,200 licensed inspection stations in the province. The Department issues inspection station licences under the Motor Vehicle Act and regulations.
- 7.5 We also completed an audit of the management of the information technology supporting the RMV systems, which is reported in Chapter 8 of this Report.

## Audit Objectives and Scope

- 7.6 In the fall of 2010, we completed a performance audit of the Registry of Motor Vehicles' operations at the Department of Service Nova Scotia and Municipal Relations. The engagement was conducted in accordance with Sections 18 and 21 of the Auditor General Act and auditing standards established by the Canadian Institute of Chartered Accountants.
- 7.7 The purpose of our audit was to determine whether the Registry of Motor Vehicles (RMV) has appropriate processes to ensure only properly qualified, competent and safe drivers are licensed to operate a motor vehicle, and only roadworthy motor vehicles are safety approved.
- 7.8 Our audit objectives were to determine whether:
- RMV has adequate processes to ensure only properly qualified drivers are licensed to drive in the province;
  - RMV has adequate processes to help ensure only those drivers who demonstrate safe driving competency are approved to drive in the province; and



- RMV has adequate monitoring processes to know that only roadworthy vehicles receive an approved safety inspection sticker.
- 7.9 We developed criteria specifically for this engagement. The objectives and criteria were discussed with, and accepted as appropriate by, senior management of the Department.
- 7.10 Our audit examined RMV processes and transactions for the period from April 1, 2009 to August 31, 2010. Our approach consisted of interviews with management and staff at the Department; documentation of systems, policies and procedures; and testing and analysis of transactions and records.

## Significant Audit Observations

### Driver Testing

#### Conclusions and summary of observations

Driver's licences were issued in accordance with legislative requirements and Departmental policies for the driver testing cases we reviewed. Driver examiners who administer road tests have received required training. However, the Department does not verify important driver examiner employment criteria, such as having a valid driver's licence and safe driving record. Additionally, the Department's processes for licensing and monitoring of driving schools need to be improved.

- 7.11 *Driver testing* – Nova Scotians wishing to obtain a learner's licence must successfully complete a vision test and written road signs and rules tests. Customer service representatives administer these tests at 30 testing locations throughout the province. A driver must successfully complete a safe driving practices (road) test to advance from the learner's licence stage to the newly licensed (Class 5N) stage or, in certain cases, for a regular (Class 5) licence. Driver examiners evaluate drivers through the duration of the road tests.
- 7.12 We selected a sample of 20 individuals who attempted the written road signs and rules tests. 18 passed and received their licence; two were not successful and were not granted a licence. We also examined the records of 14 individuals who obtained their driver's licence (Class 5 or Class 5N) and found that they all successfully passed the required road test.



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- 7.13 *Issuing a driver's licence* – We examined driver's licence transactions processed by the Department. Our results are reported in the transaction controls section of Chapter 8 of this Report.
- 7.14 *Driver examiner training* – There are 21 driver examiners who conduct road tests. Examiners are required to undergo a ten-week, in-house training period before assuming responsibility for administering road tests. We examined documentation for a sample of nine staff and found they received the required training to carry out their road testing responsibilities.
- 7.15 *Driver examiner qualifications* – The Department requires a driver examiner to hold a valid driver's licence and have a safe driving record. At the time of our audit, the Department did not have a process to ensure the examiners meet and continue to meet these requirements.

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#### Recommendation 7.1

Service Nova Scotia and Municipal Relations should implement a process to verify that driver examiners meet and continue to meet the position requirements for a valid driver's licence and safe driving record.

- 7.16 *Driving schools and instructors* – In Nova Scotia, driving schools provide training programs for beginner drivers as well as those who already hold a driver's licence. A new driver must have a minimum of six hours of instruction from a driving school before obtaining a regular (Class 5) licence. It is important that the Department appropriately monitor driving schools to ensure that students are receiving driver training as approved by the Department.
- 7.17 Driving schools must meet certain criteria to receive a licence which includes having appropriate curriculum, facilities, vehicles and insurance. Both schools and instructors must be licensed. Instructor licensing requirements include completion of a driver instructor course as well as criminal and driving record checks.
- 7.18 We examined one instructor and nine school applications to determine if they met the requirements for obtaining or renewing their licence. We found five instances in which school licences were issued without required support such as a list of instructors or vehicles, facility layout, evidence of proper vehicle signage, and evidence of dual control brakes. These requirements are necessary to help ensure driving instruction is provided in a safe and effective manner.



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#### Recommendation 7.2

Service Nova Scotia and Municipal Relations should only issue licences to driving schools and instructors when all licensing requirements have been met and documented.

7.19 *Monitoring of driving schools* – In December 2009, the Department initiated an on-site monitoring process to ensure driving schools are offering instruction and maintaining their facilities and vehicles within the guidelines set out in regulations. Staff may also visit a school to investigate a complaint.

7.20 We examined the files for the eight reviews and three complaint investigations carried out during our audit period. In two of the reviews, staff instructed the driving schools to take certain actions or make changes to correct deficiencies. We found no evidence the schools had carried out the instructions or that staff followed up to ensure the corrections were made. Timely follow-up by staff regarding instructions to driving schools is important to ensure deficiencies are addressed and corrected. For two of the complaints, other than a notation in the complaint log, there was no evidence in the files that staff took appropriate action to address the complaint.

#### Recommendation 7.3

Service Nova Scotia and Municipal Relations should implement a process to follow up complaints and action items resulting from the review of driving schools. The process should include appropriate file documentation standards and timelines for completion.

### Driver Monitoring

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#### Conclusions and summary of observations

The Department's processes for identifying and taking action on high-risk drivers are not adequate. The Department does not consistently review drivers' records once high-risk driving behaviour is identified. We found the Department's review of documentation and recording in the RMV system is not timely and a significant backlog of documents for processing exists. We also found the Department is not enforcing deadlines for drivers to provide medical assessments. We recommended a quality assurance process be implemented to ensure drivers are notified of enforcement actions in a timely manner and to ensure accurate recording in the drivers' records.

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7.21 *Background* – Under the Motor Vehicle Act, the Registrar of Motor Vehicles can suspend the licence or the privilege of obtaining a licence of any driver deemed medically unfit or potentially dangerous. There are three main groups within the Registry of Motor Vehicles that share responsibility for monitoring driver records.

- The Driver Compliance group is responsible for updating driver records for collisions and convictions reported under the Motor Vehicle Act and the Criminal Code of Canada.
- The Medical Fitness group identifies drivers with medical conditions that could potentially impact their ability to safely operate a motor vehicle.
- The Driver Competency group is responsible for administering intervention and enforcement action against drivers who have exhibited high-risk driving behaviour.

7.22 *Collisions* – For certain motor vehicle accidents, a police officer completes a collision report and submits it to Driver Compliance to update the driver’s record. Certain collisions trigger the suspension of a driver’s licence, such as driving without insurance; others may warrant a review by Driver Competency, such as any collision involving a motor vehicle and a pedestrian.

7.23 We examined 27 collision reports received and processed by Driver Compliance during our audit period to determine if the collisions were correctly recorded in the RMV system and whether required action was taken. Our results are noted below.

- The 27 reports were correctly recorded in the system.
- Seven of the collisions involved a driver who was not insured. In all seven instances the appropriate suspension was recorded in the driver’s record.
- Staff took from two to 288 days to record the information in the system.
- In 16 instances, staff took more than 100 days to record the information in the system.

7.24 Staff are not recording collisions in the RMV system in a timely manner. There was a ten-month backlog of collision reports which had not been processed at the time of our audit. We acknowledge staff review the reports when received to identify and process priority collisions. However, all priority collisions may not be identified and patterns of high-risk driving behaviour could go undetected. Without current information, dangerous



drivers may not be promptly identified and referred to Driver Competency for review and intervention action.

**Recommendation 7.4**

Service Nova Scotia and Municipal Relations should eliminate the backlog of collision reports for processing.

**Recommendation 7.5**

Service Nova Scotia and Municipal Relations should implement a process for timely recording of collision reports in the Registry of Motor Vehicles system.

- 7.25 *24-hour and 90-day suspensions* – Under the Motor Vehicle Act, police can issue drivers a 24-hour or 90-day licence suspension for certain alcohol-related offences. When the police issue a suspension, they forward the suspension form to Driver Compliance for recording in the RMV system. Driver Compliance may refer the driver’s record to Driver Competency for review and further action.
- 7.26 Driver Compliance does not manage the receipt, recording and referral of 24-hour and 90-day suspension forms. Staff do not track the number of forms received from the police, nor those suspensions referred to Driver Competency for review. Similarly, Driver Competency does not track the suspension forms received from Driver Compliance. When suspension reports received are not tracked, Driver Compliance could fail to record certain suspensions in the system and these omissions would go undetected. This could allow a driver with a suspended licence to continue to drive without any means for the police to know the licence was suspended.

**Recommendation 7.6**

Service Nova Scotia and Municipal Relations should develop a tracking system to record all 24-hour and 90-day suspension reports and to document those reports referred to Driver Competency for further review. The tracking log should be reconciled periodically to ensure all suspensions have been recorded and the required reviews completed.

- 7.27 *JEIN* – Nova Scotia uses a demerit point rating system to identify drivers who have been convicted of Motor Vehicle Act (MVA) infractions. The Registry of Motor Vehicles system is updated for MVA and Criminal Code convictions through an automated interface with the Department of Justice’s Enterprise Information Network (JEIN) system. Action by Driver Compliance, such as warning letters, re-examinations and suspensions, is triggered when a certain number of demerit points have accumulated in a driver’s record. A Criminal Code conviction can result in revocation of a licence.



- 7.28 We examined 30 records which were received through JEIN and recorded in the RMV system. For 29 of the 30 sample items, Driver Compliance took the appropriate action based on the number of demerit points accumulated. In one instance, staff sent a driver with eight demerit points a warning letter rather than a letter requesting an interview. When we reported the error, staff made the correction and sent the appropriate letter. A driver with six to nine demerit points is interviewed as a stronger intervention to change and improve the driver's behaviour.
- 7.29 *Medical Fitness group* – The Medical Fitness group relies on information from medical professionals, the police and the public to assist in identifying drivers with medical conditions that could impact their ability to safely operate a motor vehicle. Drivers with medical conditions may be required to provide assessments from qualified medical practitioners. The Registrar may suspend a driver's licence until the information is provided if a driver refuses or fails to provide the documentation requested.
- 7.30 The Medical Fitness group has a process for receiving and reviewing documentation from medical professionals and responding to complaints against drivers. We found staff are not reviewing documentation received in a timely manner. At the time of our audit, staff had not yet reviewed medical documents received in July 2010 (three-month backlog). We were informed staff make an effort, as mail is received, to identify priority documents. However, items may still be missed.
- 7.31 Evaluation of medical and other related information should be a high priority for the Department. Medically unfit drivers operating motor vehicles pose a risk to public safety. No standards have been established for how long it should take staff to process important medical information. As an example, we reviewed a letter from a doctor indicating a driver was not capable of safely operating a motor vehicle due to a medical condition. It took staff 27 days to review the documentation, record the licence suspension and notify the driver. The driver was still licensed to operate a vehicle for almost a month after being deemed medically unfit to drive.

**Recommendation 7.7**

Service Nova Scotia and Municipal Relations should eliminate the backlog of medical documentation awaiting review.

**Recommendation 7.8**

Service Nova Scotia and Municipal Relations should implement and monitor standards for appropriate time frames to review and process medical documents received.



- 7.32 The Medical Fitness group does not enforce medical assessment deadlines for drivers. Drivers are normally given 60 days to comply with a medical assessment request. If the required documentation is not provided when requested, the Department can suspend the driver's licence. The results of our audit testing in this area are noted below.
- There were approximately 290 drivers who had not complied with a request to provide a medical assessment.
  - 29 of the outstanding requests were from 2009.
  - Following our audit, review by Medical Fitness staff of the 29 outstanding requests resulted in 14 licence suspensions.
  - Seven suspensions were eventually rescinded when the requested reports were submitted.
  - Staff indicated they reduced the total number of outstanding requests for documentation from 290 to 34.
- 7.33 Staff noted they do not actively manage deadlines as there is a possibility some drivers provided the documents but they were not reviewed due to the processing backlog. Drivers may also submit the information to an Access Nova Scotia office and it may not get forwarded to the Medical Fitness group. If deadlines are not enforced, the incentive for drivers to provide important medical information is reduced, and drivers who are not medically fit to safely operate a vehicle may continue to drive.

#### Recommendation 7.9

Service Nova Scotia and Municipal Relations should monitor and enforce deadlines for drivers to provide medical assessments within the required time frame.

- 7.34 *Driver Competency group* – The Driver Competency group identifies potentially dangerous drivers by reviewing collision reports, vehicle seizure forms, and 24-hour or 90-day suspension forms, along with other correspondence received from the public and police. Based on the review, the Registrar may suspend a driver's licence for an indefinite period. In addition to suspensions, Driver Competency has other options for intervention and enforcement, including warning letters, defensive driving courses, re-examinations or addiction services assessments.
- 7.35 Driver Competency reviews records of drivers involved in collisions that meet certain criteria. Our sample of 27 collision reports discussed in paragraph 7.23 of this Chapter, included ten that met Driver Competency's criteria for review. Of the ten that should have been reviewed, there was no evidence of this review in two cases. We analyzed collision transactions

from April 2009 to August 2010 and found six instances in which drivers were involved in four or more collisions. In five of the six cases, the driver's record was referred to Driver Competency for review. Staff indicated the sixth driver's record should also have been referred to Driver Competency but was missed in error.

- 7.36 Driver Competency's process to identify high-risk driver behaviour and take intervention action is not being carried out in a timely manner. In six of ten files we tested, it took between 39 and 106 days for Driver Competency to review reports and notify the driver of the enforcement action. To help ensure public safety, prompt action by the Department is necessary to identify and intervene with individuals who exhibit potentially dangerous driving behaviour.

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#### Recommendation 7.10

Service Nova Scotia and Municipal Relations should implement standards that set out an appropriate time frame for review of, and action on, high-risk drivers' records. These standards should be monitored for compliance.

- 7.37 *Quality assurance* – The Driver Competency group does not have a quality assurance process to help ensure timely and accurate updating of high-risk drivers' records. Errors and delays in recording information to the RMV system may be identified if a driver's record is referred to Driver Competency for a second time. However, this is not a timely or reliable method to ensure suspensions and other decisions are properly recorded. A systematic review process is a more effective means to ensure high-risk drivers' records are accurately updated.

#### Recommendation 7.11

Service Nova Scotia and Municipal Relations should implement a quality assurance process to ensure suspensions and other decisions are accurately recorded in the Registry of Motor Vehicles system and drivers are promptly notified.

- 7.38 *Criteria for review* – In examining the work of Driver Compliance and Driver Competency, we noted inconsistencies in the criteria used by each group to determine whether a driver's record should be reviewed by Driver Competency. For example, six items in our sample of 24-hour or 90-day suspensions met Driver Competency's criteria for review but three were not forwarded by the Driver Compliance group. Staff indicated the records were not referred to Driver Competency because the drivers were already subject to suspension or revocation of their licence as a result of previous driving infractions. However, Driver Competency could determine that an additional suspension or other intervention is warranted and such files should be reviewed to ensure appropriate action is taken.



#### Recommendation 7.12

Service Nova Scotia and Municipal Relations should implement one set of criteria to identify high-risk drivers' records which require additional review and intervention action.

## Motor Vehicle Inspection Monitoring

### Conclusions and summary of observations

The Department's processes for monitoring motor vehicle inspection stations and testers are not adequate. We identified weaknesses in several areas. There are poor controls over inspection stickers and renewal of inspection station and tester licences. As well, there is limited audit coverage of stations in some areas of the province, and policies and procedures do not exist or are outdated.

- 7.39 *Qualifications for station and tester licensing* – The Motor Vehicle Act and regulations set out the requirements for obtaining a motor vehicle inspection (MVI) station or tester licence. Department inspectors verify the suitability of the station facility and equipment to carry out vehicle safety inspections. Inspectors also examine the certification and employment status of the mechanics, who must also be licensed. Upon successful completion of the application and verification process, the Department issues a licence and inspection stickers to the station. A station may employ more than one licensed tester to carry out the inspections.
- 7.40 *New applications* – Once MVI inspectors have completed their examinations, customer service representatives (CSRs) process new applications for licences. We tested 16 inspection station applications to determine if licensing requirements were met and found 10 instances in which the application form was not correctly completed or required documents were not on file to support the issuance of the licence.
- 7.41 *Renewals* – Station and tester licences expire on December 31 and must be renewed each year. Generally, station owners renew station and testers' licences at the same time. We examined 12 renewal transactions and found one instance in which the tester's licence was not renewed when the station licence was renewed, nor was it renewed at a later date. The station should not be issued a station licence if there is no licensed tester to carry out the vehicle safety inspections.

#### Recommendation 7.13

Service Nova Scotia and Municipal Relations should issue motor vehicle inspection licences only when licence requirements are met and documented.

- 7.42 *Late renewals* – We analyzed licence renewal transactions during our audit period and found 281 station licences (24%) were not renewed until after the expiry date of the previous licences. The majority of the late renewals occurred in January (65%) and February (11%). In both 2009 and 2010, over 15 renewals were more than three months late, with at least two renewals occurring more than six months after the licence had expired. There is no penalty or financial repercussion if a station is late in renewing its licence. Without a valid licence, a station is not legally authorized to carry out vehicle safety inspections.
- 7.43 CSRs in the Service Delivery division process licence renewals and issue new licences but are not responsible for monitoring the stations and testers and ensuring they renew their licences on time. MVI inspectors, in a separate division within the Department, monitor the stations and testers. However, the inspectors are not part of the licence renewal process and do not have ready access to information from the RMV system regarding which stations have not renewed their licences by the expiry date. Without the necessary information and processes, MVI staff’s ability to appropriately monitor licence renewals is compromised.

**Recommendation 7.14**

Service Nova Scotia and Municipal Relations should implement a process to monitor and ensure stations and testers renew their licences prior to expiry.

- 7.44 *Inspection stickers* – Licensed stations purchase safety inspection stickers and certificates in books of 25. When sticker books are purchased, CSRs complete a form that lists the range of sticker numbers the station purchased and enter the information in the RMV system. The reverse side of the form states “Owners must return completed sticker books to receive new sticker books. This will be on a replacement basis only.” When stations return completed books, CSRs are to review the books to ensure all stickers are properly accounted for and complete the sticker book reconciliation process in the RMV system.
- 7.45 We examined the sticker book purchasing history of nine stations and found five did not return their completed books when new books were purchased. In two of the four cases where the stations returned their completed books, CSRs had not reconciled most or all of the completed books. We also looked at the reconciliation history of six stations for which the sticker book return date could be determined, and noted CSRs took from 0 to 217 days to reconcile the sticker books.
- 7.46 We analyzed sticker book transactions and found there were over 67,000 sticker books issued from January 2008 to the end of our audit period – August 31, 2010. We noted that over 12,000 of the books issued in 2008



and 2009 had not yet been returned and reconciled. There were 24 stations with more than 100 outstanding books; two of those stations had over 200 outstanding books.

- 7.47 Control and monitoring of safety inspection stickers are important. Lost or unaccounted for inspection stickers can potentially be misused and sold for cash by station owners and testers, and attached to vehicles without a proper safety inspection. Vehicles that have not been properly inspected may pose a safety risk to the driving public. If staff do not monitor sticker book purchases, ensure stations return completed books, and promptly reconcile returned books, misuse of inspection stickers may go undetected with no intervention action taken.

#### Recommendation 7.15

Service Nova Scotia and Municipal Relations should implement policies and procedures to ensure inspection stations return completed sticker books, returned sticker books are promptly reconciled, and discrepancies investigated.

#### Recommendation 7.16

Service Nova Scotia and Municipal Relations should obtain all outstanding completed sticker books.

- 7.48 We also analyzed and compared late renewal of station licences with sticker book purchases and found the following.
- 84 stations purchased sticker books in December without renewing their licence.
  - 11 of the stations purchased books on December 29 or 30.
    - Seven of the 11 stations purchased a single book.
    - Four of the 11 stations purchased from two to five books.
  - The station that purchased five books renewed its licence over one month late.
  - The station that purchased four books renewed its licence five months late.
- 7.49 If stations can purchase an unlimited number of sticker books at the end of the year, it reduces the incentive for them to renew their licence in a timely manner. These stations may also be conducting vehicle safety inspections when they are not licensed to do so.

**Recommendation 7.17**

Service Nova Scotia and Municipal Relations should establish a cut-off date in December and cease issuing sticker books to stations that have not renewed their licence by that date.

- 7.50 *Station monitoring* – MVI inspectors monitor stations and testers through a variety of means such as audits, investigations, and station checks. The Department currently has five MVI inspectors (a sixth inspector position is currently vacant) and a coordinator to monitor approximately 1,200 stations and 3,000 testers. Each inspector is responsible for monitoring from 122 to 407 inspection stations spread over large geographical areas. For example, one inspector’s area of responsibility covers Antigonish, Colchester, Cumberland, East Hants, and Pictou counties.
- 7.51 *Station audits* – MVI inspectors conduct periodic audits at licensed stations. An audit includes examining a station’s sticker books for proper completion and secure storage as well as verifying proper equipment is on hand to perform inspections. The Department does not have a systematic risk-based process for selecting stations for audit. Inspectors select stations for audit based on factors such as complaints or proximity to other work they are doing in an area.
- 7.52 During our audit period (17 months), inspectors conducted 294 station audits. Each inspector audited from four to 191 stations. Four of the inspectors conducted less than 15 audits during the period. We found audit coverage across the province was not uniform, with stations in some areas more likely to be audited than in others. If the possibility of an audit is high, station owners are more likely to ensure they remain in compliance with the MVI regulations. The effectiveness of the audit process as a deterrent to noncompliance will be weaker in those areas where few audits are conducted.

**Recommendation 7.18**

Service Nova Scotia and Municipal Relations should implement a risk-based process for inspection station audit selection, set audit targets, and ensure uniform audit coverage across the province.

- 7.53 *Complaints and investigations* – The Department may receive complaints from the public concerning vehicle safety inspections. Complaints are marked for investigation if the complaint was made within three months of the date of the vehicle inspection or if the vehicle was driven less than 3,000 km after the inspection. MVI administrative staff manually log complaints received. If a complaint meets the criteria, an inspector is assigned to investigate. Inspectors document their follow up of complaints



and other types of investigations on an occurrence report, which they enter into their computer system (CAPS). Administrative staff update the log for completion of the complaint investigation when notified by the inspector.

- 7.54 We examined nine complaints and occurrence reports and found one instance in which the report recommendation was for a written warning letter to the station for a poor-quality vehicle safety inspection. There was no record a warning letter was issued. In a second case, the report recommendation was for the tester's licence to be suspended. There was no record that this was done. Management informed us that the process for completing occurrence reports changed during our audit period. Previously, inspectors noted their recommendations on the report and signed it off as complete in the CAPS system. Management's subsequent review of the report may have changed the recommendation. Under the revised process, reports are reviewed by management and a recommendation determined before the report is signed off as complete in the system.
- 7.55 We examined the 55 occurrence reports prepared by inspectors during our audit period and found the following.
- 21 of the reports were not complete.
  - 17 of the 21 incomplete reports were outstanding from 2009.
  - 13 of the 21 reports were initiated from a complaint.
  - Eight of the 13 complaints were not listed in the complaints log.
- 7.56 Our review of the complaints log found 18 complaints and investigations were still outstanding; 11 of these were outstanding since 2009. Management informed us that previously, if an inspector was contacted directly concerning a complaint, it might not have been recorded in the complaints log. A new process has recently been established whereby all complaints are to be directed to administrative staff for logging and monitoring. We were also informed the log is now being monitored and outstanding complaints followed up with the assigned inspector.

#### Recommendation 7.19

Service Nova Scotia and Municipal Relations should implement investigation procedures and management oversight processes for motor vehicle safety inspections.

- 7.57 *Enforcement* – MVI inspectors use a number of tools to help ensure stations and testers stay in compliance with MVI regulations. These include warning letters, licence suspensions and summary offence tickets. Inspectors use their discretion in determining an appropriate response to violations, based on their assessment of the situation and the severity of the violation.



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7.58 When we examined the number of tickets issued during our audit period we found 129 tickets were issued but noted a significant variation among inspectors. Individual inspectors issued from two to 69 tickets; two inspectors issued less than five tickets each. While each situation an inspector encounters will have its own unique circumstances, a consistent approach to enforcement is important to help ensure program compliance and fair treatment to all.

**Recommendation 7.20**

Service Nova Scotia and Municipal Relations should provide written guidance for inspectors on enforcement strategies to assist them in determining appropriate action when they encounter vehicle safety inspection violations.

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7.59 *Inspector's manual* – The MVI inspector's manual, which outlines the inspectors' responsibilities and procedures for monitoring stations and testers, has not been updated since 1992, when the inspectors were part of the Department of Transportation. Management indicated they are in the process of updating the manual and documenting their work procedures.

**Recommendation 7.21**

Service Nova Scotia and Municipal Relations should update its inspector's manual and policies to provide clear and appropriate guidance to motor vehicle safety inspectors.

## Response: Service Nova Scotia and Municipal Relations

Service Nova Scotia and Municipal Relations (SNSMR) is pleased to provide a response to the Auditor General's review of Registry of Motor Vehicles.

We appreciate the extensive work done by the Auditor General's staff to identify areas that can be improved in the management of the delivery of this program. This review has provided SNSMR with a number of recommendations that, when implemented, will improve our operations.

SNSMR recognizes the importance of ensuring that:

- only qualified drivers are licensed;
- only drivers who demonstrate safe driving competency are approved to drive; and
- vehicles are monitored to ensure that only roadworthy vehicles receive an approved safety inspection sticker.

The Auditor General's recommendations for SNSMR are accepted in principle and work has begun to implement many of these recommendations. We are also undertaking comprehensive review of motor vehicle compliance operations.

We are confident that the planned review, and the implementation of these recommendations, will strengthen business processes for the Registry of Motor Vehicles.

### ***Recommendation 7.1***

***Service Nova Scotia and Municipal Relations should implement a process to verify that driver examiners meet and continue to meet the position requirements for a valid driver's licence and safe driving record.***

SNSMR agrees with, and has implemented, this recommendation. While SNSMR has always verified that Driver Enhancement Officers have a valid driver's licence and clean driving record at the time of hire, SNSMR did not have a documented policy or process for monitoring on-going compliance. The process was documented in a policy on March 17, 2011 to ensure that this information continues to be validated prior to hire, and annually thereafter. Employer driver abstracts were obtained for all staff currently conducting road examinations. The results indicate that all staff had a valid driver's licence and safe driving record over the last 5 years.

### ***Recommendation 7.2***

***Service Nova Scotia and Municipal Relations should only issue licences to driving schools and instructors when all licensing requirements have been met and documented.***

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SNSMR agrees with the recommendation. A check list will be developed, within the next six months, to ensure that all necessary documents have been included with the application.

***Recommendation 7.3***

***Service Nova Scotia and Municipal Relations should implement a process to follow up complaints and action items resulting from the review of driving schools. The process should include appropriate file documentation standards and timelines for completion.***

SNSMR agrees with this recommendation. SNSMR will develop and implement a formal process to follow up complaints and action items resulting from the review of driving schools.

***Recommendation 7.4***

***Service Nova Scotia and Municipal Relations should eliminate the backlog of collision reports for processing.***

SNSMR agrees that the backlog should be significantly reduced, but it is not practical to eliminate the backlog given the current resources and process employed. SNSMR uses a triage process, so those collisions of highest criticality (injury, death) are processed first. SNSMR has been able to reduce the backlog from ten to eight months, since the end of the field work by Auditor General staff. SNSMR will consider resourcing options to further reduce the backlog. Longer term solutions are being considered and are discussed under Recommendation 7.5.

***Recommendation 7.5***

***Service Nova Scotia and Municipal Relations should implement a process for timely recording of collision reports in the Registry of Motor Vehicles system.***

SNSMR agrees with this recommendation. With a significant investment, the most efficient solution would be to have the data entered by police. This option continues to be considered and SNSMR has had preliminary discussions with police agencies around the province to consider options for this automated data entry.

***Recommendation 7.6***

***Service Nova Scotia and Municipal Relations should develop a tracking system to record all 24-hour and 90-day suspension reports and to document those reports referred to Driver Competency for further review. The tracking log should be reconciled periodically to ensure all suspensions have been recorded and the required reviews completed.***

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SNSMR agrees with this recommendation. SNSMR will develop a process to track the receipt and forwarding of reports to the Driver Competency. Further consideration will be given to automation which would provide a more efficient process. SNSMR will also undertake discussions with the Policing Services Division of the Department of Justice to determine if a means can be developed to track the issuance of suspensions by police.

***Recommendation 7.7***

***Service Nova Scotia and Municipal Relations should eliminate the backlog of medical documentation awaiting review.***

SNSMR agrees with this recommendation. As of April 1, 2011 the backlog has been cleared and a staff vacancy in this area has been filled.

***Recommendation 7.8***

***Service Nova Scotia and Municipal Relations should implement and monitor standards for appropriate time frames to review and process medical documents received.***

SNSMR agrees with this recommendation. SNSMR has adopted a 3-5 day turnaround time, which is currently being met.

***Recommendation 7.9***

***Service Nova Scotia and Municipal Relations should monitor and enforce deadlines for drivers to provide medical assessments within the required time frame.***

SNSMR agrees with this recommendation. Standards for submission are being enforced. SNSMR will continue to monitor compliance.

***Recommendation 7.10***

***Service Nova Scotia and Municipal Relations should implement standards that set out an appropriate time frame for review of and action on high-risk drivers' records. These standards should be monitored for compliance.***

SNSMR agrees with this recommendation. SNSMR will develop standards, compliance procedures, and an implementation plan over the next 18 months.

***Recommendation 7.11***

***Service Nova Scotia and Municipal Relations should implement a quality assurance process to ensure suspensions and other decisions are accurately recorded in the Registry of Motor Vehicles system and drivers are properly notified.***

SNSMR agrees with this recommendation. SNSMR will develop a quality assurance/transaction review process over the next 18 months.

**Recommendation 7.12**

***Service Nova Scotia and Municipal Relations should implement one set of criteria to identify high-risk drivers' records which require additional review and intervention action.***

SNSMR agrees with this recommendation. Considering the work of other jurisdictions, SNSMR will develop a common set of criteria for use in assessing high-risk driver records.

**Recommendation 7.13**

***Service Nova Scotia and Municipal Relations should issue motor vehicle inspection licences only when licence requirements are met and documented.***

SNSMR agrees with this recommendation. SNSMR will consider control and process improvements that can be made for inspection station and tester licence issuance and renewal.

**Recommendation 7.14**

***Service Nova Scotia and Municipal Relations should implement a process to monitor and ensure stations and testers renew their licenses prior to expiry.***

SNSMR agrees with this recommendation. SNSMR will explore process improvements that will streamline this process for stations and testers.

**Recommendation 7.15**

***Service Nova Scotia and Municipal Relations should implement policies and procedures to ensure inspection stations return completed sticker books, returned sticker books are promptly reconciled, and discrepancies investigated.***

SNSMR agrees with this recommendation. While it is SNSMR policy to return and reconcile sticker books, there is currently no automated process to facilitate this. Consideration will be given to system, process, and policy enhancements that will mitigate the issue raised.

**Recommendation 7.16**

***Service Nova Scotia and Municipal Relations should obtain all outstanding completed sticker books.***

SNSMR agrees with this recommendation. As noted in 7.15, a process will be undertaken to review this policy and our current practices, consider any gaps, and work to resolve any issues.

**Recommendation 7.17**

***Service Nova Scotia and Municipal Relations should establish a cut-off date***

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*in December and cease issuing sticker books to stations that have not renewed their licence by that date.*

SNSMR agrees with this recommendation. As noted in recommendations 7.14, 7.15, and 7.16, SNSMR will initiate a review of this process.

***Recommendation 7.18***

***Service Nova Scotia and Municipal Relations should implement a risk-based process for inspection station audit selection, set audit targets, and ensure uniform audit coverage across the province.***

SNSMR agrees with this recommendation. SNSMR will develop a risk based audit process to ensure uniform coverage across the Province.

***Recommendation 7.19***

***Service Nova Scotia and Municipal Relations should implement investigation procedures and management oversight processes for motor vehicle safety inspections.***

SNSMR agrees with this recommendation. SNSMR will implement more robust investigation procedures and management oversight processes for motor vehicle safety inspections. SNSMR will undertake a comprehensive review of motor vehicle compliance operations beginning in May of 2011.

***Recommendation 7.20***

***Service Nova Scotia and Municipal Relations should provide written guidance for inspectors on enforcement strategies to assist them in determining the appropriate action when they encounter vehicle safety inspection violations.***

SNSMR agrees with this recommendation. The Department will develop appropriate guidelines.

***Recommendation 7.21***

***Service Nova Scotia and Municipal Relations should update its inspector's manual and policies to provide clear and appropriate guidance to motor vehicle safety inspectors.***

SNSMR agree with this recommendation. SNSMR will update its inspector's manual and policies to provide clear and appropriate guidance to motor vehicle safety inspectors.