

Chapter 15

Saskatchewan Government Insurance—Only Qualified Drivers Remain Licensed

1.0 MAIN POINTS

On behalf of the Saskatchewan Auto Fund (Auto Fund), Saskatchewan Government Insurance (SGI) is responsible for not only issuing driver's licences to those eligible, but also confirming that only qualified drivers remain licensed to operate motor vehicles. It may suspend or revoke licences from individuals with habits or who exhibit conduct that makes the operation of a motor vehicle a source of danger to the public, or sanction them (e.g., requiring the completion of a defensive driving course).

At December 2015, SGI had licensed about 790,000 drivers. SGI used two key improvement programs for monitoring drivers that commit driving offences—one for monitoring inexperienced drivers, and another for monitoring experienced drivers. At December 2015, it was monitoring about 14,000 inexperienced drivers, and over 27,000 experienced drivers.

For the 12-month period ended December 31, 2015, SGI had effective processes to confirm only qualified drivers remain licensed, except for the following.

SGI uses a computer system to administer driver's licences and to monitor drivers. Therefore, it is important the information in the system be kept as current as possible. It is equally important staff complete key monitoring activities within a reasonable timeframe. SGI and its staff did in most areas. However, SGI needs to enter information on out-of-province traffic offences using similar timeframes as traffic offences that occur in the province, instead of as time permits.

Also, SGI needs to give staff written guidance for the following areas: expected timeframes for entering driver information into its computer system and for completing manual evaluations of driver information when required by its improvement programs, and on determining acceptable lengths of extensions that staff can grant to drivers for the completion of required actions or sanctions.

SGI needs to confirm changes to licensing and traffic safety legislation are approved, and in effect before it makes corresponding changes in its computer system used to administer driver's licences (i.e., driver demerit points and sanctions). We found that it did not always do so.

2.0 INTRODUCTION

SGI administers the Auto Fund and its related responsibilities. It registers vehicles, licenses drivers, and provides related services to about 1.1 million vehicles and trailers and about 790,000 drivers in Saskatchewan.¹ Enforcement (e.g., policing) of traffic safety laws is the responsibility of law enforcement and not SGI.

¹ 2014 Saskatchewan Auto Fund Annual Report, p. 9.



2.1 Impact of Vehicle Collisions

In 2014, human factors^{2,3} contributed to 58% of all collisions, and to 83% of fatal collisions in Saskatchewan.⁴ Alcohol impairment, driver inattention or distraction, and speed were the most frequently identified human condition and human action factors contributing to the 2014 fatal collisions in Saskatchewan.⁵

Over the last five years (from 2010 to 2014), the number of traffic collisions resulting in fatalities and in personal injury decreased. In 2014, there were 112 fatal collisions as compared to 145 in 2010, a decrease of 22.8%; in 2014, there were 4,419 personal injury collisions as compared to 4,743 in 2010, a decrease of 6.8%. Over the same time period, the number of licensed drivers in Saskatchewan increased by approximately 9.4%.⁶ Even though the number of collisions has decreased, personal injury costs continue to increase. In 2014, personal injury claims cost the Auto Fund \$306.6 million as compared to \$206.1 million in 2010, an increase of 48.8%.⁷ Over the last 10 years, personal injury costs have grown at an annual average rate of approximately 4.7%.⁸

Vehicle collisions have a significant impact on people. Fatal collisions cause irreversible and immeasurable harm to those affected. Collisions resulting in personal injuries can also significantly impact the quality of life of those affected. For example, injured people may require increased and ongoing medical care (e.g., medication, medical treatment, physiotherapy) and/or may not be fully capable of working.

2.2 SGI's Responsibilities for Licensing Drivers

The Traffic Safety Act (Act) makes SGI responsible for issuing driver's licences to those eligible. The Act sets out eligibility requirements to apply for a licence, and restrictions SGI can place on driver's licences (e.g., require a driver to be accompanied by another qualified driver). In general, an individual with habits or who exhibits conduct that makes the operation of a motor vehicle a source of danger to the public is not eligible to retain a driver's licence.

The Act embodies a demerit point system whereby the Act assigns a specific number of demerit points to traffic offences. The Act also sets out actions (sanctions) SGI can take when drivers do not comply with traffic safety laws (e.g., suspend driver's licences, or require drivers to take additional training).⁹ SGI tracks and uses the number of demerit points each driver accumulates to help determine a driver's ability to remain able to operate a vehicle safely and whether the driver should remain licensed (e.g., remains qualified for a licence).

² Saskatchewan law enforcement identifies the contributing factors for collisions with which they are involved. For collisions that do not involve law enforcement, drivers involved in the collision identify the contributing factors. Human condition and human action are factors that are the result of decisions made by the driver.

³ Human factors that contribute to collisions include human conditions and human actions. Examples of human conditions include driver inattention, driver inexperience/confusion, driving while impaired, and driving with certain physical/medical conditions. Examples of human actions include failing to yield, driving too closely, and driving too fast for environmental conditions.

⁴ SGI, *2014 TAIS Annual Report*, p. 14. www.sgi.sk.ca/pdf/tais/TAIS_2014_Annual_Report.pdf (17 February 2016).

⁵ *Ibid.*

⁶ *Ibid.*, p. 3.

⁷ *Ibid.*, p. 16.

⁸ *2014 Auto Fund Annual Report*, p. 9. www.sgi.sk.ca/pdf/annualreports/SGI_2014_Annual_Full.pdf (10 November 2015).

⁹ *The Traffic Safety Act*, sections 30 - 55.

SGI uses two main programs to monitor drivers – the Graduated Driver Licensing (GDL) Improvement Program and the Driver Improvement Program (DIP).

- The GDL Improvement Program monitors inexperienced drivers. Inexperienced drivers are drivers with learner licences or who have not graduated from the GDL program.¹⁰ The GDL Improvement Program is set out in legislation. Under the improvement program, SGI takes an educational approach to correct unsafe driving of new drivers. At December 2015, there were about 14,000 drivers in the GDL Improvement Program (about 19% of the approximately 72,000 drivers with a learner licence or who have not graduated from the GDL program).
- The DIP monitors experienced drivers. Experienced drivers are drivers that have passed the requirements of the GDL program. The DIP is not required under law. Through DIP, SGI monitors drivers' information over the last 730 days (two years) to determine whether the driver has reached a level where SGI must impose a sanction (i.e., accumulated a specified number of demerit points). At December 2015, there were over 27,000 drivers in DIP.

As reflected in **Figure 1**, each of these programs set out escalating sanctions SGI imposes on drivers for driving offences based on demerit points accumulated. Also, each program sets the number of demerit points required to reach the various sanctions. The more demerit points drivers accumulate, the tougher the sanctions become.

Figure 1 – Number of Demerit Points for Each Improvement Program's Escalating Sanctions

Sanction	Graduated Licensing Demerit Points	DIP Demerit Points
Program information letter	Not applicable	9 or more
Warning letter	If the first incident is 1 point	3 or more additional points
Traffic Safety Education Course	If the first incident is 3 or more points or If the second incident is 1 or more points	Not applicable
Defensive Driving Course	Additional incident of 1 or more points	3 or more additional points
Driver Improvement Training	Additional incident of 1 or more points	3 or more additional points
30-day driver's licence suspension	Additional incident of 1 or more points	3 or more additional points
90-day driver's licence suspension	Additional incident of 1 or more points	3 or more additional points
180-day driver's licence suspension	Additional incident of 1 or more points	3 or more additional points
Interview with SGI and determined sanction(s)	Additional incident of 1 or more points	3 or more additional points
Manual review and determined sanction(s)	Additional incident of 1 or more points	3 or more additional points

Source: SGI website: www.sgi.sk.ca/individuals/penalties/dip.html and www.sgi.sk.ca/individuals/penalties/gdlimprovement.html. (7 January 2016).

¹⁰ The GDL program is a staged introduction of new drivers into the driving environment. It contains six stages. Stages include obtaining a learner's licence and gaining driving experience with different levels of restrictions. Drivers graduate from the GDL program after completing the stages without any at-fault collisions or traffic convictions.



SGI has assigned responsibility for confirming only qualified drivers remain licensed to its Driver Programs department. This department consists of the following two main areas:

- ▶ Medical Review Unit – this unit monitors whether Saskatchewan licensed drivers have the medical fitness and the skills necessary to operate a motor vehicle safely. The medical review unit focuses on drivers with reported medical conditions that may affect their ability to drive. This unit consists of 12 positions including seven registered nurses.
- ▶ Driver Records – this unit is responsible for maintaining driver records. This unit consists of 12 staff that administer the DIP and GDL Improvement Program.

SGI also has a Traffic Safety Program Evaluation department that assesses the effectiveness of driver programs.

Drivers can appeal, through the Highway Traffic Board, decisions SGI makes under DIP, GDL Improvement Program, and restrictions SGI's Medical Review Unit places on a licence for medical reasons.¹¹

In 2015, drivers appealed approximately 138 medical decisions and 5,830 non-medical decisions made by SGI, of which 12 (8.7%) and 3,431 (58.9%) were overturned respectively. The percentage of medical decisions overturned in 2015 is 2.9% less than 2012 (11.6%); the percentage of non-medical decisions overturned in 2015 is about the same as 2012 (58.4%).¹² The length of time a vehicle remains impounded is prescribed by traffic safety legislation. In 2015, vehicle impoundments represented 39% (2012: 65%) of non-medical appeals with decisions overturned.

In 2015, about 8% of appeals relating to DIP were overturned (2012: 3%) and 4% of appeals relating to GDL Improvement Program were overturned (2012: 2%).

Confirming that only qualified drivers remain licensed, imposing sanctions timely to influence safe driving conduct, or taking away licences from unsafe drivers helps increase traffic safety.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess whether SGI had effective processes for the 12-month period ended December 31, 2015, to confirm only qualified drivers remain licensed to operate motor vehicles.

For purposes of this audit, qualified drivers were drivers that had demonstrated the ability to operate a vehicle safely (e.g., medically fit to drive, competent).

¹¹ The Highway Traffic Board is a government body separate from SGI. The Highway Traffic Board consists of at least five members appointed by the Minister responsible for the Highway Traffic Board who is typically the Minister Responsible for Highways and Infrastructure. The Board's duties include hearing appeals from drivers regarding decisions SGI has made under traffic safety laws, and judging applications for restricted driver's licences as a result of criminal code convictions.

¹² In 2012, drivers appealed approximately 69 medical decisions and 5,664 non-medical decisions made by SGI and law enforcement, of which about 8 (11.6%) and 3,307 (58.4%) were overturned respectively.

We did not examine SGI's processes to issue a Saskatchewan licence to a driver for the first time, including drivers formerly licensed by other jurisdictions. In addition, we did not examine the appropriateness of Saskatchewan traffic safety laws.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate SGI's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. SGI's management agreed with the criteria (see **Figure 2**).

We examined SGI's processes to confirm only qualified drivers remain licensed by interviewing SGI staff and reviewing related documentation. We sampled driver information (including medical information) received, concerns investigated, and sanctions imposed by SGI for drivers that had committed offences to determine whether SGI followed its processes. Because SGI uses its AutoFund information technology system to administer driver's licences, we assessed the integrity of driver information in that system. We worked with SGI to ensure that confidentiality of driver information was respected throughout our procedures, for example, through anonymizing driver data.

Figure 2—Audit Criteria

- 1. Maintain information on licensed drivers**
 - 1.1 Record information needed to evaluate ongoing driver qualifications (e.g., licence restrictions, driving accidents and convictions, medical reports)
 - 1.2 Confirm sources and availability of required information on drivers (e.g., agreements with key information providers, reminders to physicians)
 - 1.3 Use information obtained to update information on drivers promptly
- 2. Establish driver evaluation and disciplinary process**
 - 2.1 Establish guidance for evaluation of driver medical reports
 - 2.2 Align processes to measure improper and high-risk driving with legislation
 - 2.3 Establish guidance for staff to administer consequences for drivers that exhibit improper or high-risk driving consistent with legislation (i.e., suspensions and penalties, escalating actions for continued unsafe driving)
 - 2.4 Communicate consequences for improper or high-risk driving to the driving public
 - 2.5 Use results of driver evaluation to update processes where required (e.g., did disciplinary actions achieve desired result, did SGI receive information on drivers timely and as expected)
 - 2.6 Report key results
- 3. Identify drivers that exhibit improper and high-risk driving**
 - 3.1 Assign qualified independent staff to evaluate driver information for improper and high-risk driving (e.g., medical information)
 - 3.2 Evaluate driver information timely, in accordance with established process
- 4. Take appropriate and timely disciplinary action**
 - 4.1 Communicate disciplinary decisions timely, to drivers with improper or high-risk driving
 - 4.2 Escalate disciplinary action timely, for non-compliance with disciplinary action (e.g., levy penalty, suspend licence)

We concluded that, for the 12-month period ended December 31, 2015, Saskatchewan Government Insurance had, other than the following, effective processes to confirm only qualified drivers remain licensed. SGI needs to:

- **Give staff written guidance for expected timeframes for completing manual evaluations of driver information, and for entering driver information into the computer system used to administer driver's licences; data entry guidance should require information on out-of-province traffic offences to be entered using similar timeframes as for in-province traffic offences**



- › Give staff written guidance for acceptable lengths of extensions that staff can grant to drivers for completion of required sanctions
- › Confirm demerit points and sanctions set by law are changed before making corresponding changes in the computer system used to administer driver's licences

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out the criteria (expectations) in italics, and our key findings along with related recommendations.

4.1 Information on Licensed Drivers Recorded

4.1.1 Driver Information Gathered but Not Entered Timely

We expected the following processes. SGI would identify information that it should maintain for licensed drivers. It would identify key sources of driver information and plan to obtain information from those key sources. SGI would update driver information timely.

As set out in **Figure 3** and as contemplated by the Act, SGI receives information from various sources—many of which are external sources. The amount of information it receives each year varies by the type of information.

Figure 3—Driver Information SGI Receives and Timeliness of Data Entry into AutoFund System

Driver Information	Information Source	Expected Frequency of Submission to SGI (Source)	Number of Instances from January 1 – December 8, 2015	Expected frequency of data entry into AutoFund system
Collisions (at-fault)	SGI internal systems	Daily (internal practice)	70,037	Daily electronic transfer of information from SGI claims system
Summary Offence Tickets (SOTs) ³	Ministry of Justice	Immediately (section 281(1) of the Act)	185,760	Daily
Unpaid Fine Suspensions	Ministry of Justice	Frequency not specifically stated	10,230	Daily
Criminal Code Convictions	Ministry of Justice	Immediately (section 281(1) of the Act)	6,913	Within 3 days of receipt
Information on Offences from Other Provinces	Other Provinces	Frequency not specifically stated (agreement between the driver's licence issuers for all Canadian jurisdictions)	15,421	As Time Permitted
Vehicle Impoundments	Peace Officers (i.e., law enforcement)	Frequency not specifically stated (section 31 of <i>The Driver Licensing and Suspension Regulations, 2006</i>)	9,370	Within 3 days of receipt
Roadside Suspensions	Peace Officers	Frequency not specifically stated (section 31 of <i>The Driver Licensing and Suspension Regulations, 2006</i>)	4,633	Within 3 days of receipt

Driver Information	Information Source	Expected Frequency of Submission to SGI (Source)	Number of Instances from January 1 – December 8, 2015	Expected frequency of data entry into AutoFund system
Medical Reports Required by the Act	Medical Practitioners	Frequency not specifically stated (section 283 of the Act)	18,222	Within 2 days of receipt
Medical Test Results Requested by SGI	Regional health authorities, physical rehabilitation specialists	Frequency not specifically stated (agreements with regional health authorities, physical rehabilitation specialists)	Included in 18,222 above	Within 2 days of receipt

Source: SGI records.

^a A **summary offence ticket** is a ticket issued under provincial laws, such as *The Traffic Safety Act* or *The Alcohol and Gaming Regulation Act, 1997*, or under some federal laws, such as the *Canada Wildlife Act* or *Canada National Parks Act*.

The Act does not always set out how often driver information must be submitted to SGI. For example, while the Act indicates the Ministry of Justice must submit SOTs and criminal code convictions daily, it is silent on how often medical practitioners and law enforcement must submit prescribed driver information to SGI. SGI officials advised us that it works with these groups so that they submit information on a timely basis. We found SGI received SOTs and criminal code convictions information from the Ministry of Justice daily as the Act requires.

Also, as shown in **Figure 3**, the Act does not always require submission of driver information SGI has identified as necessary to monitor drivers. To ensure it receives this information, SGI has entered into agreements with parties who collect the key information. Also as shown in **Figure 3**, we found that while the agreements sufficiently outlined the information to submit to SGI, they did not always set out the frequency of the submissions (e.g., daily, weekly, or by specified deadlines). For the eight agreements we examined, we found five did not clearly indicate expected frequency of reporting or reporting deadlines. While we did not observe problems with SGI obtaining information within a reasonable timeframe, SGI could incorporate expected frequency for the submission of driver information into future agreements to avoid a potential misunderstanding.

SGI maintains an information technology system to track and maintain key information about drivers (i.e., the AutoFund system). SGI also maintains a Driver Programs Procedure Manual (procedure manual). SGI makes the procedure manual available to all Driver Programs staff. The procedure manual:

- › Outlines the information that SGI receives and maintains in its AutoFund system for drivers (see **Figure 4**) and how the AutoFund system administers driver programs (e.g., DIP)

Figure 4—Summary of Driver Information SGI Maintains

Driver information (e.g., address, date of birth, etc.)
 Driver transactions
 Driver's licence details (including driver education history)
 Driver's licence suspensions
 Driver criminal code convictions
 Collision information
 Driving tickets received
 Driver demerit points (e.g., points obtained pursuant to the DIP)
 Medical assessment information

Source: SGI Driver Programs Procedure Manual.



- › Outlines the processes to receive driver information
- › Describes how to update information in the AutoFund system and use the AutoFund system (e.g., find a customer, review driver history)
- › Provides guidance on how to set or adjust sanctions (e.g., how to adjust date a driver is required to take a defensive driving course under the DIP), and
- › Includes guidance on both driver improvement programs (i.e., DIP and GDL Improvement Program)

We found that the procedure manual provided sufficient detail, was easy to understand, and covered all but one expected subject area. The manual did not indicate when SGI expected staff to enter driver information into its AutoFund system (e.g., daily, weekly). Rather, management gave staff verbal guidance on when to enter information; it advised us that the guidance reflected the priority of the information and helped it manage data entry workflow.

As noted in **Figure 3**, SGI expected staff to enter some data daily (e.g., summary offence tickets), some within three days of receipt (e.g., roadside suspensions, criminal code convictions), and some as time permitted (e.g., out-of-province offences). Management also expected staff to keep track of information received but not yet entered (e.g., work outstanding logs).

Relying on verbally understood expectations on when to enter driver information into the AutoFund system may lead to misunderstanding and delays in data entry, and decreases the ability of management to effectively monitor staff performance. Also, it increases the risk that staff may not consistently prioritize entry of driver information into the AutoFund system, particularly in the event of unplanned staff turnover. Given SGI relies on information in the AutoFund system to monitor drivers, incomplete information could delay the commencement of SGI's driver disciplinary process.

1. We recommend that Saskatchewan Government Insurance establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licences.

For driver information that we tested, we found, other than for criminal code convictions and out-of-province tickets, staff had entered information into the AutoFund system within expected time frames.

- › For the criminal code convictions we examined, we found five out of nine convictions were entered two to six days later than expected; that is entered within five to nine days of receipt of the information instead of within the expected three days
- › For the out-of-province offences we examined, we could not determine how timely they were entered into the AutoFund system because SGI did not document when it received this information and did not retain its work outstanding logs

To assess the overall timeliness of the data entry of driver information, we reviewed the work outstanding logs. At December 2015 (the time of our audit), the longest delay of entry into the system was two weeks (e.g., many were out-of-province offences). This was not as timely as we expected.

Although entering information on outstanding out-of-province offences was consistent with SGI's communicated expectations (i.e., as time permits), we questioned the appropriateness of the expected timeframe of as time permits. We noticed the out-of-province offences contained similar offences and risks as offences committed in Saskatchewan. For example, a driver that committed an alcohol and drug related offence outside Saskatchewan received the same sanctions as a driver that committed the offence in Saskatchewan. A delay in entering the out-of-province offence information could delay the commencement of SGI's disciplinary process.

- 2. We recommend that Saskatchewan Government Insurance enter, into its computer system used to administer driver's licences, information on out-of-province traffic offences using similar timeframes as traffic offences that occur in Saskatchewan.**

4.1.2 Driver Medical Information Actively Sought from Practitioners

We expected SGI would actively seek driver medical information from practitioners that is required by law.

The Act requires medical practitioners to report to SGI information about drivers who, in the opinion of the medical practitioner, suffer from a condition(s) that will make it dangerous for that person to operate a vehicle.¹³

Consistent with our criteria (expectations), we found SGI took certain actions to promote awareness of the requirement under the Act and to communicate the information to be provided.

SGI along with the University of Saskatchewan - College of Medicine have developed and implemented the Fitness to Drive Program. This education program advises healthcare professionals on how to evaluate drivers with medical conditions that may impact their ability to drive. It also sets out the medical and legal requirements for reporting medical information to SGI.

SGI's Medical Review Unit staff also gave to medical organizations, upon request, presentations on medical conditions that could impact the ability to drive. For example, during 2015, the Unit made presentations to the Alzheimer Society, Saskatchewan Association of Optometrists, CBI Physical Rehabilitation Centre, Arcola Health Clinic, nurse practitioners in Maidstone, and the Saskatchewan Society of Occupational Therapists.

¹³ *The Traffic Safety Act*, section 283(1).



We found the 2015 presentation to the nurse practitioners in Maidstone provided sufficient information to help guide the practitioners in evaluating driver medical conditions and communicating the required information to SGI.

4.2 Establish Driver Evaluation and Disciplinary Process

4.2.1 Guidance for Evaluation of Medical Reports Established

We expected SGI would set, and medical review staff would use, guidance for assessing medical reports.

As previously noted, SGI received driver medical information (medical reports) from various sources. These sources included health professionals (e.g., physicians, optometrists, physical therapists, registered nurses), other drivers, collision claims adjusters, and citizens concerned about a driver's medical condition. As noted in **Figure 3**, for the period January 1 to December 8, 2015, it received over 18,000 medical reports.

SGI has a Medical Review Unit Medical Policy (medical policy). This medical policy is consistent with nationally recognized practices from the Canadian Council of Motor Transport Administrators (CCMTA) and the Canadian Medical Association. It included guidance for evaluating driver medical reports with comprehensive guidance for different medical situations and conditions. For each of those conditions, the medical policy outlined related medical standards, the frequency to assess drivers, specific information to request from medical practitioners, and guidance for SGI staff to determine whether drivers are safe to drive. For example, the medical policy indicated commercial drivers with a permanent pacemaker would be eligible to drive one month after receiving the pacemaker if they have not experienced any episodes of impaired consciousness.

We found the guidance provided sufficient detail to facilitate consistent decisions on medical conditions. For unusual cases not contemplated in the policy, medical review unit nurses met weekly to discuss the particulars of the situation, and documented their decisions to provide a resource for use in making future decisions on similar situations.

4.2.2 Processes to Measure Improper and High-Risk Driving Not Always Aligned with Legislation

We expected SGI processes would measure the significance of driving offences and be consistent with legislation.

As previously noted, the Act and related regulations assigned demerit points for driving actions that are illegal¹⁴ assigning more points to high-risk driving offences. See **Figure 5** for demerit points assigned to some of the most frequent offences.

¹⁴ *The Driver Licensing and Suspension Regulations, 2006, Appendix Part II.*

Figure 5—Listing of the Most Frequent Traffic Offences and Related Demerit Points

Most Frequent Offences	Demerit Points
At-fault collision	6
Driving while suspended or refused licence	4
Driving without due care and attention	4
Running a red light	4
Running a stop sign	4
Stunting	4
Driver failing to wear a seatbelt	3
Driving contrary to sign direction	3
Driving an unregistered vehicle	1
Exceeding the speed limit	1
No driver's licence or inappropriate licence	1
U-turn at lights	1

Source: SGI website: www.sgi.sk.ca/individuals/penalties/dip.html (7 January 2016).

SGI primarily used various automated processes within its AutoFund system to administer driver's licences. SGI's AutoFund system automatically assigns demerit points for offences. The AutoFund system is programmed to track the accumulation of demerit points, and automatically begin the sanctions based on the relevant driver program (e.g., warning letter or letter indicating required training). Also, the Auto Fund system automatically escalates sanctions for more significant offences (e.g., criminal code convictions) and repeat offences (see **Figure 1** for sanctions by program).

For a sample of offences, we tested whether the AutoFund system generated demerit points and sanctions consistent with the provisions of the Act and regulations in effect. For two offences, we found the system generated demerit points inconsistent with legislation in effect at December 2015. We found:

- For the offence of driving a motor vehicle as a learner while not accompanied by an experienced driver with a valid driver's licence, the AutoFund system assigned four demerit points to drivers instead of three demerit points as required by *The Driver Licensing and Suspension Regulations, 2006*.¹⁵ This offence is part of the GDL Improvement Program. We found that SGI had assigned four demerit points to this offence since June 27, 2014. This offence occurred 1,018 times between June 27, 2014, and December 31, 2015.

We did additional work to determine if these drivers were adversely impacted (that is, whether SGI had imposed unwarranted sanctions). Sanctions within the GDL Improvement Program are based on both the number of incidents and accumulated demerit points (**Figure 1**). For these drivers, the additional demerit points did not trigger unwarranted sanctions.

We did additional work to determine if these drivers were charged with fines in error. Drivers who commit offences must pay a fine of \$25 per demerit point received

¹⁵ Ibid.



under *The Automobile Accident Insurance Act* and related regulations.¹⁶ These regulations applied four points whereas *The Driver Licensing and Suspension Regulations, 2006* applied three demerit points for the same offence. Regardless of the inconsistency in legislation, we found that these drivers were charged the correct fines.

- For certain sanctions (e.g., where a driver is convicted of driving with a blood alcohol content greater than 0.04 but less than 0.08 and required to complete driver improvement training), we found the AutoFund system gave drivers up to 120 days to complete the sanctions instead of up to 90 days as required by law. We found that SGI had allowed the additional 30 days from June 27, 2014 to November 19, 2015, and then the law was changed. These relevant sanctions occurred approximately 11,000 times during this period.

Management indicated that it thought these provisions were changed in conjunction with other changes that had come into effect June 27, 2014. It acknowledged it did not confirm the law was changed before it approved and made these changes to the AutoFund system.

Changing the AutoFund system before confirming that corresponding changes to law are made resulted in SGI not administering driver's licences in accordance with the law.

- We recommend that Saskatchewan Government Insurance confirm changes to law that set demerit points and sanctions are in effect before making corresponding changes in the computer system used to administer driver's licences.**

4.2.3 Guidance for Staff to Administer Consequences for High-Risk Drivers Established

We expected the following processes. SGI would give staff that administer sanctions guidance so that drivers with offences are handled on a consistent basis and consistent with the law and policies. Written guidance on escalation of sanctions is particularly important where escalation processes are not automated, or set in legislation so that exceptions are handled consistently. We also expected SGI would use best practices when determining sanctions for offences (e.g., using work of national committees).

Drivers in Saskatchewan that commit offences face sanctions ranging from warning letters to licence suspension. SGI bases sanctions for driving offences and escalation of sanctions on research and best practice. It uses this research and best practice to propose changes to licensing and traffic safety legislation and to provide a basis for its licensing policies and programs (e.g., DIP). We verified SGI's participation on the CCMTA¹⁷ and SGI's review of research. SGI's participation on the CCMTA and review of research helped keep its guidance to administer sanctions consistent with industry best practice.

¹⁶ *The Automobile Accident Insurance (General) Regulations, 2002.*

¹⁷ The CCMTA is the official organization in Canada for coordinating all matters dealing with administration, regulation, and control of motor vehicle transportation and highway safety. CCMTA incorporates members from all Canadian governments (Provincial/Territorial/Federal) as well as associates from transportation related organizations. www.ccmta.ca (05 January 2016).

As previously discussed, the Act and related regulations set out driving offences and the AutoFund system automatically initiates sanctions for offences. The Act and related regulations set out escalation of sanctions for certain offences. This includes:

- Offences related to alcohol and drugs¹⁸ – for experienced drivers the first offence is a 3-day suspension, second offence within five years is a 21-day suspension, third offence within five years is a 90-day suspension
- Criminal code convictions¹⁹ – drivers are not allowed to drive for one year after the first conviction, for three years after the second conviction, and five years after the third conviction
- Offences and sanctions for drivers in the GDL Improvement Program²⁰ – as noted in **Figure 1**, drivers progress through increasingly tough sanctions as drivers commit offences and accumulate demerit points

SGI has not automated within the AutoFund system two of the escalation steps under the DIP and GDL Improvement Program – i.e., when drivers must attend an interview with SGI staff, and SGI's manual review of a driver's history. Typically, the supervisor of the Driver Records department carries out the reviews of driver history (e.g., previous offences and sanctions).

We found SGI gave staff sufficient guidance for these areas. Guidance (e.g., procedure manual) included how to complete driver interviews, carry out manual reviews of driver history, and administer exceptions. In addition, it gave guidance for conducting interviews of drivers to help ensure interviews are conducted in accordance with policy and are consistent for each driver being interviewed. In addition, SGI gave supervisors training on completing manual reviews of driver history.

Occasionally, SGI grants extensions to drivers for completion of a required course. Extensions allow drivers to avoid having licences suspended and gives them more time to take the required course. For example, SGI may require a driver with certain offences to complete a training course (e.g., defensive driving course) by a certain date (deadline). If the driver cannot complete the course by the deadline and requests an extension, SGI will assess the reasons (e.g., due to conflicts with employment, school) and may grant an extension.

Guidance in the procedure manual allows SGI staff to grant a driver up to two extensions; however, the procedure manual does not provide guidance on determining the period of extension or set out a maximum additional days permitted (e.g., 120 days).

Granting extensions means potentially high-risk drivers posing risk to the travelling public remain licensed longer. Lack of clearly established guidelines for the length of extensions (e.g., maximum length of extensions) increases the risk of potentially high-risk drivers committing further offences.

¹⁸ *The Traffic Safety Act*, sections 137 – 150.

¹⁹ *The Driver Licensing and Suspension Regulations, 2006*, section 30. Examples of criminal code convictions include blood alcohol levels over the legal limit (0.08), impaired driving causing injury or death, driving while suspended or disqualified.

²⁰ *The Driver Licensing and Suspension Regulations, 2006*, section 23.



- 4. We recommend that Saskatchewan Government Insurance give staff written guidance on determining the length of extensions that can be granted to drivers for completion of required actions (sanctions).**

4.2.4 Consequences for Improper or High-Risk Driving Communicated to the Public

We expected that SGI would communicate to the public sanctions for exhibiting improper or high-risk driving.

SGI sufficiently communicated to the driving public sanctions for exhibiting improper, high risk, and unsafe driving. We observed the following communications that clearly described sanctions for improper and high-risk driving:

- › Training materials (e.g., driver training materials while obtaining a learner's licence)
- › Brochures available at licence issuers (e.g., basic licence information, DIP)
- › SGI's website (www.sgi.sk.ca/individuals/penalties/index.html) (7 January 2016)
- › Television and radio advertisements
- › Communication to drivers after each sanction in warning letters or other correspondence to specific drivers

4.2.5 Driver Programs Periodically Evaluated

We expected SGI would periodically evaluate its processes and the results of its programs, and make changes where required (e.g., did disciplinary actions taken achieve desired results).

SGI driver records and medical review unit staff met monthly to discuss issues and lessons learned relating to driver information received and the process used to evaluate drivers. Because customer calls and concerns may indicate issues with SGI's communications to drivers, driver records staff also met monthly with staff at SGI's call centre who track customer calls.

Driver program staff used these monthly meetings to discuss where communication issues may exist and how to improve them. We observed that SGI changed the wording of warning letters to more clearly communicate the purpose of the letter to drivers as a result of customer calls to SGI's call centre.

SGI has a Traffic Safety Program Evaluation Department (evaluation department). The evaluation department is separate from the driver records and medical review unit departments responsible for administering driver programs. The evaluation department monitors data on trends (e.g., collision fatalities, collision injuries, property damage) and evaluates, in detail, outcomes of driver programs.

We reviewed the evaluation department's program evaluation work plan (i.e., what programs it plans to evaluate and when) and a sample of its evaluation plans (detailed plans setting out how it will evaluate each driver program). We found senior management approved the work plan. The work plan summarized the following for each driver program:

- › What it was going to evaluate (e.g., alcohol-related collision rates)
- › How it planned to evaluate each program
- › Who was responsible for completing the evaluation

The evaluation plans we reviewed were robust. The evaluation plans summarized SGI's review of related research, set out the questions to be answered during the evaluation (e.g., what is the deterrent effect of the program, what is the trend in repeat offences), program outcomes, what data will be analyzed during the evaluation, and planned reporting after the evaluation is completed.

During 2015, SGI evaluated DIP consistent with its work plan. It reviewed research relating to driver improvement programs,²¹ compared program practices to other jurisdictions and to best practices,²² and recommended streamlining the program. At December 2015, senior management was reviewing the draft DIP evaluation. Per discussion with management, SGI expects to implement the recommendations once approved.

4.2.6 Key Results Communicated

We expected SGI would periodically report key evaluation results to senior management and to the Board.

Although SGI did not have formal policies setting out the driver program information to be reported to senior management, it had well-established reporting practices. Staff used various ways to report key results to senior management on the activities of driver programs. We found senior management received information from the following:

- › Reports on specific initiatives through regular meetings and performance reviews with staff (e.g., update on traffic safety initiatives implemented in June 2014 such as speed cameras)
- › Program evaluation reports (e.g., DIP evaluation report)
- › Bi-weekly reports with traffic offence statistics that include year-to-date information for various offences compared a three-year average
- › Annual report on traffic collisions in the province that provided a high-level overview of collisions and the contributing factors of collisions²³

²¹ In 2014, SGI evaluated the effectiveness of the Driver Improvement Training course (a sanction under the DIP). SGI found that drivers that participated in the Driver Improvement Training course were about 27% less likely to be convicted of a traffic offence in the two years following the course and were about 73% less likely to be responsible for an at-fault collision.

²² Canadian National Safety Code and The American Association of Motor Vehicle Administrators' programs.

²³ SGI, 2013 TAIS Annual Report. www.sgi.sk.ca/about/publications/collisionstats/index.html (06 January 2016). The annual report indicates that the information is compiled from law enforcement and SGI insurance claim records.



Also, we found senior management periodically reported key results to the Board. For example, in October 2015, senior management gave the Board the results of new traffic safety initiatives put into effect June 2014.²⁴

4.3 Identify and Evaluate Drivers that Exhibit Improper and High-Risk Driving

4.3.1 Qualified and Independent Staff Assigned to Evaluate Driver Information

We expected the following processes. SGI would define the minimum knowledge, skills, and experience requirements of staff responsible for evaluating driver information, to have objective assessments, and would require them to be independent from the driver being evaluated.

As part of its normal human resource activities, SGI determines the knowledge, skills, and experience requirements of each position during the development and maintenance of a position's related job description. Its hiring processes include evaluating whether candidates meet the qualifications.

We found SGI had job descriptions that define the minimum knowledge, skills, and experience requirements of staff responsible for evaluating driver information. Key staff in these positions possessed the qualifications set in the related job descriptions (e.g., the manager of the medical review unit possessed the required medical qualifications).

SGI uses the following processes for objectively evaluating driver information. It requires staff to annually sign a conflict of interest and ethics statement. This statement requires staff to identify and advise their supervisor of any conflicts, as they arise. In these situations, supervisors are to reassign driver assessment to another evaluator.

In our testing that driver information was evaluated in accordance with SGI policies, we did not identify any conflicts. Also, we observed all staff that reviewed driver information signed the annual conflict of interest and ethics statement for 2015.

4.3.2 Driver Information Evaluated in Accordance with the Established Process but Some Not Evaluated Timely

We expected the following processes. SGI would, on a timely basis, investigate incidents and concerns about drivers and assess the impact on drivers' ability to drive safely. This would include evaluating medical reports from practitioners. It would also include evaluating driver information to identify drivers with improper or high-risk driving.

Evaluation of Medical Information

As set out in **Figure 3**, from January 1 to December 8, 2015, SGI received 18,222 medical reports and requested medical test results. Medical review unit staff use

²⁴ SGI's Risk Committee, a committee of the Board, set in its work plan to receive information on major traffic safety initiatives as required.

medical information in the reports to determine if the driver's medical condition impacts the individual's ability to drive safely.

For medical reports we tested, we found all evaluations were done consistent with SGI's medical policy and evaluated within one business day of the receipt of the medical information. For those reports assessed as impacting the ability to drive safely, we found SGI appropriately restricted or removed the individual's ability to drive. For example, in one case, SGI suspended the driver's licence of an individual suffering from severe memory impairment. SGI provided notice of this decision to the driver timely (i.e., same day medical information was evaluated).

Automated Evaluation of Non-Medical Driver Information

SGI has automated the majority of its evaluation process through use of the AutoFund system and handled a few areas manually. Except for criminal code convictions and out-of-province offences (as previously noted), we found SGI kept the information in the AutoFund system current. As a result, SGI's evaluated this information timely and in accordance with its processes.

Manual Evaluation of Non-Medical Driver Information

When drivers accumulate demerit points to reach the toughest sanctions in SGI's improvement programs (see **Figure 1**), the AutoFund system notifies staff who must do a manual evaluation of driver information (i.e., interview with driver and manual review of driver offence history). Using these evaluations, SGI determines sanctions (e.g., further driver education, or further licence suspension) appropriate for the situation. From January 1 to December 8, 2015, SGI completed 244 interviews and manual driver history reviews.

We found that SGI's policies (e.g., the procedure manual) did not set out expected timelines for completion of interviews or manual reviews. For manual evaluations (i.e., interview with driver and manual review of driver offence history) we tested, we found that SGI completed all evaluations consistent with established policy (e.g., sanctions were consistent with SGI's driver programs) except that one was not completed timely.

In our testing, we found a situation where a driver had accumulated demerit points such that the next step in the escalation process was a manual review of the driver's record. The AutoFund system added this required manual review to SGI staff's list of outstanding items (known as a work-in-progress list). At the time of the offence there was a backlog of outstanding items, and as a result the manual review was completed 20 business days after the offence was entered into the system.

In total, 10 of 29 manual reviews we tested were completed more than 10 business days after drivers reached the manual evaluation sanction (i.e., offence occurred to accumulate demerit points). These 10 manual reviews occurred from 11 – 34 business days after drivers reached the manual review sanction.

Failure to complete evaluation of driver information timely increases the risk that unsafe or high-risk drivers will remain driving on Saskatchewan roads. Setting formal timelines would provide clear expectations to staff.



5. We recommend that Saskatchewan Government Insurance give staff written timeframes for completing manual evaluation of driver information.

Evaluation of Public Concerns

SGI receives information on drivers in the form of public concerns. Most of these concerns relate to medical concerns. SGI generally receives concerns about drivers from peace officers or from individuals that know the driver (e.g., family member, close friend). SGI provided guidance on its website about how the public can express concerns when a friend or family member may have medical conditions that impact their ability to drive safely (e.g., contact SGI's medical review unit).

SGI may need to seek additional information to evaluate these concerns. From January 1 to December 8, 2015, SGI received 379 medical concerns and only 13 non-medical concerns about drivers.

For public concerns we tested, we found that in all cases, SGI had investigated these concerns in accordance with SGI policies, and once it had received the information necessary to do the evaluation, SGI evaluated the concerns within two business days (i.e., timely).

4.4 Take Appropriate and Timely Disciplinary Action

4.4.1 Communications to Drivers on Disciplinary Decisions Adequate

We expected the following processes. SGI would communicate disciplinary decisions to drivers that commit driving offences. SGI would sufficiently explain the improper or high-risk driving actions or behaviour to the driver. SGI would communicate in writing, sanctions it is imposing as a result of offences committed. It would specify the date these sanctions are required to be completed.

Other than for sanctions resulting from interviews and manual reviews of driver histories, SGI used its AutoFund system to communicate sanctions to drivers. For sanctions resulting from interviews and manual reviews, we found SGI promptly communicated the results of driver interviews and manual reviews of driver histories.

For all of the communications we examined (medical and non-medical), SGI clearly set out the sanctions to the driver and included a summary of the driver's driving history (where applicable). Also, these communications stated the actions SGI required drivers to complete, and by when. For example, when the driver was suspended, the letter clearly stated the start and end date of the suspension, and actions if any the driver was required to complete to prevent further suspension. These letters included the escalation of sanctions that would occur if the original sanction was not completed and if another offence occurred.

4.4.2 Escalation of Disciplinary Actions Consistent with Established Process

We expected the following. SGI would follow its escalation processes when drivers continue to exhibit unsafe and high-risk driving. SGI would monitor that drivers completed required sanctions.

As noted in **Figure 1**, SGI has established a system to escalate sanctions for drivers that continue to exhibit unsafe and high-risk driving (i.e., commit numerous offences). SGI has programmed its AutoFund system to administer this system of escalating sanctions and to monitor that drivers complete required sanctions.

When SGI imposes a sanction against a driver, Driver Programs staff input deadlines for completion of the sanction into the AutoFund system (either automatically generated for an automated sanction or manually input by Driver Programs staff for an interview or manual driver history review). If the system is not notified that the driver completed the sanction prior to the deadline, the AutoFund system automatically suspends the driver and generates a letter communicating this to the driver. SGI also provides reminder letters to drivers of required sanctions prior to the deadline.

For example, if a driver is required to take a Defensive Driving Course (DDC), the system determines the course completion deadline, which is typically three months after the sanction is communicated to the driver. If the DDC instructor does not provide course results to SGI indicating the driver completed the course, the system automatically suspends the driver the day following the deadline and generates a letter communicating this to the driver.

We reviewed the programming of the AutoFund system and tested a sample of drivers. We found the AutoFund system suspended driver's licences when required sanctions were not completed by the deadline.

Also, we tested a sample of drivers that exhibited unsafe or high-risk driving behaviour that had progressed through SGI's escalation system to the interview or manual review of driver history stages. At the time of our audit, there were approximately 665 drivers at the manual review, interview, or 180-day suspension sanction stage. During our testing, we noted that SGI escalated sanctions to drivers in accordance with its established process.

5.0 SELECTED REFERENCES

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