

Chapter 26

Saskatchewan Government Insurance—Monitoring Certified Vehicle Inspection Stations

1.0 MAIN POINTS

On behalf of the Saskatchewan Auto Fund, SGI is responsible for the provincial vehicle inspection program—a program that ensures vehicles comply with vehicle safety standards.

By April 2017, SGI implemented all six recommendations we made in 2015 related to its processes to monitor and certify vehicle inspection stations. SGI developed experience requirements for motorcycle technicians. It developed a risk-based monitoring plan based on its assessments of risks related to its vehicle inspection program. In addition, it better documented the results of inspecting certified inspection stations. Lastly, SGI periodically reported to senior management on the results of its vehicle inspection program.

2.0 INTRODUCTION

The objective of the vehicle inspection program is to enhance traffic safety and provide consumer protection by ensuring vehicles comply with vehicle safety standards. The program includes certifying and monitoring about 930 certified inspection stations and more than 3,500 certified vehicle inspection technicians. It focuses on the safe driving condition of higher-risk vehicles including total-loss vehicles,¹ large commercial vehicles (e.g., buses, heavy trucks, trailers), and vehicles brought into the province from other jurisdictions.

This chapter describes our follow up of management's actions on the recommendations we made in our *2015 Report – Volume 1*, Chapter 15. In that chapter, we concluded that, for the 12-month period ended December 31, 2014, SGI did not have effective processes to monitor that certified inspection stations operated consistent with regulatory and internal policy requirements. We made six recommendations related to SGI's processes and policies.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate SGI's progress towards meeting our recommendations, we used the relevant criteria from the original audit. SGI's management agreed with the criteria in the original audit.

To perform our follow up on these recommendations, we discussed actions taken with staff and management, reviewed relevant documentation, and tested SGI's compliance with its processes.

¹ In Saskatchewan, a total loss is when the cost to repair a vehicle and the vehicle's salvage value are greater than the value of the vehicle.



3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Crown and Central Agencies agreed to the recommendation, its status as of April 11, 2017, and SGI's actions up to that date.

3.1 Motorcycle Technicians' Experience Requirements Established

We recommended that Saskatchewan Government Insurance establish clear experience requirements that motorcycle technicians must meet to become certified under the motorcycle inspection program. (2015 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

SGI developed clear experience requirements for motorcycle technicians and communicated them to inspection stations and SGI staff.

For a sample of motorcycle technicians certified in 2016, we found that their experience was documented and they met SGI's requirements.

3.2 Risks Assessed and Risk-Based Monitoring Plan Implemented

We recommended that Saskatchewan Government Insurance assess the risks for its vehicle inspection program. (2015 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

We recommended that Saskatchewan Government Insurance develop a risk-based monitoring plan for its vehicle inspection program including performance measures. (2015 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

In February 2016, SGI assessed the risks of its staff, activities, and stations not meeting the Vehicle Standards and Inspection division's objectives.

SGI identified risks, factors that reduce risk, and processes it currently used to address the risk (e.g., certification, station audits, mystery shopper program).

SGI did a more detailed assessment of each vehicle inspection station. It assigned each station a risk score based on a number of factors. Factors included length of time since the last audit, type of inspections performed, volume of inspections performed annually, and prior history of unsatisfactory reviews. In September 2016, SGI developed a monitoring plan based on each station's risk rating.

For a summary of the station audits completed in September and October 2016 that we reviewed, SGI was using the risk-based monitoring plan to direct its inspection activities. SGI plans to set targets for the number of station audits to complete in each quarter to help it achieve its plan.

3.3 Inspection Activities Documented

We recommended that Saskatchewan Government Insurance, consistent with its established processes, clearly document the results of each inspection station audit. (2015 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

We recommended that Saskatchewan Government Insurance, consistent with its established processes, clearly document that certified Preventative Maintenance Program inspection stations complete vehicle maintenance consistent with the approved preventative maintenance plan. (2015 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

In February 2016, SGI approved revised station visitation forms for inspectors to use. These forms allow for clear and complete documentation of the results of inspection station audits (including stations certified under the Preventative Maintenance Program). SGI also communicated written guidance to inspectors to use when visiting inspection stations.

For a sample of inspection audits completed in 2016, we found that SGI had clearly documented the results of each audit.



3.4 Results of Inspection Activities Reported

We recommended that Saskatchewan Government Insurance report to senior management the results of its risk-based monitoring plan activities for its vehicle inspection program. (2015 Report – Volume 1; Standing Committee on Crown and Central Agencies December 1, 2016)

Status – Implemented

Starting July 2016, SGI gave senior management quarterly reports on its vehicle inspection program activities. In addition, in April 2017, SGI developed a template for reporting on its inspection results to senior management.

The template includes a comparison of planned and actual station audits, short-notice bus inspections, and mystery shopper monitoring activities. The template also requires management to describe the results of monitoring activities and any trends identified. Where SGI identifies unfavourable trends, the template requires management to describe planned actions and strategies to address them. SGI began using the template to report its results for the first quarter of 2017.

SGI plans to add a more detailed comparison of planned and actual station audits completed once it sets quarterly targets. It expects to set quarterly targets by the end of 2017.