

Follow-Up on the 2023 Performance Audit:

Ministry of Transportation

Driver Training and Examination

// Overall Conclusion

44 Recommended Actions



27% (12)
Fully Implemented

45% (20)
In the Process of
Being Implemented

25% (11)
Little or
No Progress

3% (1)
No Longer
Applicable

The Ministry of Transportation (Ministry), as of August 31, 2025, has fully implemented 27% of actions we recommended in our 2023 audit, **Driver Training and Examination**. The Ministry has made progress in implementing an additional 45% of the recommended actions.

The Ministry has fully implemented recommendations such as reviewing academic studies and identifying potential opportunities to enhance the effectiveness of novice driver training, implementing a quality-assurance process to routinely review the completeness and appropriateness of drivers' medical assessments, and developing standard operating procedures for driver's licence ID requirements under extenuating circumstances.

The Ministry has made little progress on 25% of the recommended actions, including determining the appropriateness of the reduced G (highway) road test in assessing drivers, and implementing monitoring and enforcement tools to deter prohibited driver training services.

The Ministry noted that several themes raised through our recommendations for G-class driver examination and training are interrelated to driver training, examination and licensing programs for other commercial licence classes. To help ensure a cohesive and consistent approach to program changes, and to avoid a siloed mindset in policy review, the Ministry established a Driver Learning, Training, Examination and Licensing Task Force (Task Force) consisting of representatives from multiple divisions within the Ministry. As of August 31, 2025, the Task Force had completed its strategic principles, and a Special Projects Team has been established with an aim to complete a Novice Driver Review by December 2026. The Special Projects Team plans to use the Ministry's analyses conducted in response to **Recommendations 1, 2, 3, 4, 5, 7, 8** and **18** to inform its work. At the time of our follow up, the Ministry had not identified potential changes and related timelines for most of these recommendations.

The status of actions taken on each of our recommendations is found in the **Appendix**.

// Status of Actions Taken on Recommendations

We conducted assurance work between February and August 2025. We obtained written representation from the Ministry of Transportation that effective November 19, 2025, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

1. Driver Examinations

In our original audit, we found a pattern of novice drivers from urban areas choosing to take their G2 (city) and G (highway) road tests at rural or suburban DriveTest Centres that in many cases have less complex road test routes and higher pass rates. We also found that these novice drivers were involved in more collisions when compared to novice drivers who took their road tests at the DriveTest Centre closest to where they lived. Despite noting this trend, the Ministry had not analyzed why this was happening, its impact on road safety or whether controls should be put in place to encourage novice drivers to take road tests in the areas where they live, work or study.

We also found that the Ministry did not have proper policy analysis and evaluation to reduce the requirements for the G (highway) road test in 2022 due to backlogs created by the COVID-19 pandemic. The Ministry retained those reductions for two years longer than originally planned, after the backlogs were cleared. Approximately 54,000 drivers from other countries were not tested on important skills, such as parallel parking, three-point turns and driving in proximity to pedestrians.

In addition, the Ministry did not require a wait period after applicants failed their knowledge test. In Ontario, a knowledge test is taken prior to any in-car driving experience. Between January 2018 and March 2023, 10% (190,000) of novice drivers passed the test with more than three failed attempts within one visit, while 1% (19,000) took the test more than five times.

Recommendation 1: Action Item 1

So that driver examinations effectively assess whether novice drivers are sufficiently prepared to drive safely on Ontario's roads, we recommend that the Ministry of Transportation:

- assess the impact on road safety of novice drivers from urban areas taking their road tests at rural and suburban DriveTest Centres;

Status:  **In the process of being implemented by December 2026.**

Details

We found that the Ministry is in the process of assessing the impact on road safety of novice drivers from urban areas taking their road tests at rural and suburban DriveTest Centres. It analyzed test results, including knowledge tests, G2 (city) road tests, and G (highway) road tests, as well as post-licensing rates of injury and fatal collisions.

The Ministry plans to further analyze test results and collision data by group, such as age, sex, licence exchange status and types of collisions, to further assess travel behaviour. The Ministry expects to complete its review by December 2026.

Recommendation 1: Action Item 2

- based on that assessment, identify and put in place reasonable restrictions that prohibit urban novice drivers from taking their road test at a DriveTest Centre outside of where they live, work or study.

Status:  **Little or no progress.**

Details

Due to the sequencing of the Ministry's work under **Recommendation 1**, we found that little progress has been made toward this recommended action. The Ministry indicated that there is ongoing work to assess travel behaviours, focused on the G (highway) road test.

In early 2025, the Ministry determined that recommendations related to G driver testing and training programs are best addressed through a comprehensive review of the programs using a cohesive and consistent approach. The Ministry has established a Special Projects Team with an aim to complete a Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement this recommended action.

Recommendation 2: Action Items 1 and 2

To understand the full impact of the reduced G (highway) road test and make evidence-based decisions about the reduced test, we recommend that the Ministry of Transportation:

- conduct a thorough policy analysis of the impact of the reduced G (highway) road test, including the impact related to drivers from countries with no reciprocal driver's licence exchange agreement with Ontario;
- track and compare the collision rates of drivers who pass the reduced G (highway) road test to those who passed the full G (highway) road test over a sufficient period of time to determine if it increases road safety risk;

Status:  **In the process of being implemented by December 2026.**

Details

We found that the Ministry conducted a preliminary comparison of fatal and injury collision rates over a 12-month period pre-implementation (2018/19) and post-implementation (2022/23) of the reduced G (highway) road test to determine the impact on road safety risk.

The Ministry plans to perform further data analysis before conducting a thorough policy review to determine whether other policy options are appropriate. The Ministry expects to complete both the data analysis and policy review by December 2026.

Recommendation 2: Action Item 3

- based on these analyses, determine whether it is appropriate to continue to use the reduced G (highway) road test.

Status:  **Little or no progress.**

Details

We found that the Ministry has made little progress toward implementing this recommended action. Based on the reduced G (highway) road test data analysis mentioned under **Recommendation 2, Action Items 1 and 2**, the Ministry plans to conduct a comprehensive evaluation of the road test to better assess driving proficiency and safety awareness, using data from future years to investigate the causes of elevated risks and determine whether other policy options are appropriate. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement this recommended action.

Recommendation 3

To encourage novice drivers to study the rules of the road more effectively prior to attempting the G1 knowledge test, we recommend that the Ministry of Transportation review best practices in other jurisdictions, such as Quebec and British Columbia, and determine whether it should introduce a wait period before an individual can retake the test or limit the number of tests that can be taken in a single day.

Status:  **In the process of being implemented by December 2026.**

Details

We found that the Ministry is in the process of implementing this recommendation. It conducted jurisdictional surveys in July 2024 across Canadian provinces and leading international road safety jurisdictions. The Ministry found that other jurisdictions had wait periods that range from one to 28 days and had different driver training and examination policies.

The Ministry also conducted data analysis and found that collision risk is elevated for those drivers who required multiple test attempts to pass their knowledge test, especially if those test attempts were repeated on the same day. From this data, the Ministry suggested that a knowledge test waiting period of at least two to three days could be appropriate for Ontario.

The Ministry plans to conduct further analysis to determine the appropriate waiting period. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement this recommendation.

2. Driver Training

In our original audit, we found that the Ministry did not identify, continuously monitor and analyze root causes of high collision rates in novice drivers who took the Beginner Driver Education (BDE) time discount, which allows drivers to shorten their G1 supervised driving period and take the G2 (city) road test up to four months earlier. The Ministry also had not determined a recommended number of hours that a novice driver should practise driving, had not provided guidance to novice drivers who chose not to complete the optional BDE program, and had not assessed whether the 10 hours of driving practice included in the BDE training curriculum was sufficient.

Other than the BDE program, the Ministry did not regulate or monitor any fee-based services offered by driving schools and instructors (licensed or unlicensed). For example, some driving instructors followed driver examiners on road tests to learn the specific examination routes and manoeuvres in order to teach students to pass the road tests rather than teaching a comprehensive skill set required for safe driving.

The Ministry did not effectively oversee the schools and instructors that provide BDE. The Ministry's oversight program focused primarily on documentation reviews during compliance audits, making it difficult for Ministry staff to gain insights into the schools' day-to-day operations. The Ministry also did not consistently follow up on violations noted in compliance audits to confirm that driving schools had addressed them.

The Ministry did not have a policy to determine what kind of follow-up actions were necessary to address violations reported through compliance audits of BDE schools. We engaged a firm to conduct mystery shops at high-risk driving schools and found that 11 of the 14 mystery shop investigators received BDE certificates from the driving schools with less than the required 10 hours of in-car training.

Recommendation 4: Action Item 1

So that novice drivers are better prepared to drive safely on Ontario's roads, we recommend that the Ministry of Transportation:

- review and identify opportunities to enhance the effectiveness of the Beginner Driver Education program (program) for novice drivers, including the sufficiency of the existing minimum number of driving practice hours;

Status:  **Fully implemented.**

Details

We found that the Ministry reviewed academic studies and identified potential opportunities to enhance the effectiveness of novice driver training, including additional learning components and modules, and computerized hazard-perception training. The Ministry also surveyed North American and international jurisdictions, as mentioned in **Recommendation 3**, to identify programs with time discounts and to learn about the minimum recommended number of practice driving hours.

Recommendation 4: Action Items 2, 3 and 4

- based on leading practices in other jurisdictions, reassess the time discount provision that allows novice drivers to shorten the supervised driving period after the completion of the program;
- based on its review of these areas, implement necessary changes to improve the program;
- subsequent to making changes to the program, determine whether all novice drivers should be required to complete the program.

Status:  **Little or no progress.**

Details

Due to the sequencing of the Ministry's work under **Recommendation 4**, we found that the Ministry has made little progress toward implementing these recommended actions. The Ministry is currently determining how the approaches to enhancing the effectiveness of novice driver training it identified in **Recommendation 4, Action Item 1** would translate in the context of Ontario's program requirements.

To better understand collision patterns in new drivers, the Ministry also analyzed Ontario collisions data from 2018 to 2023, noting that driver demographics had an impact on road safety. For example, the risk of young male drivers causing collisions decreases 24 months after obtaining a G2 (city) driver's licence when compared to other drivers.

The Ministry's data analysis noted a decrease of collision risk for all novice drivers in the 24 months after obtaining their G2 (city) licence, with novice drivers who took the BDE time discount showing a higher rate of causing collisions for about six months after obtaining their G2 licence. To further assess the collision risk of this group, the Ministry performed additional data analysis, noting that the apparent initial increase in collision risk is likely attributable to greater exposure to opportunities to get into a collision. Novice drivers who took the BDE time discount may drive more than drivers who did not, and potentially may be more likely to have ready access to a vehicle, be employed or drive on major highways.

We found that despite the research completed, the Ministry has made little progress toward reassessing and implementing changes to improve the BDE training program. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement these recommended actions.

Recommendation 5: Action Item 1

So that novice drivers are well prepared to drive safely on Ontario roads, and to protect the integrity of the Ministry's driver examination process, we recommend that the Ministry of Transportation:

- review the types of driver training services available in the marketplace (including the practice of route training) and assess their impact on novice drivers and on the integrity of the driver examination process;

Status:  **In the process of being implemented by December 2026.**

Details

We found that, subsequent to our 2023 audit, the Ministry conducted a social media scan to examine potential problematic services. The Ministry found advertisements for route training, non-Ministry-licensed instructors, pass-on-first-attempt guarantees, low-priced lessons and the selling of BDE program certificates. The Ministry also conducted data analysis that suggests that more expensive BDE courses correlate with higher road test pass rates and lower at-fault collisions.

The Ministry's jurisdictional scan, mentioned in **Recommendation 3**, noted that route training is considered cause for concern, with some jurisdictions issuing penalties and fines, and establishing "red zone" maps showing where driving schools are not allowed to conduct training. The Ministry concluded that potential mitigation approaches include investigation and enforcement to stop route-training practices and having longer and more variable road tests. The Ministry plans to conduct further analysis of the feasibility of implementing mitigation approaches to ensure it selects an optimal approach to potential program changes.

By December 2026, the Ministry plans to conduct an additional survey of driving instructors and students to better understand what leads to route training and assess how best to address it.

Recommendation 5: Action Items 2 and 3

- based on that assessment, propose regulatory changes to prohibit driver training services that compromise the Ministry's ability to assess the driving skills of novice drivers through the Ministry examination process;
- implement monitoring and enforcement tools to deter prohibited driver training services.

Status:  **Little or no progress.**

Details

Due to the sequencing of the Ministry's work under **Recommendation 5**, we found that the Ministry has made little progress toward implementing these recommended actions. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement these recommended actions.

Recommendation 6: Action Items 1, 2 and 3

To strengthen the oversight of driving schools, we recommend that the Ministry of Transportation:

- develop and implement a formal policy to require timely on-site follow-ups at driving schools where audits identified either serious or a high number of compliance violations to assess if the violations have been resolved;
- develop and implement a strategy for routinely conducting cost-effective mystery shops on driving schools that it identifies as high-risk;
- regularly document and assess progress reported through follow-ups with driving schools to direct the Ministry's future oversight and enforcement actions.

Status:  **In the process of being implemented by December 2026.**

Details

We found that, in 2024, the Ministry conducted a total of 195 audits with 86 sanctions (44%) issued to driving schools. The Ministry issued standardized warning and non-compliance letters to driving schools with serious or a high number of compliance violations, and revoked the licences of seven schools. The Ministry also re-audited a number of driving schools in 2024/25 to follow up on the previous year's audit findings of compliance violations. The Ministry developed a tool to track the findings from driving school audits and to assess progress toward addressing previous violations. It is also formalizing follow-up requirements for its audit process, during which it plans to develop a documented assessment of driving schools' progress toward addressing violations.

In October 2024, the Ministry engaged a third-party consultant to develop a risk-based oversight model with escalating sanctions for Ontario's driver training programs, including timely follow up with driving schools for compliance violations.

After it receives recommendations from the consultant by December 2025, the Ministry plans to implement a strategy for conducting mystery shops on driving schools. To avoid delays, in December 2024, the Ministry contracted two firms who started performing mystery shops on driving schools in early 2025. The mystery shops identified a nearly 40% rate of non-compliance with driver training standards, and the Ministry is reviewing these cases. Potential consequences for non-compliant driving schools could include revocation of driving instructor and driving school licences.

The Ministry also engaged a third-party advisor to further refine its approach to enforcement actions. Once it receives recommendations from its advisor, the Ministry plans to develop a risk-based oversight model and policy by December 2026.

3. Graduated Licensing System May Not Adequately Prepare Less-Experienced Drivers from Other Countries to Drive in Ontario

In our original audit, we found that the Ministry allows different exceptions to the Graduated Licensing System examination requirements for drivers from other countries that do not have a reciprocal driver's licence exchange agreement with Ontario. For example, drivers who have less than two years of driving experience from other countries (about 60% or 78,000) were not required to wait for a 12-month period before taking their G2 (city) road test. After passing both the G2 (city) and G (highway) road tests, these drivers had a significantly higher collision rate (6.31%) when compared to the average newly licensed G-class drivers in Ontario (3.60%).

Recommendation 7: Action Items 1 and 2

To better prepare novice drivers from other countries for driving in Ontario, we recommend that the Ministry of Transportation:

- research whether drivers from other countries have unique challenges that may contribute to their involvement in a higher proportion of collisions;
- reassess the impact of waiving the 12-month wait period between the G1 (knowledge) and G2 (city) road test;

Status:  **In the process of being implemented by December 2026.**

Details

We found that, subsequent to our audit, the Ministry reviewed academic studies on the driving behaviours of newcomers and researched approaches taken in jurisdictions in Canada, North America and Europe for licensing drivers from countries without reciprocal licence exchange agreements. The Ministry also analyzed Ontario collisions data from 2021 to 2024 and identified that young male drivers from countries without a reciprocal licence exchange agreement presented a higher risk of causing collisions during the first year after obtaining a G-class licence. The Ministry is assessing the results of its research and collisions data analysis to determine whether any changes to the current licensing process are necessary.

As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, including an assessment of the impact of waiving the 12-month waiting period for newcomers.

Recommendation 7: Action Item 3

- based on the results of Ministry research and reassessment, make necessary changes to the training and examination programs.

Status:  **Little or no progress.**

Details

Due to the sequencing of the Ministry's work under **Recommendation 7**, we found that the Ministry has made little progress toward implementing this recommended action. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement this recommended action.

4. Monitoring High-Risk Licensed Drivers

In our original audit, we found that the Ministry did not identify drivers who may be of higher risk to cause collisions based on a history of repeat driving offences and suspensions. The Ministry may require retraining courses for drivers only after they were convicted in court of serious offences such as careless driving causing bodily harm. In 2022, the Ministry required only about 5% of over 2,500 drivers who received two or more suspensions in the same year to complete courses on driver improvement or defensive driving.

In addition, the Ministry did not specifically test the driving skills of drivers 80 and older. The Ministry used a cognitive test that required the drivers to draw a clock but did not examine motor function and co-ordination, concentration, hearing ability, spatial perception and reaction time.

As well, the Ministry did not have a program to routinely reach out to medical practitioners to increase awareness of the need to report medical conditions that make it dangerous for a person to drive. The Ministry was unable to quantify the number of unreported cases of drivers with medical conditions. We also found that the Ministry did not always document its decision to reverse suspensions of drivers who had earlier been found to be medically unfit to drive.

Recommendation 8: Action Item 1

To encourage road safety and provide early remedial measures for drivers with a history of repeat driving offences and suspensions, we recommend that the Ministry of Transportation:

- routinely identify drivers with a record of repeat driving offences and suspensions who Ministry data indicates are at increased likelihood to cause a collision;

Status:  **In the process of being implemented by December 2025.**

Details

We found that the Ministry reviewed academic studies and approaches in other jurisdictions to remedy the collision risk of high-risk drivers. The Ministry also analyzed Ontario driver and collisions data from 2011 to 2023 to identify high-risk and low-risk groups of drivers. In its analysis, the Ministry focused on identifying combinations of events in drivers' records that indicate an elevated risk of causing a collision but may not otherwise trigger a sanction. Examples include demerit points or referral to a retraining program.

Based on this research and analysis, the Ministry is working to develop a scoring system to routinely detect high-risk drivers to refer to remedial training by December 2025.

Recommendation 8: Action Item 2

- expand the criteria for requiring drivers to complete remediation and retraining to include these drivers.

Status:  Little or no progress.

Details

Due to the sequencing of the Ministry's work under **Recommendation 8**, we found that the Ministry has made little progress toward implementing this recommended action. The Ministry is assessing its research and data analysis of high-risk driving patterns to determine whether it is necessary to expand the criteria for requiring drivers to complete remediation measures, based on the scoring system it is developing under **Recommendation 8, Action Item 1**. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement this recommended action.

Recommendation 9: Action Items 1 and 2

To enhance road safety for the growing number of elderly drivers, we recommend the Ministry of Transportation review and adopt best practices from other jurisdictions, such as:

- re-examining elderly drivers' driving skills;
- requiring regular medical assessments for all drivers 80 and older.

Status:  Fully implemented.

Details

We found that the Ministry has fully implemented this recommendation. Subsequent to our 2023 audit, the Ministry conducted a jurisdictional scan and literature review, indicating that five Canadian provinces, multiple European countries and some Australian jurisdictions require medical assessments for elderly drivers when renewing their licences. Most US states primarily require elderly drivers to meet vision requirements for licence renewal, typically at shorter intervals compared to the general population. The Ministry concluded that repeated road tests or medical assessments for elderly drivers do not have strong associations with improved road safety outcomes.

The Ministry noted that its literature review suggests that requirements to reassess the ability of elderly drivers to drive safely can limit their mobility. Further, the Ministry's research indicates that in-person licence renewal combined with vision screening was relatively more useful in improving road safety outcomes among elderly drivers. The Ministry's view is that more stringent age-based licence-renewal requirements, such as mandatory road tests and medical examinations, can lead to early driving cessation among the elderly, potentially leading them to rely on transportation alternatives and reducing their independence.

Based on its work, the Ministry determined that it would not require re-examination of elderly drivers' driving skills and would instead increase education and awareness of a fitness-to-drive self-assessment to promote healthy driving cessation, and support physicians to more effectively identify seniors' age-related road safety risk. The Ministry is currently in the process of drafting the self-assessment tool that will be posted on its website.

Recommendation 10

For more complete and timely identification, assessment and suspension of drivers with high medical risks, we recommend that the Ministry of Transportation periodically conduct educational and outreach initiatives to increase awareness among doctors, nurses and optometrists to report patients for medical assessment.

Status:  **In the process of being implemented by December 2025.**

Details

We found that the Ministry is in the process of periodically engaging and increasing awareness among medical professionals to report patients for medical assessment. In 2024, the Ministry updated the forms that doctors and other medical professionals use to report medical concerns about drivers. Further, the Ministry updated the form specific to mental health assessments to better connect medical assessments with driver fitness standards, and expects to finalize updates to the cardiovascular conditions form by December 2025.

The Ministry indicated that it has approached the Ontario Medical Association and Ministry of Health regarding opportunities to conduct learning engagements with doctors and will confirm its engagement approach by December 2025 as it releases additional updated forms along with related guidelines.

Recommendation 11: Action Item 1

To help ensure that decisions to suspend driver's licences are based on all medically relevant information, and that the suspension decisions are consistent and adequately supported, we recommend that the Ministry of Transportation:

- redesign the forms doctors use to provide condition-specific medical information to the Ministry to include all necessary information, such as test or treatment results;

Status:  **In the process of being implemented by December 2025.**

Details

We found that, based on feedback from a Ministry 2024 survey of doctors, the Ministry redesigned the form doctors use to initially notify the Ministry that drivers may have medical conditions that decrease their ability to drive safely. This form is redesigned to improve clarity and remove non-essential information.

The Ministry has also worked to revise the forms doctors complete to provide additional information regarding two specific medical conditions after the initial notification. The Ministry is updating the form for cardiovascular conditions to require information about certain markers of heart function, and started using an updated form for mental health conditions requiring information about adherence to treatment programs. The Ministry plans to begin using the new cardiovascular form in December 2025, after its doctor stakeholder group has completed a review of the updated form.

Recommendation 11: Action Item 2

- require medical assessors to consistently document their rationale for decisions related to complex driving suspensions and reinstatements;

Status:  **Fully implemented.**

Details

We found that in March 2025, the Ministry created a training team that prepared over 60 training modules covering the Ministry's medical standards and assessment procedures. The Ministry used these modules in training sessions and made them available to staff to use as reference materials. In August 2025, the Ministry also communicated to staff who complete assessments of drivers' medical fitness the requirement to document the rationale for decisions related to complex driving suspensions and reinstatement. This communication also listed best practices to help staff with documenting their assessments, such as including relevant facts and outlining outcomes and next steps related to the assessment.

Recommendation 11: Action Item 3

- implement a quality-assurance process to routinely review the completeness and appropriateness of medical assessments.

Status:  **Fully implemented.**

Details

We found that in May 2025, the Ministry enhanced the capabilities of its case management system to allow for auditing of staff's assessments of medical reports. In June 2025, the Ministry began conducting monthly quality-assurance audits, through which managers review a sample of staff's assessments, and record the results of the audits in a centralized document where potential concerns and training opportunities can be identified. Each staff member is selected at least once annually for an audit of the assessments they completed that month. In September 2025, the Ministry summarized the results from three months of quality-assurance audits, noting minor issues such as timeliness of processing a case.

5. Driver Examination Services Contract Management and Oversight

Under agreements with the Ministry, a service provider (Plenary) has provided driver examination services through a subcontractor (Serco). In our original audit, we found that the Ministry's contract management and oversight functions were ineffective as Plenary/Serco's performance failures were not addressed even after the Ministry attempted to hold the service provider accountable. The Ministry did not consistently evaluate the driver examination services, including road tests, provided by Plenary/Serco and the Ministry paid additional funds to maintain service levels even though costs and risks related to providing drive examination services were Plenary/Serco's responsibility. The Ministry estimated that the COVID-19 pandemic relief it provided to Plenary totalled about \$35 million. Despite issues of poor performance and disputes over penalties, the Ministry awarded a new contract to the same service provider without competition.

Our original audit also found that Plenary's subcontractor had reached outside its subcontract to communicate directly with the Ministry, for example, to request additional funds or reductions to services offered, weakening the Ministry's ability to rely on and effectively enforce the terms of the contract.

Recommendation 12: Action Item 1

To better motivate the service provider to improve service rather than incur penalties, and to hold the service provider accountable for contract deliverables, we recommend that the Ministry of Transportation:

- design and implement performance measures that incorporate effective penalties for performance failures, including delays in contract deliverables;

Status:  **In the process of being implemented by December 2025.**

Details

We found that the Ministry engaged a third-party advisor in 2024 to analyze and design the future service delivery model for driver examination services. The scope of the engagement includes performance measurement and management. In September 2024, the Ministry received recommendations for service delivery options and performance measurement, such as implementing more frequent audits based on a risk matrix, and offering awards for exceeding performance outcome targets as an alternative to financial penalties for poor performance or non-compliance. The Ministry plans to develop detailed performance management processes to be incorporated into the future service delivery model by December 2025.

Recommendation 12: Action Item 2

- collect an upfront contingency deposit for performance penalties based on historical records;

Status:  Little or no progress.

Details

We found that the Ministry has made little progress toward implementing this recommended action. The Ministry plans to assess the approach recommended by its third-party advisor during the design and development of the future service delivery model (see **Recommendation 12, Action Item 1**).

Recommendation 12: Action Item 3

- design and implement incentives (in addition to penalties) to promote compliance and appropriate responses from the service provider.

Status:  In the process of being implemented by December 2025.

Details

As mentioned in **Recommendation 12, Action Item 1**, the Ministry plans to develop detailed performance management processes, including performance incentives and penalties, to be incorporated into the future service delivery model by December 2025.

Recommendation 13

To promote effective contract management and relations between the Ministry of Transportation and its service provider, and to avoid undermining the contractual position of the Ministry, we recommend that the Ministry ensure that communications with contractors use appropriate contract channels.

Status:  Fully implemented.

Details

We found that the Ministry has reduced the service provider's need to seek engagement through non-contract channels (for example, through subcontractors) by enhancing recurring communication through appropriate contract channels. In 2024, the Ministry started meeting with senior-level executives of the service provider on a quarterly basis and plans to continue these meetings going forward.

Recommendation 14

To better monitor and report on the driver examination service provider's compliance and performance, we recommend that the Ministry of Transportation strengthen its audit function by implementing a program of risk-based audits to examine all key operational processes of driver examination services, including road tests.

Status:  **In the process of being implemented by December 2027.**

Details

We found that, in February 2025, the Ministry created a standard operating procedure that uses risk levels to monitor and identify DriveTest Centres with a higher rate of transaction errors. This helps the Ministry allocate resources to evaluate the service provider's performance. On a monthly basis, Ministry staff track instances of the service provider's non-compliance. The findings determine the risk level of each DriveTest Centre's location, which Ministry staff are to monitor during the following month.

The Ministry's risk-based approach is mainly focused on administrative transactions and has not yet covered all key operational areas, such as road tests. During 2024, the Ministry worked with the service provider to track how road tests are conducted. The Ministry, in collaboration with the service provider, implemented internal controls at the service provider to detect and self-report unusual activity to the Ministry.

In 2025, our Office commenced an audit of Commercial Truck Driver Licensing, which also included a review of the Ministry's oversight of driver examination services. Considering the timing of our 2025 audit, the Ministry intends to use DriveTest tablet data to integrate stronger audit procedures, such as a monthly review of road test scoring variances, into its audit program of DriveTest Centre operations and conduct independent evaluations of service providers' controls by December 2027.

Recommendation 15: Action Item 1

To provide for better accountability of funds provided to third parties for driver examination services to Ontarians, we recommend that the Ministry of Transportation:

- administer contracts such that risks and costs are allocated between the parties in accordance with contractual terms;

Status:  Fully implemented.

Details

We found that the Ministry has fully implemented this recommendation. After our 2023 audit, the Ministry consistently administered its contractual terms and assessed the service provider's performance monthly. The Ministry applied penalties to the service provider for performance failures according to the contract.

Recommendation 15: Action Item 2

- conduct thorough reviews on all relief, subsidization or reimbursement requests from service providers and render decisions that are consistent with the Ministry's contractual obligations.

Status:  No longer applicable.

Details

The Ministry has not received any new relief, subsidization or reimbursement requests from the service provider since our 2023 audit and does not expect any, similar to those received during the COVID-19 pandemic, before the current contract ends in September 2026. As of October 2025, the Ministry is modernizing the driver examination service delivery model and will undergo a procurement process to contract a service provider, if needed, once the new model is determined.

Recommendation 16: Action Items 1 and 2

To provide for more effective oversight of driver examination service providers, and to provide Ontarians with better quality of service, we recommend that the Ministry of Transportation:

- ensure adequate lead time to comply with government policies on procurement when contracting with a service provider;
- consider past performance in negotiating future contracts;

Status:  **In the process of being implemented by September 2026.**

Details

We found that the Ministry is in the process of implementing these recommended actions. The service provider continues to operate under its current model, with the Ministry's third-party advisor recommending a one-year extension and a transition plan. This approach allows the Ministry adequate time to gradually shift to a new service model and to help ensure its contract selection process complies with government policies.

As mentioned in **Recommendation 12, Action Item 1**, the Ministry engaged a third-party advisor to support the analysis and design of the future service delivery model for driver examination services, which took into account the past performance of its current service provider. The advisor also recommended a combination of digital transformation, updated contracts and model changes to address key challenges in the past performance from the current provider.

The Ministry plans to assess and incorporate recommendations it has received from the advisor as it finalizes its design for the future service delivery model. The Ministry will then seek approval from the Treasury Board as it moves forward with a proposed delivery model by September 2026.

Recommendation 16: Action Items 3 and 4

- compare its experience relative to other Canadian provinces to identify best practices in structuring driver examination services;
- use independent research to immediately evaluate the costs and benefits of various options for an examination service delivery partnership.

Status:  **Fully implemented.**

Details

We found that the Ministry has fully implemented these recommended actions. The Ministry engaged an independent third-party advisor to conduct a jurisdictional scan of over 40 North American and global jurisdictions that identified various approaches to delivering driver examination and licensing. Overall, the scan, which was delivered in April 2023, identified options to help the Ministry design its future service delivery model for driver examination services.

A separate third-party advisor also evaluated the costs and benefits to deliver examination services under different models. This assessment included key aspects, such as financial, operational, organizational, legislative, program and technological capabilities. As mentioned above, the Ministry plans to assess and incorporate recommendations it has received from the two advisors as it finalizes its design for the service delivery model.

6. Ministry Overrode Its Own Proof of Identification Requirements When Issuing Driver's Licences

In our original audit, we found that the Ministry authorized the use of expired or substandard IDs when issuing Ontario driver's licences in over 1,000 special circumstances approvals since 2019. Most were allowed to proceed without consistent standards or a documented rationale. For applicants who were experiencing extenuating circumstances, the Ministry did not know how many licensing-request escalations were received in total.

In addition, of the 30 exceptions we reviewed, we found that there were no internal guidelines or documented rationale for approving or denying exception requests and that there was little to no verification of the validity of the presented documents. Also, requests from MPPs were more likely to be approved.

Recommendation 17: Action Items 1, 2 and 3

To better prevent fraud and identify theft, we recommend that the Ministry of Transportation:

- develop internal guidelines and formal procedures to evaluate and document the extenuating circumstances for ID escalations;
- educate Serco and ServiceOntario staff on these guidelines and procedures;
- put in place a process to monitor that these guidelines and procedures are followed.

Status:  Fully implemented.

Details

We found that the Ministry has fully implemented these recommended actions. It developed an internal standard operating procedure for driver's licence and Ontario Photo Card escalations in October 2024. The procedure outlines which documents are required and acceptable to verify a driver's identity. It also contains guidelines for what combination of documents may be considered "sufficient information" for identification in extenuating circumstances. The Ministry reviewed the process with its staff and provided an escalation request email template for Serco and ServiceOntario staff. Ministry staff, Serco and ServiceOntario began using this new process on January 1, 2025.

The Ministry's standard operating procedure requires Ministry staff to retain documents for team leads to conduct audits twice a year to ensure procedures and policies are applied consistently. We found that the Ministry completed its first semi-annual audit in August 2025. Team leads reviewed 29 escalations between January and June 2025 and concluded that the procedures were followed in all cases.

7. Ministry Did Not Incorporate Key Safety Data When Determining the Effectiveness of Its Road Safety Programs

In our original audit, we found that the Ministry did not include key road safety data, other than the rate of collision-related fatalities, in its Ontario Road Safety Annual Report 2020 when assessing safety on Ontario's roads. The Ministry also did not routinely leverage data from sources outside its own information systems to measure program outcomes, including the impact of policy changes.

Recommendation 18: Action Items 1 and 2

To measure the effectiveness of its driver training and examination programs on a timely basis, we recommend that the Ministry of Transportation:

- expand the use of business intelligence tools to conduct additional analytics that leverage data from related information systems, linking driver information to the driver examination, collisions and driver medical databases;
- establish a comprehensive set of road safety indicators, including those related to collision rates, based on the objectives of its driver training and examination programs;

Status:  **In the process of being implemented by December 2026.**

Details

We found that the Ministry incorporated driver examination data into its information management and analytics system, which enabled analyses such as collision rates of drivers who travel for their road tests, as mentioned under **Recommendation 1, Action Items 1 and 2**. These analyses are performed on an ad hoc basis.

The Ministry implemented a Power BI (business analytics) dashboard to track data related to oversight of driver training programs. The Ministry has not yet expanded the use of such a tool to link driver information to collisions data, driver examination, training and medical information.

The Ministry identified a potential set of key performance indicators, including those related to collision rates, to internally monitor program performance through a data analytics dashboard. The Ministry is validating the methodology and results of these potential performance indicators to ensure their accuracy before proposing them as part of a set of road safety indicators. This validation is expected to be completed by December 2026, when the Ministry plans to identify which road safety indicators to implement.

Recommendation 18: Action Item 3

- monitor its driver training and examination programs using these indicators, report on the results annually.

Status:  **Little or no progress.**

Details

Due to the sequencing of the Ministry's work under **Recommendation 18**, we found that the Ministry has not established a process to monitor and report on its driver training and examination programs. As mentioned in **Recommendation 1, Action Item 2**, the Ministry's Special Projects Team is expected to complete its Novice Driver Review by December 2026, at which point the Ministry expects to determine what program changes may be necessary to implement this recommended action.

// Appendix

Recommendation Status Overview

	# of Action Items	Fully Implemented 	In the Process of Being Implemented 	Little or No Progress 	Will Not Be Implemented 	No Longer Applicable 
Recommendation 1	2		1	1		
Recommendation 2	3		2	1		
Recommendation 3	1		1			
Recommendation 4	4	1		3		
Recommendation 5	3		1	2		
Recommendation 6	3		3			
Recommendation 7	3		2	1		
Recommendation 8	2		1	1		
Recommendation 9	2	2				
Recommendation 10	1		1			
Recommendation 11	3	2	1			
Recommendation 12	3		2	1		
Recommendation 13	1	1				
Recommendation 14	1		1			
Recommendation 15	2	1				1
Recommendation 16	4	2	2			
Recommendation 17	3	3				
Recommendation 18	3		2	1		
Total	44	12	20	11	0	1
%	100	27	45	25	0	3