

## Auditor General’s Value-for-Money Audit

On December 1, 2021 the Auditor General of Ontario issued a [report](#) on its audit of the Ontario Motor Vehicle Industry Council (OMVIC). In the report, the Auditor General made 30 recommendations (with 70 action items) to strengthen our ability to effectively fulfil our mandate. Of these, 24 recommendations (with 61 action items) are directed at OMVIC either in whole or in part. OMVIC welcomes the opportunity this report provides to strengthen our operations and enhance our effectiveness in protecting consumers and upholding industry professionalism in Ontario. The implementation progress of these recommendations will be reported publicly on a quarterly basis.

### Ontario Motor Vehicle Industry Council Implementation Plan on the Auditor General of Ontario’s Value-for-Money Audit Recommendations

Note: Statuses noted are based on the Ontario Motor Vehicle Industry Council’s self-assessment. Final assessment will be completed by the Auditor General of Ontario.

#### **RECOMMENDATION 1**

**To confirm that applicants seeking to register as motor vehicle dealers can be expected to be financially responsible in the conduct of their business, as required by the *Motor Vehicle Dealers Act, 2002*, we recommend that OMVIC:**

<b>Action Item</b>	1.1. Implement a revised registration application review process, which includes assessing whether motor vehicle dealers have adequate start-up funding to operate their business.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Revise the New Dealer application form.</li> <li>Develop policies/procedures to assess applicant’s financial strength.</li> <li>Implement a requirement for dealer applicants to provide a business plan.</li> <li>Update OMVIC’s IT system to accommodate changes.</li> <li>Communicate changes to applicants/registrants/stakeholders.</li> </ul>

<b>Action Item</b>	<b>1.2.</b> Train its registration staff on its future updated application review process so that it is consistently applied by all registration staff when reviewing new motor vehicle dealer applications.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Update New Dealer application procedure based on dealer class.</li> <li>• Train staff, including Senior Registration Officers and phone enquiry team.</li> <li>• Establish application review manual.</li> <li>• Develop sample business plan.</li> <li>• Create FAQs for internal and external purposes.</li> <li>• Implement monthly meetings with senior registration staff to monitor consistency of process.</li> </ul>

## **RECOMMENDATION 2**

**To enhance consumer protection, and increase recoveries to the Compensation Fund, we recommend that OMVIC:**

<b>Action Item</b>	<b>2.1.</b> Update its registration policies to require a letter of credit from every motor vehicle dealer at the time of registration.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Consult with the Compensation Fund Board of Trustees to obtain their recommendations and advice.</li> <li>• Update letters of credit policy.</li> <li>• Update registration procedures.</li> <li>• Update the New Dealer application form.</li> <li>• Train staff.</li> <li>• Communicate changes to applicants/registrants/stakeholders.</li> <li>• Update OMVIC's IT system to accommodate the changes.</li> </ul>

<b>Action Item</b>	<b>2.2.</b> Extend the time frame that it holds a letter of credit past the closure of the dealership.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct a jurisdictional scan for practices used by other regulators and administrative authorities.</li> <li>• Consult with the Compensation Fund Board of Trustees on the optimal time frame to hold letter of credit before returning it to the former registrant.</li> <li>• Ensure updated letter of credit policy reflects extended time frame.</li> <li>• Train staff.</li> </ul>

### **RECOMMENDATION 3**

To enforce consumer protection in the motor vehicle industry, and to ensure that motor vehicle dealers and salespersons are up to date on changes to the *Motor Vehicle Dealers Act, 2002*, we recommend that the Ministry of Government and Consumer Services:

<b>Action Item</b>	<b>3.1.</b> Introduce mandatory continuing education requirements for motor vehicle dealers and salespersons.
<b>Status</b>	<b>Ministry Recommendation</b>

### **RECOMMENDATION 4**

So that OMVIC can meet its target to process applications for new motor vehicle dealer registrations in a timely manner, we recommend that OMVIC:

<b>Action Item</b>	<b>4.1.</b> Work with motor vehicle stakeholder groups to review and revise its application and application process so that it is clear to applicants what specific supporting documents they are required to provide with their application.
<b>Status</b>	In Progress. Target Completion: June 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Solicit feedback from stakeholders on ways to simplify and clarify the application form.</li><li>• Review feedback and revise the New Dealer application form.</li><li>• Implement changes to form.</li><li>• Update OMVIC's IT system to accommodate changes.</li><li>• Train staff on changes to form.</li><li>• Communicate changes via website and bulletins.</li><li>• Create FAQs and publish them on OMVIC's website.</li><li>• Change Registration team's phone/email greetings as required.</li></ul>

<b>Action Item</b>	<b>4.2.</b> Perform a cost-benefit analysis of implementing an electronic version of the application process with built-in controls to prevent incomplete applications from being submitted.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Evaluate remaining work required on OMVIC's IT system to implement electronic version of application process for all application forms.</li><li>• Seek Board of Directors' approval.</li><li>• Complete all development including system testing and training.</li></ul>

<b>Action Item</b>	<b>4.3.</b> After completing these steps, perform a workload study to determine appropriate staffing levels to process applications within its targeted time frame.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Upon implementation of the new application process, complete workload study to determine optimum resource requirements at all staffing levels.</li> <li>• Implement workload study.</li> <li>• Provide training to new staff as necessary.</li> <li>• Educate dealer applicants to file applications online. Educational tools will include publishing sample videos on OMVIC's website, promoting the benefits of online application submission and sending bulletins.</li> </ul>

### **RECOMMENDATION 5**

**So that OMVIC can meet its target to inspect all registered motor vehicle dealers within the required time frame, and so that dealers are inspected based on their risk of non-compliance, we recommend that OMVIC:**

<b>Action Item</b>	<b>5.1.</b> Develop a risk framework (for example, high, medium and low) and assign an inspection frequency to each level of risk.
<b>Status</b>	Completed
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>• Developed new policies/procedures on motor vehicle dealer risk levels.</li> <li>• The inspection frequency is based on the risk level: low (5 years), medium (3 years), and high (1 year).</li> <li>• Inspections team received the new policy/procedures manual and was trained on the new policies/procedures.</li> </ul>
<b>Next Steps</b>	This Action Item has been completed.

<b>Action Item</b>	<b>5.2.</b> Determine and assign a risk level and inspection frequency to each motor vehicle dealer.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop new functionality in OMVIC's IT system which assesses the risk level, determines inspection frequency, and schedules inspections.</li> <li>• Once developed, inspectors will use this functionality to schedule inspections.</li> </ul>

<b>Action Item</b>	<b>5.3.</b> Put in place systems to ensure that each dealer is scheduled for and receives an inspection based on its assigned risk level.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop new functionality in OMVIC's IT system which assesses the risk level, determines inspection frequency, and schedules inspections.</li> <li>• Once developed, inspectors will use this functionality on an ongoing basis to schedule inspections.</li> </ul>

<b>Action Item</b>	<b>5.4.</b> Put in place systems to reassess each dealer's risk level on an ongoing basis.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop new functionality in OMVIC's IT system which assesses the risk level, determines inspection frequency, and schedules inspections.</li> <li>• Once developed, inspectors will use this functionality to schedule inspections.</li> </ul>

<b>Action Item</b>	<b>5.5.</b> Perform a cost-benefit analysis on implementing an information system that can continually assess the risk of each dealer and assign an appropriate inspection frequency based on the dealer's risk level.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop a business case on new functionality in OMVIC's IT system which assesses risk level, determines the inspection frequency, and schedules the inspection.</li> <li>• Discuss business case with IT Steering Committee.</li> </ul>

<b>Action Item</b>	<b>5.6.</b> Assess the workload of inspectors and ensure that OMVIC has sufficient staff to carry out and complete annually assigned inspections on a timely basis.
<b>Status</b>	In Progress. Target Completion: March 2023
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>• Conducted a workload study of the Inspections team to determine optimum staffing levels.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Implement the workload study.</li> </ul>

## **RECOMMENDATION 6**

**So that OMVIC’s inspectors carry out inspections of motor vehicle dealers consistently and effectively, we recommend that OMVIC:**

<b>Action Item</b>	6.1. Develop and implement an inspection oversight process that includes an inspection file review and documented assessment of whether inspections are carried out effectively and consistently.
<b>Status</b>	In Progress. Target Completion: December 2022 (policy/procedure), December 2023 (IT system functionality)
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Develop policy/procedures outlining inspection oversight process.</li><li>• Develop new functionality in OMVIC’s IT system which can document inspection file review/assessment.</li><li>• Train staff.</li></ul>

<b>Action Item</b>	6.2. Where inconsistencies are identified, take steps to facilitate corrective action.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Inspections management team will adhere to the new inspection oversight policy/procedures and take appropriate corrective action when required.</li></ul>

<b>Action Item</b>	6.3. Periodically rotate inspectors in geographic areas when it is feasible to do so.
<b>Status</b>	In Progress. Target Completion: 2023 (policy implementation)
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Implement policy/procedure requiring regular rotation of inspectors in the Greater Toronto Area.</li></ul>

## **RECOMMENDATION 7**

**So that violations of the *Motor Vehicle Dealers Act, 2002* and the relevant sections of the *Consumer Protection Act, 2002* are corrected by motor vehicle dealers on a timely basis, we recommend that OMVIC:**

<b>Action Item</b>	7.1. Develop and implement a framework with appropriate time frames that provides guidance to inspectors on the types of violations of the acts that should be reviewed with a follow-up inspection.
<b>Status</b>	In Progress. Target Completion: December 2022 (policy/procedure), Staff hiring (if necessary) will be completed by 2024
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>The former Business Standards team was repurposed into the new Dealer Support team in July 2021. The new Dealer Support team is working with the Inspections team to address non-compliance issues.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Determine and implement the optimum resource requirements for the Dealer Support team.</li> <li>Establish new Policy team responsible for developing compliance related guidance documents and support dealers with achieving compliance. Policy team will work with Inspections and Dealer Support teams to improve compliance.</li> <li>Develop new process with appropriate policies/procedures on how inspection follow-ups will take place.</li> <li>Train staff.</li> <li>Complete the required staff hiring if necessary.</li> </ul>

<b>Action Item</b>	7.2. Ensure that follow-up inspections are performed in accordance with this framework.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Adhere to the inspection follow-up process outlined in the policies/procedures.</li> <li>Train staff.</li> </ul>

**RECOMMENDATION 8**

**To improve motor vehicle dealer compliance with the all-in-price advertising requirement, we recommend that OMVIC:**

<b>Action Item</b>	8.1. Utilize information gathered by consumer associations to take appropriate enforcement action against motor vehicle dealers that do not comply with the <i>Motor Vehicle Dealers Act, 2002</i> .
<b>Status</b>	In Progress. Target Completion: March 2023
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>A new manager of investigations for mystery shops was hired in February 2022.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>The mystery shop program will be expanded by hiring an additional investigator.</li> <li>With dedicated staff, more mystery shops will be conducted at more dealerships.</li> <li>Failures from previous years will be re-shopped to confirm compliance.</li> </ul>



## **RECOMMENDATION 9**

**So that investigations of registered and unregistered motor vehicle dealers and salespersons are completed effectively and on a timely basis, and that appropriate enforcement action is taken where justified, we recommend that OMVIC:**

<b>Action Item</b>	<b>9.1. Establish reasonable guidelines or benchmarks for enforcement action and the timely completion of investigations.</b>
<b>Status</b>	In Progress. Target Completion: December 2022 (oversight policy/procedure with benchmarks), December 2023 (IT system functionality)
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Develop oversight policy/procedures which will establish benchmarks for the timely completion of investigations.</li><li>• Add functionality in OMVIC's IT system to monitor investigations based upon established benchmarks.</li><li>• Train staff.</li></ul>
<b>Action Item</b>	<b>9.2. Monitor investigations against these guidelines or benchmarks to identify and follow up where significant differences are found.</b>
<b>Status</b>	In Progress. Target Completion: December 2022 (oversight policy/procedure with benchmarks), December 2023 (IT system functionality)
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Investigations management will adhere to the investigations oversight policy/procedures and take appropriate corrective action when required.</li><li>• Once policy/procedures are developed, train staff.</li><li>• Investigations Managers will monitor investigations against the policy/procedure's benchmarks.</li></ul>
<b>Action Item</b>	<b>9.3. Establish a process to periodically review investigation files to determine if they are complete and result in appropriate enforcement action, and to take corrective action where necessary.</b>
<b>Status</b>	In Progress. Target Completion: December 2022 (oversight policy/procedure with benchmarks), December 2023 (IT system functionality)
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Investigations management team will adhere to the investigations oversight policy/procedures and take appropriate corrective action when required.</li><li>• Add functionality in OMVIC's IT system to monitor and review investigations in accordance with policy/procedures.</li><li>• Train staff.</li></ul>



<b>Action Item</b>	<b>9.4.</b> Develop policies and procedures on key aspects of investigations to help guide the work of its investigators.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>• New policies and procedures have been developed covering key aspects of the investigations process.</li> <li>• These policies were added to the Policy and Procedures Manual.</li> <li>• The Policy and Procedures Manual with changes that cover key aspects of the investigations process was issued to the Enforcement team.</li> <li>• Staff was trained on the new policies/procedures.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop additional policies/procedures to address management controls and oversight.</li> <li>• Train staff on the additional policies/procedures.</li> </ul>

### **RECOMMENDATION 10**

**To provide consumer protection, and strengthen OMVIC’s effectiveness in both mediating and resolving disputes between consumers and motor vehicle dealers, we recommend that OMVIC:**

<b>Action Item</b>	<b>10.1.</b> Record in its systems its assessment of whether a motor vehicle dealer has breached one or more provisions of the <i>Motor Vehicle Dealers Act, 2002</i> or the <i>Consumer Protection Act, 2002</i> for each complaint it reviews.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop framework for determining potential breaches to ensure they are correctly identified in OMVIC’s IT system.</li> <li>• Add this functionality to OMVIC’s IT system.</li> <li>• All complaints escalated to a negotiation will be reviewed and potential breaches will be identified.</li> </ul>

<b>Action Item</b>	<b>10.2.</b> Work with the Ministry of Government and Consumer Services to reassess the current limitations of the <i>Motor Vehicle Dealers Act, 2002</i> that prevent OMVIC from compelling motor vehicle dealers to provide restitution to consumers when they have breached the law.
<b>Status</b>	In Progress. Target Completion: July 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct an analysis of current legislative limitations on OMVIC’s ability to compel dealers to provide restitution to consumers.</li> <li>• Provide this analysis to MGCS for consideration.</li> </ul>

### **RECOMMENDATION 11**

To improve motor vehicle dealer compliance with the requirements of the *Motor Vehicle Dealers Act, 2002*, and to ensure that complaints that warrant enforcement action against motor vehicle dealers are consistently escalated for enforcement action, we recommend that OMVIC:

<b>Action Item</b>	11.1. Create a clear and specific framework and criteria to be used to determine when a complaint involving a motor vehicle dealer is to be referred for enforcement action.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Review and identify current complaint issues.</li><li>• Create guidelines (framework) to be used by the Consumer Support team to determine which complaint issues are to be referred for enforcement and regulatory actions.</li><li>• Use the guidelines (framework) on an ongoing basis to ensure that escalated files are consistently forwarded for administrative review.</li></ul>

<b>Action Item</b>	11.2. Train all complaint handling staff to consistently and accurately apply this framework and criteria to all complaints received and mediated by OMVIC.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Train staff once the guidelines (framework) have been completed.</li></ul>

### **RECOMMENDATION 12**

So that consumer complaints are effectively mediated and that complaints that warrant enforcement action against motor vehicle dealers are escalated for enforcement, we recommend that OMVIC:

<b>Action Item</b>	12.1. Conduct a workload study for its complaint handling staff.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Conduct workload study to determine optimum staffing levels.</li><li>• The workload review will consider trends in the complaint process, assessing number of complaints currently referred for administrative review.</li></ul>

<b>Action Item</b>	<b>12.2.</b> Use the results of this study to ensure that OMVIC's consumer support team is sufficiently staffed.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Analyze the study and consider improvements to processes within the department.</li> </ul>

### **RECOMMENDATION 13**

**To protect consumers who purchase a motor vehicle from a registered motor vehicle dealer that does not meet all its obligations under the *Motor Vehicle Dealers Act, 2002* or relevant sections of the *Consumer Protection Act, 2002*, we recommend that OMVIC work with the Compensation Fund's Board of Trustees to:**

<b>Action Item</b>	<b>13.1.</b> Review consumer complaints that were not eligible for a claim against the Compensation Fund to develop additional eligibility criteria.
<b>Status</b>	In Progress. Target Completion: July 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Complete internal review of complaints not eligible for compensation.</li> <li>Consult with Compensation Fund Board of Trustees and stakeholders.</li> <li>Develop additional proposed eligibility criteria and submit it to MGCS for consideration.</li> </ul>

<b>Action Item</b>	<b>13.2.</b> Propose to the Ministry of Government and Consumer Services to include in the <i>Motor Vehicle Dealers Act, 2002</i> additional criteria for eligibility for compensation, and to also allow the Compensation Fund's Board of Trustees to use their discretion to compensate consumers for claims involving the violation of the acts that do not fit into a specific eligibility criterion.
<b>Status</b>	In Progress. Target Completion: July 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Develop and submit additional proposed eligibility criteria to MGCS for consideration.</li> </ul>

### **RECOMMENDATION 14**

**To protect consumers who purchase a motor vehicle from an illegal motor vehicle dealer, we recommend that OMVIC work with the Compensation Fund's Board of Trustees and the Ministry of Government and Consumer Services to:**

<b>Action Item</b>	<b>14.1.</b> Allow these consumers to make a claim to the Compensation Fund where OMVIC's own investigation confirms that consumers were intentionally misled by an illegal motor vehicle dealer.
<b>Status</b>	In Progress. Target Completion: July 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct an analysis. Analysis may include a review of the charges laid and consumer complaints relating to curbsiding, consideration of the fundamental principles of OMVIC as an administrative authority and a jurisdictional scan of other regulators in Canada.</li> <li>• Develop a report for consideration and submit it to MGCS.</li> </ul>

### **RECOMMENDATION 15**

**So that prospective motor vehicle buyers are aware of OMVIC's role and the services it provides to protect consumers, we recommend that OMVIC work with the Ministry of Government and Consumer Services to:**

<b>Action Item</b>	<b>15.1.</b> Develop an information package for vehicle purchasers that outlines OMVIC's role and consumer protections available to them which can be distributed to motor vehicle dealers.
<b>Status</b>	In Progress. Target Completion: June 2024
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop a digital information package that: outlines OMVIC's role, explains rights and protections available to consumers, and includes information about identified high risk issues for consumers and areas of high non-compliance among dealers.</li> <li>• Engage with other administrative authorities that have implemented an information package for consumers.</li> <li>• Solicit feedback on the package from industry and consumer groups.</li> <li>• Post the information package on OMVIC's website and provide it to registrants.</li> </ul>

<b>Action Item</b>	<b>15.2.</b> Require motor vehicle dealers to provide vehicle purchasers with the information package at the time of purchasing a vehicle.
<b>Status</b>	In Progress. Target Completion: July 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop a report with proposed regulatory changes and submit it to MGCS for consideration.</li> </ul>

<b>Action Item</b>	<b>15.3.</b> Develop, implement and monitor the success of a marketing plan to increase consumer awareness about consumer protection rights in place under the <i>Motor Vehicle Dealers Act, 2002</i> and the <i>Consumer Protection Act, 2002</i> , as well as OMVIC's role and its services available to the public.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Research and identify high risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation.</li> <li>• Develop and implement an annual marketing plan.</li> <li>• Identify key performance indicators to track and trend progress toward marketing objectives.</li> </ul>

### **RECOMMENDATION 16**

**So that consumers in Ontario have a reasonable amount of time to reflect on their vehicle purchase or lease, and be able to cancel their vehicle transaction agreement without penalty, we recommend that the Ministry of Government and Consumer Services:**

<b>Action Item</b>	<b>16.1.</b> Make regulatory changes to put in place a cooling-off period for all vehicle transactions in Ontario, citing best-practice consumer protections in place in other Canadian provinces.
<b>Status</b>	<b>Ministry Recommendation</b>

### **RECOMMENDATION 17**

**So that consumers potentially receive a more competitive interest rate based on their credit score, we recommend that OMVIC:**

<b>Action Item</b>	<b>17.1.</b> Take steps to increase public and consumer awareness regarding dealer responsibilities and consumer risks with regard to interest rates.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Research and identify high risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation.</li> <li>• Develop and implement an annual marketing plan that includes a focus in this respect.</li> <li>• Identify key performance indicators to track and trend progress toward marketing objectives.</li> </ul>

<b>Action Item</b>	<b>17.2.</b> Include a step in its compliance inspections to verify whether motor vehicle dealers are disclosing to the consumer all the financing offers received.
<b>Status</b>	In Progress. Target Completion: January 2024
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Add additional steps to the inspection process, if regulatory changes are made (see Recommendation 17.3).</li> </ul>

<b>Action Item</b>	<b>17.3.</b> Propose regulatory changes to the Ministry of Government and Consumer Services that would require motor vehicle dealers to disclose to consumers all the financing options the dealer has received in response to the consumer’s credit application.
<b>Status</b>	In Progress. Target Completion: July 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop a report with proposed regulatory changes and submit it to MGCS for consideration.</li> </ul>

**RECOMMENDATION 18**

**So that motor vehicle dealers comply with the requirements of the *Motor Vehicle Dealers Act, 2002* to include all the fees and charges in the advertised price of a vehicle, we recommend that OMVIC:**

<b>Action Item</b>	<b>18.1.</b> Take progressive enforcement action against motor vehicle dealers who do not comply with the requirement.
<b>Status</b>	In Progress. Target Completion: March 2023
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>• A new manager of investigations for mystery shops was hired in February 2022.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• The OMVIC mystery shop program will be expanded, increasing the annual number of completed mystery shops.</li> <li>• Take additional enforcement action based on the results of the mystery shops.</li> <li>• Conduct a workload study in 2023 to determine optimum staffing levels in Legal department.</li> </ul>

<b>Action Item</b>	<b>18.2.</b> Increase its efforts to educate consumers about the all-in-price advertising requirement in Ontario.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Research and identify high risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation.</li> <li>• Develop and implement an annual marketing plan that includes a focus in this respect.</li> <li>• Identify key performance indicators to track and trend progress toward marketing objectives.</li> </ul>

### **RECOMMENDATION 19**

**To improve the effectiveness of OMVIC’s operations in order to provide better protection to consumers and increase OMVIC’s responsiveness in processing dealer registrations and taking enforcement action, we recommend that OMVIC:**

<b>Action Item</b>	<b>19.1.</b> Review the workload of its key operating departments.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>• Conducted a workload study of the Registrations team to determine optimum resource requirements (see Recommendation 4.3).</li> <li>• Conducted a workload study of the Inspections team to determine optimum resource requirements (see Recommendation 5.6).</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct a workload study to determine optimum resource requirements for managing the expected increase in the number of administrative enforcement actions brought before the Licence Appeal Tribunal, Discipline Committee, etc.</li> </ul>

<b>Action Item</b>	<b>19.2.</b> Put in place a plan to improve operations in the areas of consumer protection and responsiveness to consumers and dealer registrations and enforcement action.
<b>Status</b>	In Progress. Target Completion: December 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• The Registration, Consumer Support, and Enforcement teams will develop plans to improve operations.</li> <li>• Once developed, these department operational plans will be captured in OMVIC’s annual business plan.</li> <li>• OMVIC’s progress toward meeting its strategic goals and priorities will be tracked and evaluated using the organization’s balanced scorecard.</li> <li>• The business plan and balanced scorecard will be reviewed, evaluated, and adapted as required on an annual basis.</li> </ul>



## **RECOMMENDATION 20**

**So that OMVIC can contribute directly to the Compensation Fund (Fund) to cover future consumer claims, if needed, we recommend that OMVIC, in coordination with the Compensation Fund’s Board of Trustees:**

<b>Action Item</b>	<b>20.1.</b> Work with the Ministry of Government and Consumer Services to propose an update to the government on regulations under the <i>Motor Vehicle Dealers Act, 2002</i> that would permit OMVIC to transfer funding from its general surplus to the Fund.
<b>Status</b>	In Progress. Target Completion: August 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Conduct a jurisdictional scan of other administrative authorities who have such an arrangement.</li><li>• Consult with the Compensation Fund Board of Trustees to define conditions of such transfer.</li><li>• Consult with the Board of Directors as to the proposed changes.</li><li>• Develop a proposal that includes proposed regulatory changes and submit it to MGCS for consideration.</li></ul>
<b>Action Item</b>	<b>20.2.</b> Establish a policy to periodically review the continuing financial sufficiency of the Fund.
<b>Status</b>	In Progress. Target Completion: September 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"><li>• Conduct research on organizations with a similar policy.</li><li>• Discuss a framework for periodic reviews and determine the review period.</li><li>• The Compensation Fund and Finance teams will develop a policy to engage actuarial services, in consultation with the Board of Directors and the Compensation Fund Board of Trustees.</li></ul>

## **RECOMMENDATION 21**

**To confirm that motor vehicle dealers remit complete fees for each motor vehicle transaction to OMVIC, and that OMVIC collects those complete fees, we recommend that OMVIC:**

<b>Action Item</b>	<b>21.1.</b> Work with the Ministry of Government and Consumer Services to put in place an information-sharing agreement with the Ministry of Transportation (MTO) to obtain motor vehicle registration records.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>Met with MGCS and MTO in February 2022 to begin discussions regarding establishing an information-sharing agreement.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Continue meeting with MTO to propose and negotiate terms of an information-sharing agreement.</li> <li>Execute information-sharing agreement with MTO.</li> </ul>
<b>Action Item</b>	<b>21.2.</b> Use the data obtained from MTO to verify the accuracy of vehicle transactions reported by individual motor vehicle dealers.
<b>Status</b>	In Progress. Target Completion: December 2024
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Subject to execution of an information-sharing agreement (see Recommendation 21.1 above), develop a policy/procedure that outlines the reporting periods.</li> <li>Train staff to examine the report and reconcile with the reported numbers.</li> <li>Update the renewal applications where dealers report their transaction fees.</li> <li>Update OMVIC's IT system.</li> </ul>
<b>Action Item</b>	<b>21.3.</b> Include a step in its motor vehicle dealer inspection process to compare the number of vehicle transactions self-reported by a dealer to the dealer's financial records.
<b>Status</b>	In Progress. Target Completion: December 2024
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>Add additional steps to inspection process once an information sharing agreement is implemented (see Recommendation 21.1 above).</li> <li>Share information obtained from dealers with Finance team for analysis.</li> </ul>

<b>Action Item</b>	<b>21.4.</b> Take steps to collect unpaid fees from motor vehicle dealers found to have underreported vehicle transactions.
<b>Status</b>	In Progress. Target Completion: December 2024
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop a policy/procedure to collect the unpaid transaction fees.</li> <li>• Train staff to examine the report and take appropriate steps to collect the outstanding transaction fees.</li> </ul>

### **RECOMMENDATION 22**

**To identify and reduce the risk of money laundering activity through motor vehicle dealers, we recommend that OMVIC and the Ministry of Government and Consumer Services:**

<b>Action Item</b>	<b>22.1.</b> Work with their counterparts in the federal government to introduce a requirement for motor vehicle dealers to report cash transactions over a certain threshold to the Financial Transactions and Reports Analysis Centre of Canada.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Participate in discussions with MGCS and the federal government.</li> <li>• Provide advice to MGCS and/or the federal government as required.</li> </ul>

### **RECOMMENDATION 23**

**So that the information that OMVIC reports to the public is accurate, complete and consistent, we recommend that OMVIC annually report on:**

<b>Action Item</b>	<b>23.1.</b> The complete results of the consumer surveys it conducts and highlight areas where improvements are needed.
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Publish results from the annual consumer awareness survey on OMVIC's website and highlight areas for improvement. Include results in the annual report.</li> <li>• Use the results to inform the development of objectives for the annual marketing plan.</li> <li>• Identify key performance indicators to track and trend progress toward marketing objectives.</li> </ul>

<b>Action Item</b>	<b>23.2. Completed inspections and site visits separately.</b>
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop policy/procedures which define the different types of inspection activities.</li> <li>• Internal reporting will distinguish inspections from site visits.</li> <li>• Include completed inspections and site visits in the annual report.</li> </ul>

<b>Action Item</b>	<b>23.3. Time spent to review registration applications, including staff time to follow up and collect missing information.</b>
<b>Status</b>	In Progress. Target Completion: December 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Develop a process to identify and capture Registrations' processing times.</li> <li>• Communicate processing times of applications to applicants/registrants via website and annual report.</li> </ul>

**RECOMMENDATION 24**

**So that OMVIC's Board of Directors effectively executes its responsibilities to oversee motor vehicle dealers and protect consumers by bringing new perspectives to OMVIC, we recommend that OMVIC's Board of Directors, work with the Ministry of Government and Consumer Services to:**

<b>Action Item</b>	<b>24.1. Establish fixed term limits for its Board members that are in line with best practices of existing authorities and other organizations similar to OMVIC.</b>
<b>Status</b>	In Progress. Target Completion: June 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct an environmental scan on maximum term limits for other administrative authorities.</li> <li>• Discuss findings with the Board of Directors and reach agreement on maximum term limit.</li> <li>• Consult with MGCS for their perspective.</li> <li>• Seek external legal counsel assistance in revising by-laws as required.</li> <li>• Revise the by-laws and provide them to the Minister of Government and Consumer Services as they are subject to Minister approval.</li> <li>• If approved by the Minister, seek approval by the membership (motor vehicle dealer registrants) at the 2023 Annual General meeting.</li> </ul>

<b>Action Item</b>	<b>24.2.</b> Reassess the proportion of industry representatives on OMVIC's Board and compare it to the proportions in other delegated authorities.
<b>Status</b>	In Progress. Target Completion: June 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct an environmental scan on industry and consumer representation for other administrative authorities.</li> <li>• Discuss findings with the Board and reach agreement on desired proportions.</li> <li>• Consult with MGCS for their perspective.</li> <li>• Seek external legal counsel assistance in revising by-laws as required.</li> <li>• Revise the by-laws and provide them to the Minister of Government and Consumer Services as they are subject to Minister approval.</li> <li>• If approved by the Minister, seek approval by the membership (motor vehicle dealer registrants) at the 2023 Annual General meeting.</li> </ul>

<b>Action Item</b>	<b>24.3.</b> Revise selection criteria for Board members to highlight qualifications that best serve consumer interests.
<b>Status</b>	In Progress. Target Completion: June 2023
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Research the Board selection criteria for other consumer protection agencies.</li> <li>• Discuss findings with the Board and reach agreement on desired criteria.</li> <li>• Consult with MGCS for their perspective and assistance in preparing for ministerial review.</li> <li>• Seek external legal counsel assistance in revising by-laws as required.</li> <li>• Revise the by-laws and provide them to the Minister of Government and Consumer Services as they are subject to Minister approval.</li> <li>• If approved by the Minister, seek approval by the membership (motor vehicle dealer registrants) at the 2023 Annual General meeting.</li> <li>• Ensure updated selection criteria is reflected in an updated administrative agreement.</li> </ul>

**RECOMMENDATION 25**

**So that OMVIC is effectively and transparently governed, we recommend that OMVIC's Board of Directors and the Compensation Fund's Board of Trustees:**

<b>Action Item</b>	<b>25.1.</b> Establish and follow a protocol to ensure procurement of third-party services are well documented, transparent, free from any biases, and best suit the needs of OMVIC and its Compensation Fund.
<b>Status</b>	In Progress. Target Completion: June 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct an environmental scan on comparable procurement and/or conflict of interest policies vis-à-vis external legal counsel research.</li> <li>• Discuss findings and recommended changes with the Board of Directors.</li> <li>• Write protocol.</li> </ul>

<b>Action Item</b>	<b>25.2.</b> Establish clear policies that address actual, potential and perceived conflicts of interest.
<b>Status</b>	In Progress. Target Completion: June 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Seek external legal counsel assistance in reviewing the Conflict of Interest Guidelines in the Code of Conduct for Board of Directors, as required.</li> <li>• Add the Conflict of Interest Guidelines to the Compensation Fund Board of Trustees manual and OMVIC Board of Directors manual.</li> </ul>

**RECOMMENDATION 26**

**So that the Compensation Fund’s Board of Trustees can exercise its independent authority to manage and administer the Compensation Fund, we recommend that the Ministry of Government and Consumer Services:**

<b>Action Item</b>	<b>26.1.</b> Amend the regulation to disallow the OMVIC Board from appointing its own Board Members onto the Compensation Fund’s Board of Trustees.
<b>Status</b>	<b>Ministry Recommendation</b>

<b>Action Item</b>	<b>26.2.</b> Clarify the roles and responsibilities of the Compensation Fund’s Board of Trustees in the administrative agreement with OMVIC to reflect its independent authority with respect to the Compensation Fund.
<b>Status</b>	<b>Ministry Recommendation</b>

**RECOMMENDATION 27**

**So that OMVIC’s resources are used more economically, we recommend that OMVIC and its Board of Directors:**

<b>Action Item</b>	<b>27.1. More closely align its reimbursement policy with the Ontario government's Travel, Meal and Hospitality Expenses Directive.</b>
<b>Status</b>	In Progress. Target Completion: June 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Prepare comparison chart based on government and other administrative authority policies.</li> <li>• Review with MGCS and present to the Board for discussion and approval.</li> </ul>

<b>Action Item</b>	<b>27.2. Disallow any reimbursement of alcoholic beverages.</b>
<b>Status</b>	In Progress. Target Completion: June 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Compare OMVIC's policy with the Ontario Public Service (OPS) policy.</li> <li>• Amend OMVIC's policy to more closely mirror the OPS policy.</li> <li>• Review with MGCS and present to the Board for discussion and approval.</li> </ul>

<b>Action Item</b>	<b>27.3. Remove the Board Chair's ability to override the meal rates established in the expense policy.</b>
<b>Status</b>	In Progress. Target Completion: June 2022
<b>Steps Taken</b>	
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Conduct a review of the existing OMVIC policy relative to the OPS policy.</li> <li>• Update the policy to remove the clause allowing meal rate to be overridden.</li> <li>• Review with MGCS and present to the Board for discussion and approval.</li> </ul>

<b>Action Item</b>	<b>27.4. Utilize OMVIC's boardroom to minimize the costs of Board and Board committee meetings.</b>
<b>Status</b>	In Progress. Target Completion: August 2022
<b>Steps Taken</b>	<ul style="list-style-type: none"> <li>• OMVIC's boardroom has been outfitted with all the required equipment and is ready to be utilized for Board and Committee meetings.</li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Schedule Board and Committee meetings in boardroom when possible.</li> </ul>



### **RECOMMENDATION 28**

**So that the Ministry of Government and Consumer Services (Ministry) fulfills its responsibility to effectively oversee that OMVIC meets its mandate and operates in compliance with applicable requirements, we recommend that the Ministry:**

<b>Action Item</b>	<b>28.1.</b> Require that OMVIC periodically report to the Ministry on its progress in using the additional revenues it is collecting to meet the objectives of its 2015 business case.
<b>Status</b>	<b>Ministry Recommendation</b>

<b>Action Item</b>	<b>28.2.</b> Set a reasonable deadline for OMVIC to comply with its administrative agreement with the Minister to operate on a cost-recovery basis.
<b>Status</b>	<b>Ministry Recommendation</b>

<b>Action Item</b>	<b>28.3.</b> Monitor and take corrective action to ensure that OMVIC complies.
<b>Status</b>	<b>Ministry Recommendation</b>

### **RECOMMENDATION 29**

**So that serious concerns raised about OMVIC are appropriately addressed, we recommend that the Ministry of Government and Consumer Services (Ministry):**

<b>Action Item</b>	<b>29.1.</b> establish a protocol to exercise its authority under the administrative agreement between the Minister and OMVIC to conduct a review when serious complaints arise.
<b>Status</b>	<b>Ministry Recommendation</b>

### **RECOMMENDATION 30**

**So that the Ministry of Government and Consumer Services (Ministry) can effectively monitor and address OMVIC's performance in protecting consumers and regulating motor vehicle dealers, we recommend that the Ministry revise:**

<b>Action Item</b>	<b>30.1.</b> The performance indicators it uses to monitor OMVIC's performance to include indicators that more closely monitor OMVIC's operations, including in the areas of inspection, registration, consumer complaint handling, the Compensation Fund, and educating and informing consumers about their rights and protections in purchasing a car.
<b>Status</b>	<b>Ministry Recommendation</b>

