



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

updated as of December 31, 2023

Message from OMVIC's CEO & Registrar

In December 2021, the Auditor General of Ontario issued a report on its audit of the Ontario Motor Vehicle Industry Council (OMVIC). In that report, the Auditor General made 30 recommendations, with 70 action items, to strengthen our ability to effectively fulfil our mandate. Of these, 61 action items were directed at OMVIC either in whole or in part, and nine action items were directed at the Ministry.

Since the release of the Auditor General's report, we have worked diligently to modernize and strengthen our operations and enhance our effectiveness in protecting consumers and increasing industry professionalism in Ontario.

Our implementation plan and progress are reported on the following pages. The Ministry's action items are not included in this plan.

In December 2023, the Auditor General released OMVIC's Follow-Up Audit report which identified that OMVIC has successfully implemented 75 per cent of the recommended action items that were directed towards OMVIC alone.

After the release of the Follow-up Audit Report, OMVIC has made further improvements and implemented seven additional action items. In particular, we revised our letters of credit policy and processes (Recommendations 2.1 and 2.2), further enhanced our risk-based inspections (Recommendations 5.2, 5.3 and 5.4) and investigation oversight processes (Recommendation 9.3) and implemented a plan for additional operational improvements (Recommendation 19.2).

We are confident that the changes we have made, and continue to make, will provide better protections to consumers, and increase industry professionalism in Ontario.

Sincerely,

Maureen A. Harquail, B.A., LL.B., M.P.A., ICD.D., K.C.
Chief Executive Officer & Registrar


Recommendation Status Overview as of December 31, 2023


OMVIC Actions		OMVIC & MPBSD Actions		MPBSD Actions
Action	Status	Action	Status	Action
1.1	completed	10.2	<i>in progress</i>	3
1.2	completed	13.2	<i>in progress</i>	16
2.1	completed**	14	<i>in progress</i>	26.1
2.2	completed**	15.1	<i>in progress</i>	26.2
4.1	completed	15.2	<i>in progress</i>	28.1
4.2	completed	17.3	<i>in progress</i>	28.2
4.3	completed	20.1	<i>in progress</i>	28.3
5.1	completed	21.1	<i>in progress</i>	29
5.2	completed**	21.2	<i>in progress</i>	30
5.3	completed**	22	<i>in progress</i>	
5.4	completed**	24.1	completed	
5.5	no longer applicable	24.2	completed	
5.6	completed	24.3	completed	
6.1	completed			
6.2	completed			
6.3	completed			
7.1	completed			
7.2	completed			
8	no longer applicable			
9.1	completed			
9.2	completed			
9.3	completed**			
9.4	completed			
10.1	completed			
11.1	completed			
11.2	completed			
12.1	completed			
12.2	completed			
13.1	completed			
15.3	completed			
17.1	completed			
17.2	<i>in progress</i>			
18.1	completed			
18.2	completed			
19.1	completed			
19.2	completed**			
20.2	completed			
21.3	<i>in progress</i>			
21.4	<i>in progress</i>			
23.1	completed			
23.2	completed			
23.3	completed			
25.1	completed			
25.2	completed			
27.1	completed			
27.2	completed			
27.3	completed			
27.4	completed			

Note: Recommendations marked with (**) have been completed after the release of the Auditor General's Follow-Up Audit Report and are thus based on OMVIC's self-assessment. Final assessment of these actions will be completed by the Auditor General in their next follow-up audit.

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:


Action Item	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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Implemented a revised registration process for new dealers. Dealer applicants are now required to complete a supplementary form, Business Plan Requirement, which requests additional information about their start-up funding. • Implemented a tool in OMVIC's IT system that tracks the revised registration process. • Drafted a revised Business Application form for the purposes of embedding the information currently requested in the Business Plan Requirement form, eliminating the use of a stand-alone form. Once finalized, the revised application form will replace the current application process (application form and supplementary form). • Online registration process will be based on dealer class. • Drafted a sample business plan and FAQs to assist dealer applicants in the preparation of registration documents. The business plan will be part of the finalized registration application form and process. • Solicited feedback from stakeholders on the revised Business Application form, sample business plan, and FAQs. • Received and considered stakeholders' feedback in the implementation of the new form and process. • Finalized and implemented the revised application form and process. • Implemented further changes to OMVIC's IT system. • Communicated changes to the registration process to applicants/registrants/stakeholders via bulletin posted on OMVIC's website. • Published FAQs on OMVIC's website. • Determined that changes to the Registration team's phone/email greetings are not required.
Next Steps	This Action Item has been completed.

Action Item	1.2. 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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Trained Registrations staff on the revised dealer registration process. • Implemented monthly meetings with senior Registrations staff to monitor consistency and discuss improvements. • Revised the application review manual for the Registrations staff based on updated registration process. • Created FAQs for internal and external purposes.
Next Steps	This Action Item has been completed.

RECOMMENDATION 2



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


Action Item	2.1. Update its registration policies to require a letter of credit from every motor vehicle dealer at the time of registration.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Completed research and analysis on potential response options to this recommendation. • Revised the letter of credit policy. • Consulted with and considered the feedback of the Compensation Fund Board of Trustees and industry stakeholders on the revised policy. • Implemented updated policy. • Trained staff. • Published Letter of Credit (LOC) - FAQ on OMVIC's website. • Ensured OMVIC's IT system includes the required functionality to monitor the requested letters of credit.
Next Steps	This Action Item has been completed.

Action Item	2.2. Extend the time frame that it holds a letter of credit past the closure of the dealership.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Completed research and analysis on potential response options to this recommendation. • Revised the letter of credit policy. • Ensured that the updated policy addresses an extended time frame. • Consulted with and considered the feedback of the Compensation Fund Board of Trustees and industry stakeholders on the revised policy. • Trained staff. • Published Letter of Credit (LOC) - FAQ on OMVIC's website. • Ensured OMVIC's IT system includes the required functionality to monitor the requested letters of credit.
Next Steps	This Action Item has been completed.

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:


Action Item	4.1. 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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Implemented a revised registration process for new dealers. Dealer applicants are now required to complete a supplementary form, Business Plan Requirement, which clarifies what specific supporting information or documents applicants are required to provide with their application. • Implemented a tool in OMVIC's IT system that tracks the revised registration process. • Drafted a revised Business Application form for the purposes of embedding the information currently requested in the Business Plan Requirement form, eliminating the use of a stand-alone form. Once finalized, the revised application form will replace the current application process (application form and supplementary form). • Drafted a sample business plan and FAQs to assist dealer applicants in the preparation of registration documents. The business plan will be part of the final registration application form and process. • Solicited feedback from stakeholders on the revised Business Application form, sample business plan, and FAQs. • Received and considered stakeholders' feedback in the implementation of the new form and process. • Finalized and implemented the revised application form and process. • Implemented further changes to OMVIC's IT system. • Communicated changes to the registration process to applicants/registrants/stakeholders via bulletin posted on OMVIC's website. • Published FAQs on OMVIC's website. • Changes to the Registration team's phone/email greetings are not required.
Next Steps	This Action Item has been completed.
Action Item	4.2. 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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Evaluated the remaining work required on the new IT system to implement an electronic version of the application process. • Obtained the Board of Directors' approval to complete development of the IT system. • Started the development of an electronic version of the application process with built-in controls to prevent incomplete applications from being submitted. Therefore, the cost-benefit analysis is no longer applicable. • Published bulletin on OMVIC's website about upcoming online services portal. • Launched OMVIC's new online portal. • All applications are now online with controls in place to prevent incomplete applications from being submitted. • Resolved the identified defects with the online portal. OMVIC will continuously work to make enhancements and rectify any additional defects as part of routine system maintenance and development.
Next Steps	This Action Item has been completed.


Action Item	4.3. After completing these steps, perform a workload study to determine appropriate staffing levels to process applications within its targeted time frame.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Conducted a workload study of the Registrations department. Study revealed the need to hire additional staff. • Completed all the approved staff hiring. • Published bulletin on OMVIC’s website about upcoming online services portal. • Registrations’ staff assists applicants and registrants with information and advice on the required supporting documents.
Next Steps	This Action Item has been completed.


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:


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

Action Item	5.2. Determine and assign a risk level and inspection frequency to each motor vehicle dealer.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Prepared a business case for enhanced IT system functionality which assesses the risk level and determines inspection frequency (per Recommendation 5.2), schedules inspections (per Recommendation 5.3), reassesses risk level on an ongoing basis (per Recommendation 5.4), and continually assesses the risk level and assigns an appropriate inspection frequency (per Recommendation 5.5). • Discussed business case with IT Steering Committee. • Implemented a manual process for assessing and assigning a risk level, determining an inspection frequency, and scheduling inspections. • Developed the required functionality in OMVIC’s IT system. Inspectors are now using this functionality to schedule inspections.
Next Steps	This Action Item has been completed.

Action Item	5.3. Put in place systems to ensure that each dealer is scheduled for and receives an inspection based on its assigned risk level.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Same as in Recommendation 5.2 above. • Developed the required functionality in OMVIC's IT system. Inspectors are now using this functionality to schedule inspections.
Next Steps	This Action Item has been completed.


Action Item	5.4. Put in place systems to reassess each dealer's risk level on an ongoing basis.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Same as in Recommendation 5.2 above. • Developed the required functionality in OMVIC's IT system. Inspectors are now using this functionality to schedule inspections.
Next Steps	This Action Item has been completed.


Action Item	5.5. 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.
Status	No Longer Applicable
Steps Taken	<ul style="list-style-type: none"> • OMVIC developed and implemented 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. Therefore, performing a cost-benefit analysis is no longer applicable.
Next Steps	This Action Item is no longer applicable.


Action Item	5.6. Assess the workload of inspectors and ensure that OMVIC has sufficient staff to carry out and complete annually assigned inspections on a timely basis.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Conducted a workload study of the Inspections team to determine optimum staffing levels. • Completed all the approved staff hiring.
Next Steps	This Action Item has been completed.

RECOMMENDATION 6

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


Action Item	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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Developed and implemented policy/procedures outlining inspection oversight process. • Hired an additional Manager in the Inspections department to increase the level of oversight in the department. • Trained staff on new policy/procedures. • OMVIC will continue to assess and improve its inspection oversight processes, as required. This includes the implementation of an IT system functionality for the inspection file review/assessment, as needed.
Next Steps	This Action Item has been completed.


Action Item	6.2. Where inconsistencies are identified, take steps to facilitate corrective action.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Inspections management has implemented the new inspection oversight policy/procedures and will take appropriate corrective action when required. • Inspections management will continue to monitor the effectiveness of the new oversight processes and recommend changes, as needed.
Next Steps	This Action Item has been completed.

Action Item	6.3. Periodically rotate inspectors in geographic areas when it is feasible to do so.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Developed the policy/procedures on designated inspector territories. • Developed a new deployment model that establishes 18 new inspection territories. • Assigned inspectors to new territories as part of a new rotation cycle.
Next Steps	This Action Item has been completed.

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:

Action Item	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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> Created the Dealer Support team and Policy team in late 2021. These teams are working with the Inspections team to address dealer non-compliance issues and provide guidance to dealers. Developed and implemented a framework for inspectors on the types of violations or inspection findings that should be reviewed with a follow-up inspection.
Next Steps	This Action Item has been completed.

Action Item	7.2. Ensure that follow-up inspections are performed in accordance with this framework.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> Trained staff on new framework. Put controls in place to ensure that follow-up inspections are performed in accordance with the new framework.
Next Steps	This Action Item has been completed.

RECOMMENDATION 8


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


Action Item	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>.
Status	No Longer Applicable¹
Steps Taken	<ul style="list-style-type: none"> Ceased utilizing consumer associations to conduct mystery shopping. A new manager of Investigations for mystery shops was hired in February 2022. With the hiring of designated staff for mystery shops, OMVIC has increased the number of mystery shops and enforcement actions against non-compliant dealers. This work will continue on an ongoing basis to improve dealer compliance with the all-in-price advertising requirement. New hiring for 2023 was deferred. The need for additional staff will be reassessed in the future, as needed.
Next Steps	This Action Item is no longer applicable.


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:

¹ Status changed to reflect the Auditor General's assessment in OMVIC's Follow-Up Audit Report.

Action Item	9.1. Establish reasonable guidelines or benchmarks for enforcement action and the timely completion of investigations.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Conducted research on benchmarks for the timely completion of investigations. • Updated policies with benchmarks. • Implemented updated policies and trained staff on new benchmarks.
Next Steps	This Action Item has been completed.


Action Item	9.2. Monitor investigations against these guidelines or benchmarks to identify and follow up where significant differences are found.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Investigations management has implemented an enhanced oversight process that includes monitoring investigations against the new benchmarks and taking appropriate corrective action when required. • Trained staff on new policies/procedures.
Next Steps	This Action Item has been completed.

Action Item	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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Implemented new or improved tools or techniques for management review of investigation files, including monthly reports and meetings with investigations staff, and IT system controls. • All court briefs must be reviewed and approved by management at the completion of an investigation and prior to charges being laid. • Management's periodic review of investigation files assesses if they are complete and result in appropriate enforcement action. • Trained staff on new policies/procedures. • Developed a benchmark functionality in OMVIC's IT system to better manage open investigations. • Developed an additional IT functionality to further enhance the management oversight process.
Next Steps	This Action Item has been completed.

Action Item	9.4. Develop policies and procedures on key aspects of investigations to help guide the work of its investigators.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • New policies and procedures have been developed covering key aspects of the investigations process. • These policies were added to the Policy and Procedures Manual. • The Policy and Procedures Manual with changes that cover key aspects of the investigations process was issued to the Enforcement team. • Staff was trained on the new policies/procedures.
Next Steps	This Action Item has been completed.

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:


Action Item	10.1. 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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Hired a designated manager to assist in identifying potential breaches. • Developed a framework consisting of a list of potential breaches to ensure they are correctly identified in OMVIC's IT system. • Complaints escalated to a negotiation will be reviewed and potential breaches will be identified. • Developed an IT functionality to record in OMVIC's system potential violations by dealers for complaints received. • Began recording potential violations using the new IT functionality.
Next Steps	This Action Item has been completed.


Action Item	10.2. 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.
Status	In Progress. Target Completion: July 2025 ²
Steps Taken	<ul style="list-style-type: none"> • Completed an analysis of current legislative limitations on OMVIC's ability to compel dealers to provide restitution to consumers. • Prepared report with findings and provided it to MPBSD for consideration.
Next Steps	<p>This is a joint recommendation between OMVIC and MPBSD.</p> <p>Other specific activities for this recommendation depend on the government's decision about whether to proceed with potential legislative and/or regulatory changes.</p>

² Revised from June 2024. OMVIC's actions in relation to this recommendation have been completed. The target completion date was revised to account for MPBSD actions.

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:


Action Item	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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Reviewed and identified current complaint issues. • Hired two designated managers to improve assessment and distribution of complaints for appropriate action. • Developed guidelines (framework) for referring complaints for enforcement action. • Use the guidelines (framework) on an ongoing basis to ensure that escalated files are consistently forwarded for administrative review.
Next Steps	This Action Item has been completed.

Action Item	11.2. Train all complaint handling staff to consistently and accurately apply this framework and criteria to all complaints received and mediated by OMVIC.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Trained staff on the guidelines (framework).
Next Steps	This Action Item has been completed.

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:

Action Item	12.1. Conduct a workload study for its complaint handling staff.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Conducted a workload study of the Consumer Support department.
Next Steps	This Action Item has been completed.

Action Item	12.2. Use the results of this study to ensure that OMVIC's consumer support team is sufficiently staffed.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Hired additional staff in the Consumer Support department, per workload study. • All positions approved by the Board of Directors have been filled. OMVIC will consider the need for additional resources to ensure that the Consumer Support Team is sufficiently staffed.
Next Steps	This Action Item has been completed.

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:

Action Item	13.1. Review consumer complaints that were not eligible for a claim against the Compensation Fund to develop additional eligibility criteria.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> Completed a review of consumer complaints not eligible for compensation under the current legislation. Incorporated findings into the report referred to in Recommendation 13.2.
Next Steps	This Action Item has been completed.

Action Item	13.2. 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.
Status	In Progress. Target Completion: July 2025 ³
Steps Taken	<ul style="list-style-type: none"> Obtained stakeholders' feedback on expanding the Compensation Fund's eligibility criteria and allowing the Board of Trustees to use their discretion to use the Compensation Fund to compensate consumers for claims that do not fit into a specific eligibility criterion. Developed report with additional eligibility criteria and presented it to the Compensation Fund's Board of Trustees and OMVIC's Board of Directors for consideration. Completed and submitted final proposal with additional eligibility criteria to MPBSD for consideration.
Next Steps	<p>This is a joint recommendation between OMVIC and MPBSD.</p> <p>Other specific activities for this recommendation depend on the government's decision about whether to proceed with potential legislative and/or regulatory changes.</p>

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:

³ Status changed to reflect the Auditor General's assessment in OMVIC's Follow-Up Audit Report. This is a joint recommendation with MPBSD. OMVIC's actions in relation to this recommendation have been completed. The target completion date accounts for MPBSD actions.

Action Item	14.1. 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.
Status	In Progress. Target Completion: July 2025 ⁴
Steps Taken	<ul style="list-style-type: none"> • Obtained stakeholders’ feedback on allowing consumers to make a claim to the Compensation Fund when an OMVIC investigation confirms that consumers were intentionally misled by an illegal motor vehicle dealer. • Engaged third-party consultants to assess the financial implications of implementing this recommendation. Completed engagements with third-party consultants. • Completed the analysis, including a jurisdictional scan of other regulators in Canada, a review of the charges laid and consumer complaints relating to curbsiding and consideration of the fundamental principles of OMVIC as an administrative authority. • Prepared draft report and reviewed it with the Compensation Fund Board of Trustees and OMVIC’s Board of Directors. • Finalized report and submitted it to MPBSD for consideration.
Next Steps	<p>This is a joint recommendation between OMVIC and MPBSD.</p> <p>Other specific activities for this recommendation depend on the government’s decision about whether to proceed with potential legislative and/or regulatory changes.</p>


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:

Action Item	15.1. 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.
Status	In Progress. Target Completion: July 2025
Steps Taken	
Next Steps	<ul style="list-style-type: none"> • 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. • Engage with other administrative authorities that have implemented an information package for consumers. • Solicit feedback on the package from industry and consumer groups. • Post the information package on OMVIC’s website and provide it to registrants.


⁴ Revised from June 2024. OMVIC’s actions in relation to this recommendation have been completed. The target completion date was revised to account for MPBSD actions.

Action Item	15.2. Require motor vehicle dealers to provide vehicle purchasers with the information package at the time of purchasing a vehicle.
Status	In Progress. Target Completion: July 2025 ⁵
Steps Taken	<ul style="list-style-type: none"> Developed a report with proposed regulatory changes and submitted it to MPBSD for consideration.
Next Steps	<p>This is a joint recommendation between OMVIC and MPBSD.</p> <p>Other specific activities for this recommendation depend on the government's decision about whether to proceed with potential legislative and/or regulatory changes.</p>

Action Item	15.3. 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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> Conducted research on high-risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation. Implemented 2022 annual marketing plan based on 2020 data. Finalized the 2022 marketing plan with KPIs to ensure it reflected 2021 data on high-risk issues for consumers and areas of non-compliance among dealers.
Next Steps	This Action Item has been completed.

RECOMMENDATION 17

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

Action Item	17.1. Take steps to increase public and consumer awareness regarding dealer responsibilities and consumer risks with regard to interest rates.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> Conducted research on high-risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation. Implemented 2022 annual marketing plan based on 2020 data. Finalized the 2022 marketing plan with KPIs to ensure it reflected 2021 data on high-risk issues for consumers and areas of non-compliance among dealers.
Next Steps	This Action Item has been completed.


⁵ Revised from June 2024. OMVIC's actions in relation to this recommendation have been completed. The target completion date was revised to account for MPBSD actions.

Action Item	17.2. Include a step in its compliance inspections to verify whether motor vehicle dealers are disclosing to the consumer all the financing offers received.
Status	In Progress. Target Completion: July 2025 ⁶
Steps Taken	
Next Steps	<ul style="list-style-type: none"> • Add additional steps to the inspection process if regulatory changes are made (see Recommendation 17.3).

Action Item	17.3. 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.
Status	In Progress. Target Completion: July 2025 ⁷
Steps Taken	<ul style="list-style-type: none"> • Developed a report with proposed regulatory changes and submitted it to MPBSD for consideration.
Next Steps	<p>This is a joint recommendation between OMVIC and MPBSD.</p> <p>Other specific activities for this recommendation depend on the government's decision about whether to proceed with potential legislative and/or regulatory changes.</p>


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:

Action Item	18.1. Take progressive enforcement action against motor vehicle dealers who do not comply with the requirement.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • A new manager of investigations for mystery shops was hired in February 2022. • With the hiring of designated staff for mystery shops, OMVIC has increased the number of mystery shops and enforcement actions against non-compliant dealers. This work will continue on an ongoing basis to improve dealer compliance with the all-in-price advertising requirement. • New hiring for 2023 was deferred. The need for additional staff will be reassessed in the future. • Conducted a workload study of the Legal department to determine optimum staffing levels.
Next Steps	This Action Item has been completed.


⁶ Revised from January 2024.


⁷ Status changed to reflect the Auditor General's assessment in OMVIC's Follow-Up Audit Report. This is a joint recommendation with MPBSD. OMVIC's actions in relation to this recommendation have been completed. The target completion date accounts for MPBSD actions.

Action Item	18.2. Increase its efforts to educate consumers about the all-in-price advertising requirement in Ontario.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Conducted research on high-risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation. • Implemented 2022 annual marketing plan based on 2020 data. • Finalized 2022 marketing plan with KPIs to ensure it reflected 2021 data on high-risk issues for consumers and areas of non-compliance among dealers.
Next Steps	This Action Item has been completed.

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:


Action Item	19.1. Review the workload of its key operating departments.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Conducted a workload study of the Registrations department (see Recommendation 4.3). • Conducted a workload study of the Inspections department (see Recommendation 5.6). • Conducted a workload study of the Consumer Support department (see Recommendation 12.1). • Conducted a workload study of the Legal department.
Next Steps	This Action Item has been completed.

Action Item	19.2. Put in place a plan to improve operations in the areas of consumer protection and responsiveness to consumers and dealer registrations and enforcement action.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • The implementation of the Auditor General’s recommendations resulted in operational improvements and efficiencies in the Registration, Consumer Support, and Enforcement departments. These improvements include the hiring of additional staff, the launch of an online application portal, the implementation of enhanced oversight processes and the development of new policies and procedures. • OMVIC completed a review of its operations and put in place a plan for further operational improvements in the areas of consumer protection and responsiveness to consumers and dealer registrations and enforcement action. The performance of these operational changes will be monitored, evaluated, adapted, and integrated into OMVIC’s business or strategic agenda, on a scheduled basis and as appropriate.
Next Steps	This Action Item has been completed.

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:

Action Item	20.1. 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.
Status	In Progress. Target Completion: July 2025 ⁸
Steps Taken	<ul style="list-style-type: none"> Completed a jurisdictional scan of other administrative authorities who have such an arrangement. Discussed the proposed changes with the Compensation Fund Board of Trustees and the Board of Directors. Finalized the proposal that includes proposed regulatory changes and submitted it to MPBSD for consideration.
Next Steps	This is a joint recommendation between OMVIC and MPBSD. Other specific activities for this recommendation depend on the government's decision about whether to proceed with potential legislative and/or regulatory changes.

Action Item	20.2. Establish a policy to periodically review the continuing financial sufficiency of the Fund.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> Conducted research on organizations with a similar policy. Discussed policy with the Compensation Fund Board of Trustees and the Board of Directors. Obtained the Boards' feedback and approval of policy. Finalized policy and shared copy with MPBSD.
Next Steps	This Action Item has been completed.

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:

⁸ Revised from June 2024. OMVIC's actions in relation to this recommendation have been completed. The target completion date was revised to account for MPBSD actions.

Action Item	21.1. 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.
Status	In Progress. Target Completion: June 2024 ⁹
Steps Taken	<ul style="list-style-type: none"> • Met with MPBSD and MTO to begin discussions regarding establishing an information-sharing agreement. • Met with MTO to propose and negotiate terms of an information-sharing agreement. • Began work on agreement with MTO. • Requested and reviewed sample dataset from MTO. • Requested additional sample datasets from MTO. • Assessed the datasets available from MTO to determine if this is the most effective way to verify the reporting made by registrants. • Completed assessment and determined that MTO data cannot be relied upon on its own to verify motor vehicle dealers' self-reported transaction volumes. • OMVIC is currently exploring alternative ways to confirm dealers' self-reported vehicle transaction volumes.
Next Steps	<ul style="list-style-type: none"> • Finalize and implement a process to confirm dealers' self-reported vehicle transaction volumes and collect unpaid fees.

Action Item	21.2. Use the data obtained from MTO to verify the accuracy of vehicle transactions reported by individual motor vehicle dealers.
Status	In Progress. Target Completion: December 2024
Steps Taken	
Next Steps	<ul style="list-style-type: none"> • Subject to execution of an information-sharing agreement (see Recommendation 21.1 above), develop a policy/procedure that outlines the reporting periods. • Train staff to examine the report and reconcile with the reported numbers. • Update the renewal applications where dealers report their transaction fees. • Update OMVIC's IT system.

Action Item	21.3. 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.
Status	In Progress. Target Completion: December 2024
Steps Taken	
Next Steps	<ul style="list-style-type: none"> • Add additional steps to inspection process once an information sharing agreement is implemented (see Recommendation 21.1 above). • Conduct internal analysis and processing of information obtained from inspections.

⁹ Revised from December 2023.

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


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:


Action Item	22.1. 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.
Status	In Progress. Target Completion: July 2025 ¹⁰
Steps Taken	<ul style="list-style-type: none"> • Began discussions with MPBSD. • Reviewed Commissioner Austin Cullen’s Final Report of the Public Inquiry into Money Laundering in British Columbia issued June 2022. • Continued discussions with MPBSD on the implementation of this recommendation in the context of Commissioner Cullen’s Report.
Next Steps	<ul style="list-style-type: none"> • Provide assistance to MPBSD and/or the federal government as required.


RECOMMENDATION 23

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

Action Item	23.1. The complete results of the consumer surveys it conducts and highlight areas where improvements are needed.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Included annual consumer awareness survey results in the 2021 annual report. • Published results from the annual consumer awareness survey on OMVIC’s website and highlighted areas for improvement. • Finalized 2022 marketing plan objectives to ensure they reflected data from the annual consumer awareness survey.
Next Steps	This Action Item has been completed.


¹⁰ Revised from July 2024.


Action Item	23.2. Completed inspections and site visits separately.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Developed policy/procedures which define and distinguish the different types of inspection activities, including inspections and site visits. • Began tracking completed inspections and site visits separately. • Reported completed inspections and site visits separately on OMVIC's website. • OMVIC's applicable future reports will identify the different types of inspections separately.
Next Steps	This Action Item has been completed.


Action Item	23.3. Time spent to review registration applications, including staff time to follow up and collect missing information.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Developed metrics to track application processing times. • Began tracking application processing times based on these metrics. • Reported registration processing times, including staff time to follow up and collect missing information, on OMVIC's website. • OMVIC's applicable future reporting on registration processing times will include the staff time to follow up and collect missing information.
Next Steps	This Action Item has been completed.

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:


Action Item	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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Completed an environmental scan on maximum term limits for other administrative authorities. • Prepared report with findings. • Discussed findings with OMVIC committees. • Shared report with the Board of Directors. • Received letter from MPBSD Minister advising of his intention to make orders on term limits, the proportion of industry representatives and selection criteria for the Board of Directors. • Discussed the Minister's letter with the Board of Directors. • MPBSD engaged with the Board, OMVIC staff and external stakeholders on these issues. • Engaged external legal counsel to assist in revising the by-laws as required. • Received and reviewed Minister's orders with the Board of Directors. • Revised the by-laws to implement the Minister's orders. • Obtained the Minister's approval of the revised by-laws. • Obtained the Board of Directors' approval of the revised by-laws. • Obtained the membership's approval of the revised by-laws.
Next Steps	This Action Item has been completed.


Action Item	24.2. Reassess the proportion of industry representatives on OMVIC's Board and compare it to the proportions in other delegated authorities.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Completed an environmental scan on industry and consumer representation for other administrative authorities. • Discussed findings with executive committees. • Shared report with the Board of Directors. • Received letter from MPBSD Minister advising of his intention to make orders on term limits, the proportion of industry representatives and selection criteria for the Board of Directors. • Discussed the Minister's letter with the Board of Directors. • MPBSD engaged with the Board, OMVIC staff and external stakeholders on these issues. • Engaged external legal counsel to assist in revising the by-laws as required. • Received and reviewed Minister's orders with the Board of Directors. • Revised the by-laws to implement the Minister's orders. • Obtained the Minister's approval of the revised by-laws. • Obtained the Board of Directors' approval of the revised by-laws. • Obtained the membership's approval of the revised by-laws.
Next Steps	This Action Item has been completed.

Action Item	24.3. Revise selection criteria for Board members to highlight qualifications that best serve consumer interests.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Completed research on Board selection criteria for other consumer protection agencies. • Discussed findings with executive committees. • Shared report with the Board of Directors. • Received letter from MPBSD Minister advising of his intention to make orders on term limits, the proportion of industry representatives and selection criteria for the Board of Directors. • Discussed the Minister's letter with the Board of Directors. • MPBSD engaged with the Board, OMVIC staff and external stakeholders on these issues. • Engaged external legal counsel to assist in revising the by-laws as required. • Received and reviewed Minister's orders with the Board of Directors. • Revised the by-laws to implement the Minister's orders. • Obtained the Minister's approval of the revised by-laws. • Obtained the Board of Directors' approval of the revised by-laws. • Obtained the membership's approval of the revised by-laws.
Next Steps	This Action Item has been completed.

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:


Action Item	25.1. 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.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Updated OMVIC's procurement policy to align with OPS's procurement policy. • Established a new procurement policy for the Compensation Fund's Board of Trustees. • Submitted to MPBSD for consideration OMVIC's procurement policy and the Compensation Fund's procurement policies. • Received MPBSD's feedback on the procurement policies. • Updated OMVIC and the Compensation Fund's procurement policies based on MPBSD's feedback. • Finalized policies. • Obtained OMVIC's Board of Directors' approval of final policies. • Obtained the Compensation Fund's Board of Trustees' approval of final policies.
Next Steps	This Action Item has been completed.


Action Item	25.2. Establish clear policies that address actual, potential and perceived conflicts of interest.
Status	 Completed
Steps Taken	<p>OMVIC's Board of Directors' policies:</p> <ul style="list-style-type: none"> • Updated policies. • Received OMVIC Board's approval of updated policies. • Provided revised policies to MPBSD for review. • Received MPBSD's feedback on updated policies. • Provided answers to MPBSD's questions concerning the policies. • Implemented final changes to the policy, as needed, based on MPBSD and OMVIC Board' feedback. • Obtained OMVIC Board's approval of final policy. • Shared final policy with MPBSD for Minister's approval. • Obtained Minister's approval. <p>Motor Vehicle Dealers Compensation Fund's Board of Trustees' policies:</p> <ul style="list-style-type: none"> • Updated policies. • Received Board of Trustees' approval of updated policies.
Next Steps	This Action Item has been completed.

RECOMMENDATION 27

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

Action Item	27.1. More closely align its reimbursement policy with the Ontario government's Travel, Meal and Hospitality Expenses Directive.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Compared OMVIC's reimbursement policy to OPS (Ontario Public Service) and other administrative authorities' policies. • Updated OMVIC's Travel and Meal Expense Reimbursement policy ("Policy") to align with abovementioned research more closely. • Obtained the required internal approvals of the revised Policy. • Provided revised Policy to MPBSD and Board of Directors for review. • Obtained Board of Directors' approval of revised policy. • Obtained MPDSD's feedback on the revised policy.
Next Steps	This Action Item has been completed.

Action Item	27.2. Disallow any reimbursement of alcoholic beverages.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Compared OMVIC's reimbursement policy to OPS (Ontario Public Service) and other administrative authorities' policies. • Updated OMVIC's Travel and Meal Expense Reimbursement policy ("Policy") to align with abovementioned research more closely. • Obtained the required internal approvals of the revised Policy. • Provided revised Policy to MPBSD and Board of Directors for review. • Obtained Board of Directors' approval of revised policy. • Obtained MPDSD's feedback on the revised policy.
Next Steps	This Action Item has been completed.

Action Item	27.3. Remove the Board Chair's ability to override the meal rates established in the expense policy.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • Compared OMVIC's reimbursement policy to OPS (Ontario Public Service) and other administrative authorities' policies. • Updated OMVIC's Travel and Meal Expense Reimbursement policy ("Policy") to align with abovementioned research more closely. • Obtained the required internal approvals of the revised Policy. • Provided revised Policy to MPBSD and Board of Directors for review. • Obtained Board of Directors' approval of revised policy. • Obtained MPDSD's feedback on the revised policy.
Next Steps	This Action Item has been completed.

Action Item	27.4. Utilize OMVIC's boardroom to minimize the costs of Board and Board committee meetings.
Status	 Completed
Steps Taken	<ul style="list-style-type: none"> • OMVIC's boardroom has been outfitted with all the required equipment and is ready to be utilized for Board and Committee meetings. • OMVIC will minimize the costs of Board and Committee meetings by using a combination of OMVIC's boardrooms and virtual space for future meetings, where appropriate. • OMVIC's Board of Directors and Compensation Fund's Board of Trustees agreed to hold meetings requiring in-person attendance at OMVIC's head office when practical.
Next Steps	This Action Item has been completed.