Ontario's Vehicle Sales Regulator

Ontario Motor Vehicle Industry Council
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March 23, 2022

Christopher Tyrell
Clerk of the Committee
Standing Committee on Public Accounts
99 Wellesley Street West
Room 1405, Whitney Block, Queen's Park
Toronto, ON M7A 1A2

Dear Mr. Tyrell,

On behalf of the Ontario Motor Vehicle Industry Council (OMVIC), I am pleased to present a copy of our Summary Status Table following the Auditor General's value-for-money audit of OMVIC.

Since the report was published in December 2021, our organization has been steadfast in developing an action plan to address the Auditor General's recommendations to ensure we continue delivering on our mandate.

Our Board Chair, Virginia West, and I look forward to attending the review of the report with the Standing Committee on Public Accounts on April 6th, 2022 and answering any questions the committee members may have.

If you have questions about the attached Summary Status Table, please do not hesitate to contact me at 416-226-6150 or at john.carmichael@omvic.on.ca.

Sincerely,

John Carmichael
Chief Executive Officer and Registrar

CC: Virginia West, President and Chair of the Board of Directors, OMVIC

Summary Status Table in Response to the Report of the Auditor General of Ontario

Value-for-Money Audit: Ontario Motor Vehicle Industry Council
2021 Annual Report of the Auditor General of Ontario

	Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
		General note in respect of all recommendations: The Ontario Motor Vehicle Industry Council (OMVIC) received the Auditor General's report and its recommendations in December 2021. OMVIC has developed a detailed implementation plan for the recommendations directed at OMVIC, and submitted expected timelines for implementation to the Office of the Auditor General of Ontario. OMVIC will make an implementation plan available on its website soon. The implementation process is in the beginning stages.	

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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 the Ontario Motor Vehicle Industry Council (OMVIC): • implement a revised registration application review process, which includes assessing whether motor vehicle dealers have adequate start-up funding to operate their business; and • 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.		By December 2022, OMVIC will: • Develop and implement policies/procedures to fully assess new dealer applicants' financial strength. Changes will include revisions to the New Dealer Application form, development of a sample business plan for dealer applicants and implementation of the requirement for dealer applicants to provide a business plan. The business plan will require new dealer applicants to provide a forecast of their start-up capital as well as expected expenditures. Once the process is implemented, OMVIC will update its IT system to reflect the changes and will communicate these changes to applicants, registrants, and stakeholders. • Establish an application review manual, train its staff on the new processes, including Senior Registration Officers and phone enquiry team, and create FAQs for internal and external purposes. Consistency of the new dealer applications review process will be monitored monthly.

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2021 Annual Report of the Auditor General of Ontario

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2	To enhance consumer protection, and increase recoveries to the Compensation Fund, we recommend that the Ontario Motor Vehicle Industry Council: • update its registration policies to require a letter of credit from every motor vehicle dealer at the time of registration; and • extend the time frame that it holds a letter of credit past the closure of the dealership.		By December 2023, OMVIC will: • Consult with the Compensation Fund Board of Trustees to obtain their recommendations and advice. Update the letters of credit policy and registration procedures, including the New Dealer application form. Train staff. Communicate changes to applicants/registrants/stakeholders. Update OMVIC's IT system to accommodate the changes. • Conduct a jurisdictional scan for practices used by other regulators and administrative authorities. 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. Ensure updated letter of credit policy reflects extended time frame. Train staff.

Summary Status Table in Response to the Report of the Auditor General of Ontario

Value-for-Money Audit: Ontario Motor Vehicle Industry Council
2021 Annual Report of the Auditor General of Ontario

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4	So that the Ontario Motor Vehicle Industry Council (OMVIC) can meet its target to process applications for new motor vehicle dealer registrations in a timely manner, we recommend that OMVIC: • 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; • 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; and • after completing these steps, perform a workload study to determine appropriate staffing levels to process applications within its targeted time frame.		By December 2022, OMVIC will: • Evaluate remaining work required on OMVIC's IT system to implement electronic version of application process for all application forms. Seek Board of Directors' approval. Complete all development of IT system including system testing and training. By June 2023, OMVIC will: • Solicit feedback from stakeholders on ways to simplify and clarify the application form. Review feedback and revise the New Dealer Application form. Implement changes to the form. Update OMVIC's IT system to accommodate changes. Train staff on changes to form. Communicate changes via website and bulletins. Create FAQs and publish them on OMVIC's website. Change Registration team's phone/email greetings as required. By December 2023, OMVIC will: • Complete a workload study to determine optimum resource requirements at all staffing levels, after the implementation of the new application process. Implement workload study. Provide training to new staff as necessary. Educate dealer applicants to file applications online.

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2021 Annual Report of the Auditor General of Ontario

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5	So that the Ontario Motor Vehicle Industry Council (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: • develop a risk framework (for example, high, medium and low) and assign an inspection frequency to each level of risk; • determine and assign a risk level and inspection frequency to each motor vehicle dealer; • put in place systems to ensure that each dealer is scheduled for and receives an inspection based on its assigned risk level; • put in place systems to reassess each dealer’s risk level on an ongoing basis; • perform a cost-benefit analysis on implementing an information system	• OMVIC has 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). The Inspections team received the new policy/procedures manual and was trained on the new policies/procedures. • OMVIC has conducted a workload study of the Inspections team to determine optimum staffing levels.	By December 2023, OMVIC will: • Develop new functionality in OMVIC’s IT system which assesses the risk level, determines inspection frequency, and schedules inspections. Once developed, inspectors will use this functionality to schedule inspections. • Develop a business case on new functionality in OMVIC’s IT system which assesses risk level, determines the inspection frequency, and schedules the inspection. Discuss business case with IT Steering Committee. By March 2023, OMVIC will: • Implement the workload study.

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	that can continually assess the risk of each dealer and assign an appropriate inspection frequency based on the dealer's risk level; and • assess the workload of inspectors and ensure that OMVIC has sufficient staff to carry out and complete annually assigned inspections on a timely basis.		

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2021 Annual Report of the Auditor General of Ontario

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6	So that the Ontario Motor Vehicle Industry Council's (OMVIC's) inspectors carry out inspections of motor vehicle dealers consistently and effectively, we recommend that OMVIC: • 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; • where inconsistencies are identified, take steps to facilitate corrective action; and • periodically rotate inspectors in geographic areas when it is feasible to do so.		By December 2022, OMVIC will: • Develop policy/procedures outlining inspection oversight process. • Develop policy/procedures which will require the regular rotation of inspectors in the Greater Toronto Area. By December 2023: • OMVIC will develop new functionality in OMVIC's IT system which can document inspection file review/assessment and train staff. • OMVIC's Inspections management team will adhere to the new inspection oversight policy/procedures and take appropriate corrective action when required. • OMVIC will implement policy/procedure requiring regular rotation of inspectors in the Greater Toronto Area.

	Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
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 the Ontario Motor Vehicle Industry Council: • 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; and • ensure that follow-up inspections are performed in accordance with this framework.	• 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.	By December 2022, OMVIC will: • Determine and implement the optimum resource requirements for the Dealer Support team. Establish new Policy team responsible for developing compliance related guidance documents and support dealers with achieving compliance. The Policy team will work with Inspections and Dealer Support teams to improve compliance. Develop new process with appropriate policies/procedures on how inspection follow-ups will take place. Train staff. By December 2023, OMVIC will: • Adhere to the inspection follow-up process outlined in the policies/procedures. Train staff. By 2024, OMVIC will: • Complete the required staff hiring if necessary.

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8	To improve motor vehicle dealer compliance with the all-in-price advertising requirement, we recommend that the Ontario Motor Vehicle Industry Council utilize information gathered by consumer associations to take appropriate enforcement action against motor vehicle dealers that do not comply with the *Motor Vehicle Dealers Act, 2002.*	• OMVIC will be ceasing its practice of utilizing consumer associations to conduct mystery shopping of dealers for all-in-pricing advertising. Instead, OMVIC's mystery shop program is being expanded and a new manager of investigations for mystery shops was hired in February 2022.	By March 2023: • The mystery shop program will be further expanded by hiring an additional investigator. With dedicated staff, more mystery shops will be conducted at more dealerships. Failures from previous years will be re-shopped to confirm compliance.

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2021 Annual Report of the Auditor General of Ontario

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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 the Ontario Motor Vehicle Industry Council: • establish reasonable guidelines or benchmarks for enforcement action and the timely completion of investigations; • monitor investigations against these guidelines or benchmarks to identify and follow up where significant differences are found; • 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; and • develop policies and procedures on key	• New policies and procedures have been developed covering key aspects of the investigations process. These policies were added to the Policy and Procedures Manual.	By April 2022, OMVIC will: • Issue the Policy and Procedures Manual and train staff on the newly developed policies and procedures. By December 2022, OMVIC will: • Develop policy/procedures for the investigation process which will establish benchmarks for the timely completion of investigations. • Develop policies/procedures specific to management controls and oversight of the investigation process. • Train staff on the above new policies/procedures. • Investigations management will adhere to new policies/procedures and take appropriate corrective action when required. By December 2023, OMVIC will: • Add functionality in OMVIC's IT system to monitor investigations based upon established benchmarks. Train staff.

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	aspects of investigations to help guide the work of its investigators.		

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Value-for-Money Audit: Ontario Motor Vehicle Industry Council
2021 Annual Report of the Auditor General of Ontario

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10	To provide consumer protection, and strengthen the Ontario Motor Vehicle Industry Council's (OMVIC's) effectiveness in both mediating and resolving disputes between consumers and motor vehicle dealers, we recommend that OMVIC: • record in its systems its assessment of whether a motor vehicle dealer has breached one or more provisions of the Motor Vehicle Dealers Act, 2002 or Consumer Protection Act, 2002 for each complaint it reviews; and • work with the Ministry of Government and Consumer Services to reassess the current limitations of the Motor Vehicle Dealers Act, 2002 that prevent OMVIC from compelling motor vehicle dealers to provide restitution to consumers when they have breached the law.		By July 2022, OMVIC will: • Conduct an analysis of current legislative limitations on OMVIC's ability to compel dealers to provide restitution to consumers and provide this analysis to MGCS for consideration. By December 2023, OMVIC will: • Develop a framework for determining potential breaches to ensure they are correctly identified in OMVIC's IT system. Add this functionality to OMVIC's IT system. All complaints escalated to a negotiation will be reviewed and potential breaches will be identified.

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2021 Annual Report of the Auditor General of Ontario

<table>
<tr><th colspan="2">Auditor’s Recommendation</th><th>Completed undertaking</th><th>Outstanding undertaking (including timeline)</th></tr>
<tr><td>11</td><td>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 the Ontario Motor Vehicle Industry Council (OMVIC):
• 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; and
• train all complaint handling staff to consistently and accurately apply this framework and criteria to all complaints received and mediated by OMVIC.</td><td></td><td>By December 2022, OMVIC will:
• Review and identify current complaint issues.
• 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.
• Use the guidelines (framework) on an ongoing basis to ensure that escalated files are consistently forwarded for administrative review.
• Train staff once the guidelines (framework) have been completed.</td></tr>
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2021 Annual Report of the Auditor General of Ontario

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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 the Ontario Motor Vehicle Industry Council (OMVIC): • conduct a workload study for its complaint handling staff; and • use the results of this study to ensure that OMVIC's consumer support team is sufficiently staffed.		By December 2022, OMVIC will: • Conduct a workload study to determine optimum staffing levels. The workload review will consider trends in the complaint process and assess number of complaints currently referred for administrative review. • Analyze the study and consider improvements to processes within the department.

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2021 Annual Report of the Auditor General of Ontario

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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 the Ontario Motor Vehicle Industry Council (OMVIC) work with the Compensation Fund's Board of Trustees to: • review consumer complaints that were not eligible for a claim against the Compensation Fund to develop additional eligibility criteria; and • propose to the Ministry of Government and Consumer Services to include in the Motor Vehicle Dealers Act, 2002 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		By July 2022, OMVIC will: • Complete an internal review of complaints not eligible for compensation. • Consult with the Compensation Fund Board of Trustees and stakeholders. • Develop and submit additional proposed eligibility criteria to MGCS for consideration.

Auditor's Recommendation		Completed undertaking	Outstanding undertaking (including timeline)
	violation of the acts that do not fit into a specific eligibility criterion.		

	Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
14	To protect consumers who purchase a motor vehicle from an illegal motor vehicle dealer, we recommend that the Ontario Motor Vehicle Industry Council (OMVIC) work with the Compensation Fund's Board of Trustees and the Ministry of Government and Consumer Services to 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.		By July 2022, OMVIC will: • Conduct an analysis that 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. • Develop a report for consideration and submit it to MGCS.

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2021 Annual Report of the Auditor General of Ontario

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15	So that prospective motor vehicle buyers are aware of the Ontario Motor Vehicle Industry Council's (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: • 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; • require motor vehicle dealers to provide vehicle purchasers with the information package at the time of purchasing a vehicle; and • develop, implement and monitor the success of a marketing plan to increase consumer awareness about consumer protection rights in place under the Motor Vehicle Dealers Act, 2002 and the Consumer Protection Act,		By July 2022, OMVIC will: • Develop a report with proposed regulatory changes and submit it to MGCS for consideration. By December 2022, OMVIC will: • Research and identify high risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation. Develop and implement an annual marketing plan. Identify key performance indicators to track and trend progress toward marketing objectives. By June 2024, OMVIC will: • 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.

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Report of the Auditor General of Ontario

Value-for-Money Audit: Ontario Motor Vehicle Industry Council

2021 Annual Report of the Auditor General of Ontario

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	2002, as well as OMVIC's role and its services available to the public.		

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Value-for-Money Audit: Ontario Motor Vehicle Industry Council
2021 Annual Report of the Auditor General of Ontario

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17	So that consumers potentially receive a more competitive interest rate based on their credit score, we recommend that the Ontario Motor Vehicle Industry Council (OMVIC): • take steps to increase public and consumer awareness regarding dealer responsibilities and consumer risks with regard to interest rates; • include a step in its compliance inspections to verify whether motor vehicle dealers are disclosing to the consumer all the financing offers received; and • 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.		By July 2022, OMVIC will: • Develop a report with proposed regulatory changes and submit it to MGCS for consideration. By December 2022, OMVIC will: • Research and identify high risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation. Develop and implement an annual marketing plan that includes a focus in this respect. Identify key performance indicators to track and trend progress toward marketing objectives. By January 2024, OMVIC will: • Add additional steps to the inspection process, if regulatory changes are made.

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2021 Annual Report of the Auditor General of Ontario

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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 the Ontario Motor Vehicle Industry Council: • take progressive enforcement action against motor vehicle dealers who do not comply with the requirement; and • increase its efforts to educate consumers about the all-in-price advertising requirement in Ontario.	• A new manager of investigations for mystery shops was hired in February 2022.	By December 2022, OMVIC will: • Research and identify high risk issues for consumers and areas of high non-compliance among dealers based on data and stakeholder consultation. Develop and implement an annual marketing plan that includes a focus in this respect. Identify key performance indicators to track and trend progress toward marketing objectives. By March 2023, OMVIC will: • Expand OMVIC's mystery shop program, increasing the annual number of completed mystery shops. Take additional enforcement action based on the results of the mystery shops. Conduct a workload study in 2023 to determine optimum staffing levels in the Legal department.

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2021 Annual Report of the Auditor General of Ontario

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19	To improve the effectiveness of the Ontario Motor Vehicle Industry Council's (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: • review the workload of its key operating departments; and • put in place a plan to improve operations in the areas of consumer protection and responsiveness to consumers and dealer registrations and enforcement action.	• Conducted a workload study of the Registrations team to determine optimum resource requirements (see Recommendation 4). • Conducted a workload study of the Inspections team to determine optimum resource requirements (see Recommendation 5).	By December 2022, OMVIC will: • Conduct a workload study to determine the optimum resource requirements for managing the expected increase in the number of administrative enforcement actions brought before the Licence Appeal Tribunal, Discipline Committee, etc. By December 2023: • The Registration, Consumer Support, and Enforcement teams will develop plans to improve operations. Once developed, these department operational plans will be captured in OMVIC's annual business plan. OMVIC's progress toward meeting its strategic goals and priorities will be tracked and evaluated using the organization's balanced scorecard. The business plan and balanced scorecard will be reviewed, evaluated, and adapted as required on an annual basis.

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2021 Annual Report of the Auditor General of Ontario

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<tr><td>20</td><td>So that the Ontario Motor Vehicle Industry Council (OMVIC) can contribute directly to the Compensation Fund (Fund) to cover future consumer claims, if needed, we recommend that OMVIC, in co-ordination with the Compensation Fund’s Board of Trustees:
• work with the Ministry of Government and Consumer Services to propose an update to the government on regulations under the Motor Vehicle Dealers Act, 2002 that would permit OMVIC to transfer funding from its general surplus to the Fund; and
• establish a policy to periodically review the continuing financial sufficiency of the Fund.</td><td></td><td>By August 2022, OMVIC will:
• Develop a proposal that includes proposed regulatory changes and submit it to MGCS for consideration. To do so, OMVIC will conduct a jurisdictional scan of other administrative authorities, consult with the Compensation Fund Board of Trustees and the Board of Directors.
By September 2022, OMVIC will:
• Conduct research on organizations with a similar policy. Discuss a framework for periodic reviews and determine the review period. 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.</td></tr>
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21	To confirm that motor vehicle dealers remit complete fees for each motor vehicle transaction to the Ontario Motor Vehicle Industry Council (OMVIC), and that OMVIC collects those complete fees, we recommend that OMVIC: • 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; • use the data obtained from MTO to verify the accuracy of vehicle transactions reported by individual motor vehicle dealers; • 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; and • take steps to collect	• Met with MGCS and MTO in February 2022 to begin discussions regarding establishing an information-sharing agreement.	By December 2022, OMVIC will: • Continue meeting with MTO to propose and negotiate terms of an information-sharing agreement. Execute information sharing agreement with MTO. By December 2024, OMVIC will, subject to execution of an information-sharing agreement (see above action): • 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. • Add additional steps to the inspection process. Share information obtained from dealers with the Finance team for analysis. • 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.

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Report of the Auditor General of Ontario
Value-for-Money Audit: Ontario Motor Vehicle Industry Council
2021 Annual Report of the Auditor General of Ontario

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	unpaid fees from motor vehicle dealers found to have underreported vehicle transactions.		

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Value-for-Money Audit: Ontario Motor Vehicle Industry Council
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22	To identify and reduce the risk of money laundering activity through motor vehicle dealers, we recommend that the Ontario Motor Vehicle Industry Council and the Ministry of Government and Consumer Services 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.		By December 2022, OMVIC will: • Participate in discussions with MGCS and the federal government. • Provide advice to MGCS and/or the federal government as required.

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23	So that the information that the Ontario Motor Vehicle Industry Council (OMVIC) reports to the public is accurate, complete and consistent, we recommend that OMVIC annually report on: • the complete results of the consumer surveys it conducts and highlight areas where improvements are needed; • completed inspections and site visits separately; and • time spent to review registration applications, including staff time to follow up and collect missing information.		By December 2022, OMVIC will: • Publish results from the annual consumer awareness survey on OMVIC's website and highlight areas for improvement. Include results in the annual report. Use the results to inform the development of objectives for the annual marketing plan. Identify key performance indicators to track and trend progress toward marketing objectives. • Develop policy/procedures which define the different types of inspection activities. Internal reporting will distinguish inspections from site visits. Include completed inspections and site visits in the annual report. • Develop a process to identify and capture Registrations' processing times. Communicate processing times of applications to applicants/registrants via website and annual report.

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2021 Annual Report of the Auditor General of Ontario

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24	So that the Ontario Motor Vehicle Industry Council's (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: • establish fixed term limits for its Board members that are in line with best practices of existing authorities and other organizations similar to OMVIC; • reassess the proportion of industry representatives on OMVIC's Board and compare it to the proportions in other delegated authorities; and • revise selection criteria for Board members to highlight qualifications that best serve consumer interests.		By June 2023, OMVIC will: • Conduct an environmental scan on maximum term limits and on industry and consumer representation for boards of other administrative authorities. Discuss findings with the Board of Directors and reach agreement on maximum term limit and desired proportions. Consult with MGCS for their perspective. Seek external legal counsel assistance in revising by-laws as required. Revise the by-laws and provide them to the Minister of Government and Consumer Services as they are subject to Minister approval. If approved by the Minister, seek approval by the membership (motor vehicle dealer registrants) at the 2023 Annual General meeting. • Research the Board selection criteria for other consumer protection agencies. Discuss findings with the Board and reach agreement on desired criteria. Consult with MGCS for their perspective and assistance in preparing for ministerial review. Seek external legal counsel assistance in revising by-laws as required. Revise by-laws and provide them to the Minister of Government and Consumer Services as they are subject to Minister approval. If approved by the Minister, seek approval by the membership (motor vehicle dealer registrants) at the 2023 Annual General meeting. Ensure updated selection criteria is reflected in an updated administrative agreement.

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25	So that the Ontario Motor Vehicle Industry Council (OMVIC) is effectively and transparently governed, we recommend that OMVIC's Board of Directors and the Compensation Fund's Board of Trustees: • 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; and • establish clear policies that address actual, potential and perceived conflicts of interest.		By June 2022, OMVIC will: • Conduct an environmental scan on comparable procurement and/or conflict of interest policies vis-à-vis external legal counsel research. Discuss findings and recommended changes with the Board of Directors. Write protocol. • Seek external legal counsel assistance in reviewing the Conflict of Interest Guidelines in the Code of Conduct for Board of Directors, as required. Add the Conflict of Interest Guidelines to the Compensation Fund Board of Trustees manual and OMVIC Board of Directors manual.

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2021 Annual Report of the Auditor General of Ontario

	Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
27	So that the Ontario Motor Vehicle Industry Council's (OMVIC's) resources are used more economically, we recommend that OMVIC and its Board of Directors: • more closely align its reimbursement policy with the Ontario government's Travel, Meal and Hospitality Expenses Directive; • disallow any reimbursement of alcoholic beverages; • remove the Board Chair's ability to override the meal rates established in the expense policy; and • utilize OMVIC's boardroom to minimize the costs of Board and Board committee meetings.	• OMVIC's boardroom has been outfitted with all the required equipment and is ready to be utilized for Board and Committee meetings.	By June 2022, OMVIC will: • Prepare a comparison chart based on government and other administrative authority policies. • Compare OMVIC's policy with the Ontario Public Service (OPS) policy. Amend OMVIC's policy to more closely mirror the OPS policy. • Update the policy to remove the clause allowing meal rate to be overridden. Review with MGCS and present to the Board for discussion and approval. By August 2022, OMVIC will: • Schedule Board and Committee meetings in boardroom when possible.