

Transportation & Justice and Solicitor General—Commercial Vehicle Safety Follow-up

SUMMARY

What we examined

Our follow-up audit focused on three key areas that we found needed improvement in our 2009 audit¹ of systems the Government of Alberta uses to monitor and enforce safety standards for commercial vehicles.² We evaluated whether the departments of Justice and Solicitor General and Transportation:³

- strengthened their enforcement practices and improved the information they made available to inspectors
- incorporated a risk-focused approach for selecting vehicles for inspection
- used data more effectively when developing strategies and performance measures

What we found

We found that Transportation is not consistently complying with its policy to take disciplinary and enforcement action against non-compliant carriers. This is unsatisfactory as it could allow unsafe vehicles to continue operating on Alberta highways and could diminish the usefulness of inspection, enforcement and disciplinary action to improve carrier behaviour. We also found that Transportation does not have a reliable process to identify and follow up on carrier-related complaints received and entered into the system by Justice and Solicitor General. Thus, the benefit of having the public help identify potentially problematic carriers is reduced. We are therefore repeating our recommendation to strengthen enforcement processes, particularly for those carriers that persistently do not comply.

Using a regional planning process, Transportation has improved its identification of carriers that pose a higher risk. Also, a new inspection tool provides inspectors with real time access to inspection histories and the ability to quickly input and submit their inspection results. Justice and Solicitor General has also improved its data analysis of driver behaviours, through a more comprehensive approach to its analysis. Therefore, we have concluded that the remaining two recommendations from 2009 have been implemented.

What remains to be done

Transportation needs to follow its own policy by taking timely and appropriate disciplinary and enforcement action for carriers and drivers that do not meet Transportation's deadlines for fixing problems. Also, Transportation, working with Justice and Solicitor General, should implement a systematic process to ensure all carrier-related complaints are followed up.

¹ *Report of the Auditor General of Alberta—October 2009*, pages 117-132.

² Commercial vehicles are trucks, tractors and trailers that have a registered gross weight of more than 4,500 kilograms and buses having a manufacturer's original seating capacity of 11 or more persons, including the driver.

³ In 2012 the government reorganized—the Commercial Vehicle Enforcement branch transferred from Transportation to Justice and Solicitor General. The Carrier Services branch continues to operate at Transportation.

Why this is important to Albertans

With economic expansion and a growing population, more commercial vehicles are on Alberta roads than ever before. Albertans need to know that Alberta's commercial vehicle safety programs will identify high risk vehicles, deal with them appropriately, and ultimately help reduce risks while ensuring the goods transported on our highways make it to their destination.

AUDIT OBJECTIVE AND SCOPE

Our objective was to determine whether the departments of Transportation and Justice and Solicitor General implemented our 2009 recommendations. To conclude on this objective, we examined the systems for selecting vehicles for inspection, processes for enforcing corrective action arising from inspections, and processes to analyze driver behaviour data.

We conducted our field work from July 2013 to April 2014. We substantially completed our audit on May 23, 2014. Our audit was conducted in accordance with the *Auditor General Act* and the standards for assurance engagements set by the Chartered Professional Accountants of Canada.

BACKGROUND

Transport Canada is responsible for monitoring federal commercial vehicle carriers.⁴ It delegates this responsibility to authorities in provinces and territories, through the *Motor Vehicle Transport Act*.⁵ The *Motor Vehicle Transport Act*⁶ requires provinces and territories to enforce the *National Safety Code*⁷ for commercial vehicle carriers. The *National Safety Code*⁸ requires commercial vehicles to have a safety fitness certificate before they may operate on Canadian highways.

Justice and Solicitor General and Transportation are responsible for regulating and enforcing provincial and federal carriers⁹ that travel within the province. The two organizational branches that are responsible are Commercial Vehicle Enforcement (Justice and Solicitor General) and Carrier Services (Transportation).

Commercial vehicle inspections

Justice and Solicitor General's Commercial Vehicle Enforcement branch is responsible for ensuring commercial vehicles meet Alberta's safety standards and comply with provincial and federal legislation while operating on the roads. They do this by:

- selecting and performing commercial vehicle inspections
- implementing programs to target high risk vehicles for inspection
- preparing occurrence reports for issues identified during inspections and submitting those reports to Transportation's Carrier Services branch so that carriers can be monitored

⁴ A federal carrier operates interprovincially and internationally.

⁵ R.S.C. 1985, c. 29 (3rd Supp.)

⁶ Section 3(3)

⁷ The *National Safety Code* is a set of 15 safety standards, developed by the federal, provincial and territorial governments, that covers all aspects of commercial vehicle, driver and motor carrier safety.

⁸ Standard 14

⁹ A "carrier" under section 130 of the *Traffic Safety Act* means an owner of a commercial vehicle in respect of which a certificate is issued or who holds a certificate or is required to hold a certificate.

The Commercial Vehicle Safety Alliance sets the commercial vehicle enforcement criteria for government inspection programs within North America.¹⁰ Officers use the CVSA criteria to inspect federally and provincially licensed commercial vehicles and their drivers.

The Commercial Vehicle Enforcement branch performs inspections at the weigh scales and during mobile patrol duties. Officers visually inspect trucks as they drive by, using their knowledge of potential issues to determine whether to inspect the vehicle. Officers can also issue a traffic violation report for issues not covered by the CVSA inspection.

Commercial carrier monitoring

Transportation's Carrier Services branch is responsible for monitoring whether carriers comply with various acts, regulations and codes.¹¹ They do this by:

- receiving and processing complaints/concerns from drivers, law enforcement, other government departments and the general public
- investigating regulation breaches, imposing corrective action and administering penalties for those carriers that breach regulations
- monitoring carrier statistical information and safety fitness certificate status

The Carrier Services branch maintains a carrier profile that reports a carrier's history of convictions, inspections and collisions, using information provided by inspectors, law enforcement and other government agencies. Carriers can download their profile through a secure website.

Transportation notifies carriers of their status and the consequences of failing to deal with non-compliance issues within a reasonable time. "On-monitoring status" can lead to progressive discipline if the carrier does not respond appropriately to the issues. If necessary Transportation may take action, including auditing a carrier's facility, downgrading the carrier's rating, issuing administrative penalties and revoking the carrier's safety permits and licences.

FINDINGS AND RECOMMENDATIONS

Progressive sanctions—repeated

Background

In 2009 we recommended that the department strengthen its enforcement processes relating to, or arising from, roadside inspections. We found Transportation's correspondence to carriers did not provide deadlines for compliance and consequences for continued non-compliance. This directly undermined the enforcement of these required actions. We also found instances where complaints were not always dealt with appropriately. At the time of the 2009 audit, Transportation was reviewing its enforcement policies to ensure more timely and appropriate sanctions for non-compliance.

Since our audit, Transportation implemented a progressive disciplinary and enforcement policy¹² that provides guidance for intervention when carriers fail to comply with the law. It outlines the types of non-compliance, called events, such as failing to submit a safety fitness certification application, failing to submit insurance information or failing a vehicle inspection. The policy is designed so that disciplinary and enforcement action increases in severity when carriers repeatedly do not comply. Each event may result in several levels of intervention, including issuing a warning letter, providing deadlines to correct

¹⁰ Executive Committee Position Responsibilities, 1996–2007 Commercial Vehicle Safety Alliance, revised February 14, 2007.

¹¹ *Traffic Safety Act* (S.A. 2000, c.T-6); *Commercial Vehicle Safety Regulation* (Alta. Reg. 121/2009).

¹² Progressive Intervention and Disciplinary Policy.

deficiencies, administering fines, and cancelling the safety certificate and vehicle registrations. Additionally, Transportation revised its letters to clarify what was required of non-compliant carriers.

RECOMMENDATION 7: PROGRESSIVE SANCTIONS—REPEATED

We again recommend that the Department of Transportation enforce compliance by carriers who persistently fail to comply with rules and regulations.

Criteria: the standards for our audit

The Department of Transportation should clearly define and consistently apply enforcement standards across the province.

Our audit findings

KEY FINDINGS

- One third of carrier files with non-compliance issues we examined were not followed up by Transportation with timely and appropriate action.
- Complaints about carrier activities received by Justice and Solicitor General were not appropriately identified and followed up by Transportation.

Progressive enforcement policy

The correspondence to carriers we reviewed included all pertinent information, including the infraction, specific compliance requirements the carrier must meet, compliance deadlines and potential penalties for non-compliance. However, based on a sample of carrier files, we found that Transportation did not take timely and appropriate disciplinary or enforcement actions for a third of these carriers. It sent letters to carriers with specified conditions and specific deadlines to taking corrective actions. In the letters, Transportation stated that “failure to satisfy any of these conditions will result in further action being taken.” Although the carriers responded to some of these conditions in a timely manner, they did not correct many of the conditions until months past the deadline and a few did not even respond to the department. For those carriers that were late in responding or did not respond at all, Transportation did not consistently impose additional disciplinary or enforcement actions. Some of these carriers remained on “on-monitoring” status in excess of two years.

In our discussion to determine why this occurred, Transportation staff told us that they track the carrier’s condition deadlines in each staff member’s calendar and meeting application. As a result, the risk of missed condition deadlines is increased. For example, a staff member who leaves might not transfer their notifications for someone else to follow up on. Transportation informed us that it is re-evaluating its process to better inform staff members of upcoming condition deadlines.

Carrier complaint handling

Transportation implemented a complaint handling system to document and respond to carrier complaints. However, we found many of the carrier-related complaints received by Justice and Solicitor General were not communicated to Transportation and were therefore not followed up. We sampled complaints that Transportation received and found it followed the required procedures to appropriately handle the complaint, including tracking, redirecting to the appropriate person to handle it, assessing the complaint, updating the system and responding to the complaint when necessary.

We also sampled complaints that Justice and Solicitor General received, which were entered into the complaint handling system. We were unable to find any evidence that these carrier-specific complaints were followed up. Some of these complaints were in the system for longer than a year. Although the

complaints were logged into a shared handling system, neither department had processes to alert the other of the complaint and to ensure it was adequately followed up.

We found one complaint that involved both departments. Justice and Solicitor General received a complaint about a carrier that encouraged drivers to exceed daily driving limits. The complaint also included information about driver violations and drivers in possession of illegal drugs. This complaint was not followed up for almost two years. It was only followed up after Transportation received another complaint about the same carrier regarding hours of service issues. Had the departments had a process to deal with the initial complaint, the issues could have been resolved much earlier.

To fully implement this recommendation, Transportation should consistently take disciplinary and enforcement action for carriers and drivers who fail to comply with the law. It should develop better processes to notify its staff members when condition deadlines are nearing, so staff members can take timely and appropriate actions. Additionally, Transportation, working with Justice and Solicitor General, needs to implement a process where carrier complaints it receives from Justice and Solicitor General are followed up.

Implications and risks if the recommendation is not implemented

Without timely and appropriate enforcement action taken on high risk carriers, commercial vehicles that are a potential risk to public safety may continue to operate and carriers may not believe there are meaningful consequences for their being non-compliant.

Inspection tools and vehicle selection—implemented

Background

In 2009¹³ we recommended that the department improve its inspection capability by incorporating risk analysis into the selection of vehicles for roadside inspection and increasing the information available to officers at roadside.

Our audit findings

Risk-based inspections

Justice and Solicitor General holds annual branch and regional enforcement planning sessions where each region develops its own plan using enforcement data. The plans are developed regionally so that those most familiar with the region can provide input on high risk activities and vehicles. For example, the Stony Plain region decided to focus more of its resources on log and gravel hauling, as these activities had a history of non-compliance. The resulting plans included the region's goals, traffic enforcement initiatives, public education and awareness initiatives, and records management. The regions assessed the plans mid-year and at end of each year as to whether they were achieving the goals.

Justice and Solicitor General has also recently implemented Smart Roadside, which uses an automated licence plate reader and automated thermal imaging to identify high risk vehicles. Smart Roadside's automated licence plate reader is connected to the government's driver and vehicle licensing, carrier profile and online permitting systems. Smart Roadside scans every incoming vehicle and notifies officers when a vehicle meets certain pre-defined criteria that represent risk indicators (e.g., expired registration, hazardous material, poor safety rating). When a vehicle meets any of the criteria, the officer will be notified visually on the monitor and with a pinging sound.

¹³ *Report of the Auditor General of Alberta—October 2009*, page 124.

Smart Roadside also has automated thermal imaging that scans tires, wheels and brakes for signs of overheating and wear that are not visible to officers. Officers are trained to watch for certain conditions that would alert them to potential problems with the tires, wheels or brakes. For example, if the tire in the thermal image is white, it suggests that a component failure may require immediate attention. Not all vehicles that are identified are inspected, as this will depend on available personnel, the type of violation and the safety issues. It is at the officer's discretion whether to do an inspection.

Smart Roadside is in the pilot stage and has been partially deployed at four weigh stations (Leduc, Highway 2A, Coutts and Whitecourt). We observed Smart Roadside in operation at the Leduc weigh station. It was functioning as intended and was alerting the officer with more notifications than could be managed. Smart Roadside is in the early stages of deployment, but presents a potentially powerful tool to better identify high risk commercial vehicles.

Justice and Solicitor General drafted a business case to analyse the cost and benefit of expanding Smart Roadside. Its analysis states that a Smart Roadside site can be paid back within a year and a half. The business case includes quantitative and qualitative benefits, such as fewer unnecessary inspections, better targeting and increased enforcement on high risk vehicles, public awareness and improved highway safety. Now, Justice and Solicitor General has to decide which transportation corridors to add and how to prioritize the large volume of notifications they are receiving to allow inspectors to focus on the higher risk commercial vehicles.

Roadside inspection information

Justice and Solicitor General implemented e-Inspection, a system that provides officers with remote access to carrier profiles and inspection history, as well as the ability to input and submit inspection results into the database more quickly. When an officer selects a vehicle for inspection with e-Inspection, the officer has real-time access to data from different databases that contain the most recent carrier, driver and vehicle information. The officer can see whether a vehicle was previously inspected, the results of the inspection, and whether there were any outstanding issues.

Using e-Inspection, the officer inputs the location, driver and vehicle information, and identifies defects and inspection results at the roadside. When the inspection is completed, the officer submits the report through e-Inspection to the supervisor for sign-off. The completed inspections are batched and loaded into the database at the end of the each day. We found, with the implementation of e-Inspection, the lag time between completing an inspection and the availability of the inspection results has significantly decreased.

Improve data analysis—implemented

Background

In 2009¹⁴ we recommended that the department further develop and improve its data analysis practices for use in program delivery and performance measure reporting. The department conducted annual surveys at inspection sites across Alberta. The process did not reflect activity throughout the year and was narrowly focused on the number of vehicles taken out of service for mechanical violations on survey day. Inspections involve interacting with drivers and provide a good opportunity to learn more about the causes of driver behaviour that may not be specifically requested by the inspection.

¹⁴ Report of the Auditor General of Alberta—October 2009, no. 15, page. 129.

Our audit findings

We found that Justice and Solicitor General improved its data analysis processes to collect and analyze data. Justice and Solicitor General implemented a random roadside survey to collect data that reflect activities throughout the year and from different regions. It conducted surveys twice a year and at 36 locations. Justice and Solicitor General revised the surveys to collect information on vehicles that require attention or are out of service. They also collected information on driver behaviours that have an impact on safety, such as driver credentials and hours of service.

