



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Amend Provincial Legislation to Improve Efficiencies and Increase Revenues

Date:	September 21, 2011
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

This report identifies a number of areas where relatively minor amendments to provincial legislation would result in increased revenues to both the City and the Province. The extent of the increased revenue accruing to the City would likely be in the range of \$3.9 million. The amendments to the legislation also have the potential to increase the efficiency and effectiveness of certain City operations.

While the issues raised in this report have been identified previously in various audit reports, it is our view that their consolidation into one report would be beneficial.

RECOMMENDATIONS

The Auditor General recommends that:

1. City Council request the City Manager, in consultation with the City Solicitor and other appropriate officials, to review the issues identified in this report and determine whether or not the Province should be approached with a view to requesting an amendment to legislation.

Financial Impact

Amendments to provincial legislation have the potential to increase revenue to the City of somewhere in the range of \$3.9 million. It is anticipated that the extent of additional resource requirements to generate this revenue will not be significant. An analysis of the \$3.9 million is attached as Appendix 1 to this report.

ISSUE BACKGROUND

Three separate reviews have recently been completed which include recommendations pertaining to amendments to Provincial legislation.

- The Red Light Camera Program Review
- Toronto Police Service, Parking Enforcement Review
- Controls Over Parking Tags

As a result of these reviews, we identified a number of issues which have the potential to increase revenues for both the City and the Province. In order to benefit from these increased revenues, it is likely that amendments to provincial legislation will be required.

COMMENTS

The comments contained in this report are at a high level and will require further evaluation and analysis. This evaluation and analysis should not only consider the issues addressed in this report but other areas where City responsibilities could be better coordinated and combined. Opportunities for Provincial Legislation amendments are as follows:

RED LIGHT CAMERA PROGRAM

Licence Plate Visibility

Red light camera tickets in many instances cannot be issued because of Highway Traffic Act violations as described in an in camera report to Audit Committee. These tickets relate to individuals who have in fact committed a red light running offence. Parking enforcement officers could effectively enforce these specific violations with relatively minor changes to legislation. This change in enforcement practices would address the public safety issue of red light camera running and has the potential to result in increased annual revenue estimated at \$1.7 million.

PARKING ENFORCEMENT REVIEW

1) Expired Licence Plates

Parking enforcement officers are prevented from issuing tickets for expired licence plates even though their day-to-day work would identify such circumstances. Fines relating to expired licence plates accrue to the Province. However, if parking enforcement officers assume responsibility for issuing tickets for expired licence plates, the City should be in a position to negotiate a revenue sharing arrangement.

Our analysis indicates that there were approximately 25,000 vehicles in the City operating with expired plates during 2010. The fine for operating a vehicle with expired licence plates is \$110 and consequently, if all of this revenue were collected, the Province would receive approximately \$2.75 million. On a conservative basis assuming that 75 per cent of the fines were collected, the Province would still receive \$2.1 million. If a revenue sharing arrangement with the Province could be negotiated for say 50 per cent of the revenue collected, the City would receive approximately \$1 million. This revenue would have to be balanced against any potential additional costs which may be required.

2) Incorrect Licence Plate Expiry Date

The Provincial Offences Act requires expiry month entry on parking tags issued. Approximately 30,000 parking tags valued at \$1.2 million were cancelled as a result of expiry date errors. In the majority of cases, expiry date errors entered on parking tags did not match Ministry of Transportation records. Considering the number of errors and related revenue losses, the City should review the potential of requesting an amendment to the Provincial Services Act to eliminate the requirement to enter the licence plate expiry month on the parking tag.

The information currently entered on the parking tag includes the make and model of the vehicle as well as the licence plate number of the vehicle. Unless there are compelling reasons to the contrary the additional requirements to include the expiry date of the licence seems to be superfluous.

CONROLS OVER PARKING TAGS

“Drive-Aways”

City staff cancel over 110,000 parking tags valued at over \$4.5 million each year due to “drive-away” vehicles. Provincial legislation requires the physical placement of parking tags on offender vehicles or direct hand delivery of the tag in order to be enforceable. Legislation does not currently allow the City to forward parking tags to offenders by mail.

While Audit Committee in early 2011 did not accept the Auditor General’s recommendation that this issue be pursued, a change in legislation would at least allow the City to implement such a process if it decided to do so some time in the future.

On a conservative basis, revenue of approximately \$2 million would be available to the City if the City was able to follow up on “drive-aways”.

We have not included this revenue amount in the financial impact statement as City Council at the present time does not wish to pursue “drive-aways”.

Conclusion

This report addresses issues relating to potential amendments to provincial legislation which may be of benefit to both the City and the Province.

The issues identified were as a result of audit reports completed over the past number of months.

There may be other opportunities to consolidate or better coordinate roles and responsibilities of various functions throughout the City which have not been the subject of audit. For example, the enforcement of the City's idling by-law may be better addressed by parking enforcement officers as opposed to transportation division staff. Likewise, the enforcement of the front yard parking by-law is an area that needs to be reviewed in terms of who should fulfil this role at the City.

In our view, the suggested amendments to provincial legislation are not significant. However, the changes do provide the City an opportunity to not only significantly increase revenues but to operate more efficiently and effectively.

CONTACT

Alan Ash, Director, Auditor General's Office
Tel: 416-392-8476, Fax: 416-392-3754, E-mail: aash@toronto.ca

Jerry Shaubel, Director, Auditor General's Office
Tel: 416-392-8462, Fax: 416-392-3754, E-mail: jshaubel@toronto.ca

SIGNATURE

Jeff Griffiths, Auditor General

Analysis of Additional Revenue

	\$ Millions
Licence Plate Visibility	1.7
Expired Licence Plates	1.0
Cancellation of Parking Tags Due to Incorrect Licence Plate Information	1.2
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	3.9