

**DEPARTMENT OF  
PUBLIC SAFETY**

**DRIVER LICENSE EXAMINING,  
DRIVER IMPROVEMENT,  
SIZE & WEIGHT PERMITS and FINANCIAL  
RESPONSIBILITY**

**PERFORMANCE AUDIT**

**JANUARY 1, 2003 THROUGH JUNE 30, 2004**



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

August 12, 2005

**TO THE COMMISSIONER OF PUBLIC SAFETY**

Transmitted herewith is the performance audit over certain aspects of the Driver License Examining, Financial Responsibility, Size & Weight Permits, and the Driver Improvement divisions for the period January 1, 2003, through June 30, 2004. The procedures were performed at the request of the Commissioner and in accordance with 74 O.S. 2001, § 213.2.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of the engagement.

The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and issuing reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMAHAN".

JEFF A. McMAHAN  
State Auditor and Inspector

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## DEPARTMENT OF PUBLIC SAFETY

### PERFORMANCE AUDIT SUMMARY

## Results of Procedures Indicate the Need to Improve the Efficiency of Certain Functions within the Department of Public Safety



**JEFF A. MCMAHAN, CFE**

STATE AUDITOR & INSPECTOR

#### Why the audit was performed

This performance audit was conducted at the request of the Commissioner of Public Safety as authorized by 74 O.S. 2001, § 213.2.

#### Audit Objectives

I. Determine if the current structure (number of examiners and locations) of the Driver License Examining Division is situated to provide the most efficient service to the public.

II. Determine if non-vehicle related laws placed on the Driver Improvement Division to suspend driver licenses are hindering the Division from achieving its mission in the most efficient manner.

III. Determine if the process for issuing permits in the Size and Weights Division is operating efficiently.

IV. Determine if the canceled insurance information is accurately processed, by the Financial Responsibility computer system, to provide an effective and efficient process for collection of fees.

#### Driver License Examining Division – page 6

- Driver license exam station locations appear not to have been determined based on customer demand.
- Source documents to support activity reports at each exam station were not retained by Division personnel. Without this documentation, we are unable to validate the accuracy of the activity reports and cannot determine if the number of examiners and locations is situated to provide efficient service to the public.

#### Driver Improvement Division – page 10

- Non-vehicle related suspensions account for 3.73% of the total suspensions enacted by the Division.
- Current Division staffing related to suspensions/reinstatements may not be sufficient to efficiently handle the 86,000 suspensions performed in fiscal year 2004.

#### Size and Weight Permit Division – page 13

- There are six locations across the state which issue permits for excessively large and/or heavy cargo. Division management was unable to provide the number of permits issued and fees received for each of these locations.
- There has never been a formal evaluation to determine if the need exists for six locations to issue permits.
- The use of manually plotted routes could lead to damage of life and property.
- There is no communication between the Division and the Oklahoma Highway Patrol regarding accidents resulting from an improperly routed truck.

#### Financial Responsibility Division – page 17

- DPS does not appear to be fully aware of the insurance cancellation process including services provided by OTC.
- DPS does not follow up with the insurance companies on records they cannot verify.
- Insurance companies do not appear to be collecting and sending accurate data to DPS. We noted that 72 percent of the records received from the insurance companies did not match information collected in the DPS Drivers License and OTC Motor vehicle system.
- DPS is not allowed to send letters to the last known address; they are required by law to send cancellation letters to the address listed in their Driver License master file.
- DPS does not have sufficient data to know whether the vehicles are uninsured, their owners have changed insurance companies or sold the vehicles.

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**BACKGROUND**

The Department of Public Safety (DPS) was created in 1937 to administer to the protection and needs of Oklahoma citizens, including both their personal well-being and their vehicular safety.



The Commissioner of Public Safety requested a performance audit on the following four divisions within the agency:

**Driver License Examining** – gather, record, and maintain vital statistics information on all Oklahoma driver license holders; issue new driver licenses; reissue lost or stolen licenses; issue or reissue state identification cards; collect fees associated with these services

**Driver Improvement** – enforce the provisions of Oklahoma’s implied consent and bail bond statutes, driver license points system, medical aspects of driver licensing, accident prevention courses, driver improvement schools, and suspend/revoke driving privileges

**Size and Weight Permits** – issue permits to legally transport oversize and overweight cargos on state roads and highways

**Financial Responsibility** – ensure compliance with Oklahoma’s compulsory insurance statutes by review of traffic collision reports involving fatalities, injuries, or property damage in excess of \$300

**SCOPE**

This audit was conducted pursuant to 74 O.S. 2001, § 213.2 and was requested by the Commissioner of Public Safety. The audit period is January 1, 2003 through June 30, 2004, and it was performed in accordance with *Government Auditing Standards*.

**OBJECTIVES**

Our objectives were to:

- I. Determine if the current structure (number of examiners and locations) of the Driver License Examining Division is situated to provide the most efficient service to the public.
- II. Determine if non-vehicle related laws placed on the Driver Improvement Division to suspend driver licenses are hindering the Division from achieving its mission in the most efficient manner.
- III. Determine if the process for issuing permits in the Size and Weights Permits Division is operating efficiently.
- IV. Determine if the canceled insurance information is accurately processed, by the Financial Responsibility computer system, to provide an effective and efficient process for collection of fees.



**OBSERVATIONS AND RECOMMENDATIONS**

*I. Determine if the current structure (number of examiners and locations) of the Driver License Examining Division is situated to provide the most efficient service to the public*

**METHODOLOGY**

Internal controls for the Driver License Examining Division were documented and considered through a review of the Division's policies and procedures as well as interviews with Division staff. In addition, the following procedures were performed:

- We reviewed the mission of the Division.
- We reviewed state statutes related to the Division.
- We reviewed data related to the activity at each exam station.
- We reviewed the locations of the exam stations.
- We sent a survey to Driver License examiners asking questions related to certain aspects of the Division.

**OBSERVATIONS**

**What is the mission of the Driver License (DL) Examining Division?**

The Division's stated mission is:

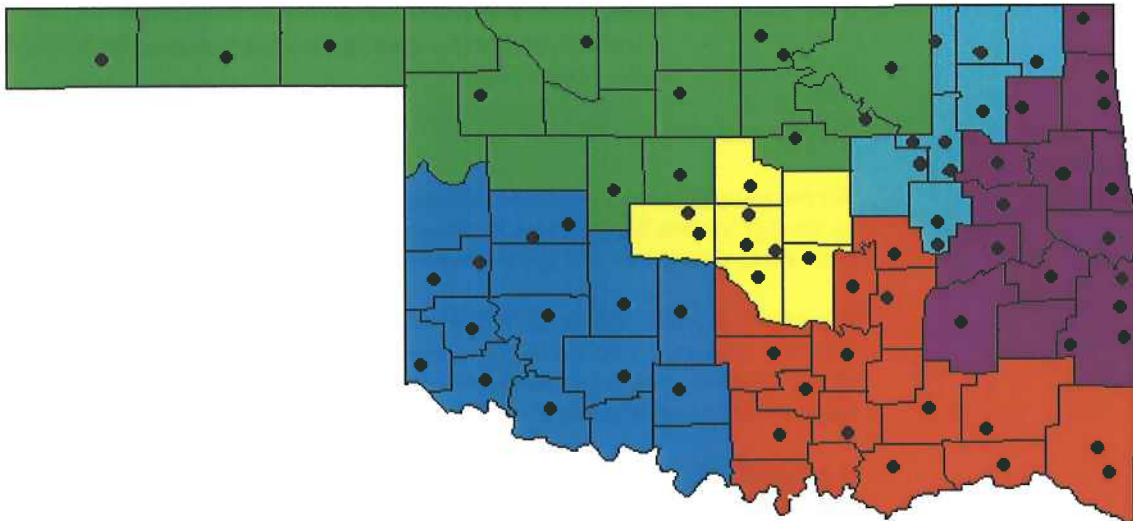
- To promote public safety by administering an effective, efficient program of testing for knowledge and skills, analyzing physical, mental, and visual abilities, and issuing licenses to those citizens of this state, who qualify, to operate motor vehicles on the roads and highways.
- To administer a program to issue documents or identification which will be recognized and accepted by other federal and state government entities, commercial enterprises, retail outlets and the international community.
- To provide accurate information to the public, law enforcement agencies, motor license agents, state agencies, and other states regarding federal or state driver license laws, rules, and regulations.
- To promote a sound program of driver education to assure delivery of a training program designed to develop driving skills and promote highway safety.
- To generate revenues for credit to the general revenue fund of the state of Oklahoma.

**Where are the DL exam stations located and how much activity (written and driving tests) does each handle?**

There are currently 74 exam stations across the state with some open one day per month while others are open every day. Division management states there has never been an analysis performed on demand at each location or on how many days/hours each should be open. A survey of 24 judgmentally selected DL examiners revealed that 20 of them have turned customers away because the demand at their location was too large for them to serve. The survey also discovered that examiners covering multiple locations drive an average of 5.5 hours (13%) per week between their stations. Upon reviewing the physical locations of the exam stations (see map on next page), several counties had multiple locations while others had one or none. The multiple location counties were:



- Leflore County (pop. 48,900) – There are four locations in this county with three of these being open only one day per month. The fourth location is open three days per week.
- McCurtain County (pop. 34,000) – There are two locations 14 miles apart.
- Okmulgee County (pop. 39,700) – There are two locations 15 miles apart with one of those being open only two days per month.
- Delaware County (pop. 38,700)- There are two locations 13 miles apart with each one of those being open only four days per month.
- Kay County (pop. 47,300) – There are two locations 20 miles apart with one of those being open only 2 days per month.
- Custer County (pop. 25,000)- There are two locations 15 miles apart.
- Beckham County (pop. 19,900) – There are two locations 17 miles apart with one of those being open only one day per month.
- Canadian County (pop. 92,900) – There are two locations 13 miles apart.
- Oklahoma County (pop. 676,100) – There are three locations.
- Tulsa County (pop. 570,300) – There are three locations.



SOURCE: Map outline provided by www.kbby.indiatrust.com/fgg-carr/basok.gif.

Each dot represents a DL exam station. 47 O.S. 2001, § 6-110. 4 requires an examination to be given within 100 miles of the residence of the applicant.

Enid District	Tulsa District	Muskogee District
Lawton District	Oklahoma City District	Ada District

The 89 DL examiners administer written and driving tests for class A, B, C, and D licenses. This activity is recorded by the examiners and entered into DPS’s computer system. Monthly control activity reports are generated as a result and will show the number of tests (written and driving) given by an examiner and the location at which it was given. We attempted to verify the validity of this data by selecting a sample of 20 locations in which we would trace the monthly activity back to its source documentation. However, we were informed by Division management that the examiners do not retain the actual written tests or driving test score sheets except for those who fail. These are retained for only 90 days. Without source documents to support activity numbers at each location, we are unable to validate the accuracy of the activity reports.

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Therefore, we cannot determine if the number of examiners and locations is situated to provide efficient service to the public.

**RECOMMENDATION**

Due to source documents not being retained, we were unable to test the validity of the activity data. Additionally, station locations appear not to have been determined based on customer demand. We recommend management develop a method of analyzing demand at each DL station to ensure the location and staffing is appropriate. This analysis may include, but not be limited to:

- Ensuring a station has an established history of high activity.
- Tracking customers who were not served (came to the office but left before being served) and follow up on the reason so as to provide better service.

Once demand has been analyzed, criteria for establishing the number and location of exam stations should include, but not be limited to:

- Customers can drive a specified maximum not to exceed 100 miles. Exam locations must be situated to fall within this range. These stations could be staffed with a greater number of personnel to expedite the customers exam times.
- A county must have a specified minimum population to justify a DL exam station.

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We recommend that all programs relating to driver license activity be reviewed by the Application Support area for reliability. This will allow for accurate data concerning the activity of a given exam site.

It is unrealistic to be able to track customers who are not served when there is only one individual who works some stations, one day a week or one day a month. There is no way to track who desired services if an Examiner is unavailable to work the one man site.

A proposal has been submitted to consolidate test sites to no more than 35 regional sites statewide. This will provide facilities with adequate staffing and hours which will reduce the processing and wait time per applicant. Currently, state law requires that no applicant have to travel no more than 100 miles of their residence. With this proposal no one would have to travel more than 40 miles.

This proposal will require the full backing and support of the State Legislature.

**Auditor's response with respect to the second paragraph of the views of responsible officials**

We believe this is a further indication that analysis related to demand is crucial to the efficient operation of the DL stations. Management has no assurance that the one man station is actually needed and/or appropriately staffed.

**OTHER ITEMS  
OF INTEREST**

**Station Visits**

We visited the exam stations at Yukon, Midwest City, and Kingfisher. Midwest City would be considered a high activity location, Yukon would be moderate, and Kingfisher would be low.

- Midwest City – This is an eight-examiner station. During our visit, we observed a clerk scheduling appointments for anyone wishing to test, as well as reviewing required testing documents provided by the customers. The documents were forwarded to an examiner who administered the driving portion of the test. Written tests were being administered electronically. Although this location had several customers waiting to test, the process appeared to be running efficiently.
- Yukon- This is a two-examiner station. During our visit, we observed one examiner administering two written tests, answering the phone, and assisting walk-in customers. This appeared to be a stressful environment with one person performing many duties. The second examiner was giving driving tests during our visit.
- Kingfisher – This is a one-examiner station. During our visit, we observed the examiner administering two written tests and answering sporadic phone calls.

The workload at these three facilities did not appear consistent. The Division may wish to consider the use of a clerk at locations where the administrative demand may be too large for examiners to handle the workload in an efficient and effective manner.

**Turnover Rate and Salaries**

Based on discussion with Division management, personnel turnover is a significant problem in the Division. Unaudited data provided by management indicates 11 examiners left in 2003 while 15 resigned in 2004; this is in excess of 10% annually. Since management feels salary (starting salary \$1,784 – average salary \$2,053) is the primary factor causing the turnover, they may wish to consider conducting an exit interview with resigning examiners to determine if salary played into their decision to leave the agency. Additionally, the Division could contact the Office of Personnel Management to request a salary study on this position if salary is determined to be the primary cause of the high turnover.

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The agency is working on a proposal to address the salary issues and the lack of manpower statewide. Once funds are identified then we will work with OPM to upgrade the payband for Examiner classification. We will continue to work with OPM to review the current classification and job duties along with requesting a salary comparison from other states.

We believe the audit was representative of the problems this division faces and we will continue to work with the legislature and the Office of Personnel Management to address these issues.

*II. Determine if non-vehicle related laws placed on the Driver Improvement Division to suspend driver licenses are hindering the Division from achieving its mission in the most efficient manner*

**METHODOLOGY**

Internal controls for the Driver Improvement Division were documented and considered through a review of the Division's policies and procedures as well as interviews with Division staff. In addition, the following procedures were performed:

- We reviewed the mission of the Division.
- We reviewed the non-vehicle related laws which suspend driver licenses.
- We reviewed the process used by the Division to suspend driver licenses.
- We reviewed the number of suspensions for vehicle related and non-vehicle related violations for the period July 1, 2003 through June 30, 2004.
- We interviewed employees who work at the state agencies responsible for suspending driver licenses in Arkansas, Texas, New Mexico, and Kansas to determine if other states have similar laws related to non-vehicle related suspensions.

**OBSERVATIONS**

**What is the purpose of the Driver Improvement (DI) Division?**

The Division's stated purpose is:

- To improve the attitudes and driving performance of drivers who, because of traffic violations and/or collision involvement, are known to constitute a potential hazard on the highways; and to instill in these drivers the necessity to improve their driving habits.
- To determine whether problem drivers suffer from physical and/or mental deficiencies, the extent of such deficiencies, and the way they affect the safe operation of a motor vehicle as determined by the cooperative assistance of the medical profession and DPS's Medical Advisory Committee.
- To apply appropriate restrictions or application of proper medical requirements.
- To remove from the highways the unsafe, incompetent, and physically or mentally unqualified driver.
- To carry out the requirements that are made law by the Oklahoma Legislative body and duties deemed necessary by the Commissioner of Public Safety.

**What violations of non-vehicle related laws can result in a suspended driver license?**

There are approximately 75 state laws governing approximately 100 violations for which driving privileges can be withdrawn. Management of the DI Division identified 10 laws which they feel hamper the Division's ability to meet its primary purpose. These laws are:

- 47 O.S. § 6-201.1 – Noncompliance with child support order
- 37 O.S. § 600.4 B and 600.8 D – Non-payment of fines to the ABLE Commission
- 70 O.S. § 623.1 – Default on student loan

- 47 O.S. § 6-205 A. 7 – Failure to pay for gasoline pumped into a vehicle
- 21 O.S. § 1465 – Abandonment of goods on highway
- 11 O.S. § 14-112 – Failure by a juvenile to satisfy a municipal court sentence
- 47 O.S. § 6-107.3 – Failure by a juvenile to enroll in and/or attend school
- 10 O.S. § 7303-1.2 E. 5. a. – Failure by a juvenile to appear in court on more than one occasion
- 10 O.S. § 7303-1.2 E. 5. c. – Failure by a juvenile to pay a fine or cost assessed by a municipal court
- 47 O.S. § 6-103.1 – Parental consent withdrawn



**How many non-vehicle related suspensions does the Division manage?**

The following table illustrates the number of suspensions related to the non-vehicle related offenses during the period of July 2003 through June 2004 compared to the total overall suspensions (vehicle and non-vehicle related) made by the Division:

<b>Table 1 - Non-Vehicle Related Suspensions Compared to Total Suspensions-FY 04</b>	
<b>Violation</b>	<b>Number of Suspensions</b>
Non payment of child support	1,528
Failure by a juvenile to satisfy a municipal court sentence	1,223
Failure by a juvenile to enroll in and/ or attend school	247
Non- payment of fines to the ABLÉ Commission	114
Failure to pay for gasoline	61
Parental consent withdrawn	25
Failure by a juvenile to appear in court on more than one occasion or failure by a juvenile to pay a fine or cost assessed by a municipal court	16
Default on student loan	0
Abandonment of goods on highway	0
<b>Non -Vehicle Total</b>	<b>3,214</b>
<b>Total Suspensions</b>	<b>86,212</b>
<b>Percentage of non-vehicle suspensions to total</b>	<b>3.73%</b>

SOURCE: DI Division management and auditor analysis

DI Division management states the procedures used in generating a suspension order for a non-vehicle related withdrawal is fairly consistent with those of a vehicle related withdrawal. However, the time involved to invoke the suspension for a non-vehicle related offense can be more since the suspension order notice of violation can originate from a multitude of sources such as the Department of Human Services or ABLÉ Commission.

**Is the number of hearing officers sufficient for the number of non-vehicle related suspensions the Division performs?**

As stated above, the percentage of non-vehicle related suspensions to total suspensions is minimal. The Division has 18 hearing officers (plus three supervisors) across the state with five locations having only one each. These officers are responsible for meeting with violators seeking to have their license reinstated. While the number of officers appears to be sufficient for non-vehicle related suspensions, it may not be adequate for the 86,000 suspensions made in fiscal year 2004. The officers are responsible for counseling drivers on a variety of subjects related to unsafe driving habits, yet may rush this process because of the number of people waiting to see them. Management feels that additional personnel are needed to comply with the increasing demand placed on the officers. DPS management should evaluate the current staffing in the Division related to suspensions/reinstatements and reevaluate each time a new law affecting them is passed, to ensure the needs of the public are met in the most efficient manner possible.

**Is Oklahoma alone in suspending driver licenses for non-vehicle related offenses?**

We interviewed state employees from Arkansas, Texas, Kansas, and New Mexico who work at state agencies equivalent to Oklahoma's DPS. All four of these states suspend drivers' licenses for non-vehicle related offenses. However, New Mexico's only non-vehicle related mandate is for the nonpayment of child support. All parties agreed these mandates do not place any additional strain on their divisions.

**RECOMMENDATION**

Based on the analysis performed, it appears the non-vehicle related laws placed on the DI Division are not hindering them from achieving their mission. The quantitative impact to total suspensions is minimal (3.73%) and a facet of their mission is to carry out laws created by the Oklahoma Legislature.

Percentage of  
suspensions that were  
non-vehicle related

**3.73%**

Due to the large number of suspension/reinstatements the Division is responsible for, we recommend DPS management evaluate the current staffing in the Division related to suspensions/reinstatements and re-evaluate each time a new law affecting them is passed, to ensure the needs of the public are met in the most efficient manner possible.

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It always has been, and will continue to be, the intent and desire of management to administer public policy as defined by our Legislature and Commissioner of Public Safety; to maintain one of the most effective and fair Driver Improvement Programs in the nation; continue to meet our objective(s) and purpose(s) by establishing internal policy and procedure which make the most effective use of our resources and to ensure the needs of the public and our employees are met in the most efficient manner. Enforcement, Engineering, and Education have long been identified as the three (3) E's of traffic safety. The education of the motoring public as to how unsafe driving habits increase one's risk factor of a crash will continue to be a cornerstone of our program. Unfunded mandates will impact our resources in the traffic safety arena. However, we will continue to administer any new public policy with the same diligence and desire.

**III. Determine if the process for issuing permits in the Size and Weight Permit Division is operating efficiently**

**METHODOLOGY**

Internal controls for the Size and Weight Permit Division were documented and considered through a review of the Division's policies and procedures as well as interviews with Division staff. In addition, the following procedures were performed:

- We reviewed the mission of the Division.
- We reviewed state statutes related to the Division.
- We reviewed phone data related to the Division.
- We sent a survey to Division personnel regarding their opinion of certain aspects of the Division.
- We interviewed employees who work at the state agencies responsible for issuing size and weight permits in Arkansas, Texas, Colorado, Nebraska and Kansas to determine if the process used in their states is similar to that of Oklahoma.

**OBSERVATIONS**

**What is the purpose of the Size and Weight (S & W) Permit Division?**

The mission of the S & W Division is to allow movement of excessively large, heavy, and dangerous cargo over the roadways of Oklahoma in the safest manner and by the most expedient route possible. Excessively large or heavy is defined at a minimum as 8 ½ feet wide, 13 ½ feet tall, 53 feet long, and 20,000 pounds. There are two basic permits that are issued:



- Oversize
- Overweight

Specific types of these permits are:

- General – used for loads such as bulldozers, portable buildings, or swimming pools
- Multi-trip – used for the same type of loads as the general permit but are good for one to 12 months
- Agriculture – used for loads such as round bales of hay or tree logs
- Manufactured Home – used for transporting manufactured homes
- Doubles and Triples – used for vehicles with multiple trailers
- Special Equipment – used for transporting specialized equipment, such as oil field equipment

**How is a permit requested and issued?**

There are six locations (Oklahoma City, Tulsa, Woodward, Enid, Elk City, and Pauls Valley) across the state which issue permits. A request for a permit can be made in person, by phone, or by internet and can be paid for with cash, check, credit card or a monthly billing account with the Department. Oklahoma Administrative Code 595: 30-3-8 allows the use of provisional permit books once a monthly account has been established with the Department. This allows

the requesting company to issue its own permit as well as plot its own route after obtaining an authorization number from a permit clerk.

The following table is management’s representation of the number of permits issued and fees received for all locations during the audit period:

Table 2 – Number of permits issued and fees received	
Number of Permits	Fees Received
142,881	\$9,558,606

SOURCE: S&W management

Although management states the figures noted above include all locations, they were unable to provide to us the number of permits issued by location and their associated fees. There has never been a formal evaluation to determine if the need exists for six locations to issue permits. Since we are unable to determine activity by location, an evaluation as to the optimal number of locations is not possible.

Permit clerks are responsible for issuing the permits. The clerks determine the type of permit needed and specify the route the person/company requesting a permit must travel to avoid low/narrow bridges, construction, etc. S & W personnel state the permit clerk must manually review a map for height restrictions and two additional maps for weight restrictions when plotting the appropriate route. This process has not changed over the last 20 years even though the number of permits requested has significantly increased.



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There are 13 permit clerks and two permit clerk supervisors. Once a clerk determines the route and collects the appropriate fee, the requesting party is allowed to proceed with its oversized load without a permit clerk supervisor reviewing the route the clerk determined. The permit clerk supervisor will review the permit approximately one to two days after it

was issued to ensure the correct fee was assessed, not to ensure the correct route was given. However, Division management indicated that at one point during the audit period, one of the supervisor’s reviews of the billing process for permits issued at locations outside Oklahoma City was six months after the permit issuance. In addition to reviewing the billing process, the supervisors answer any questions from the permit clerks.

**Is there communication between the Division and the Oklahoma Highway Patrol (OHP) regarding misrouted loads?**



When an accident occurs involving an oversized and/or overweight vehicle, there is no communication between Division management and the OHP to identify if the route

chosen was the cause of the accident. Feedback from the OHP could prevent the situation from recurring.



**RECOMMENDATION**

- Management can not determine the number of permits issued from the six locations across the state. They should develop a method for determining the demand and productivity at each location. Ongoing analysis should be performed on this data to ensure the number of field offices corresponds with the demand. This will ensure the Division's resources are used in the most efficient manner possible.
- Provisional permits allow companies to issue their own permits as well as plot their own routes. The Department should discontinue the use of these permits.
- Permit clerks issue permits after reviewing three separate maps to plot the appropriate route for a requesting party. Permit clerk supervisors do not review the route before issuance of the permit. Management should develop policy for supervisors to randomly review manually plotted routes before the permit is issued to help ensure protection of life and property.
- Management should open a line of communication with the OHP to determine if an accident involving an oversized/overweight vehicle was related to the route it was traveling.

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It should be clarified that although the figures for total permits issued are accurate, the statement that indicated certain reports showing number of permits issued and associated fees by specific location was unable to be produced is inaccurate. Reports containing permit issuance and fee information, specific to each location, were provided to the auditor and an additional copy is attached for your review. Additionally, since the audit was conducted, a windows-based permit issuance software program, which we discussed, was implemented and will not only provide more flexibility when running specific reports, it will be a cornerstone in developing an automated permit issuance system which will be available for the public to "self-issue" most permits over the internet. This system will include routing features to accurately route oversize/overweight vehicles and/or loads without human intervention. It is estimated that a system with this capability could be implemented within the next eight to 24 months if adequate funding sources are identified.

**Auditor's Response**

The reports provided contained both internal inconsistencies and mathematical inaccuracies for which management had no explanation.

There is a recommendation to discontinue the use of "provisional permits". This is and has been a desire of the division for a long time. Until a more efficient method of permit issuance is devised (an automated system with remote access), it is not practical to discontinue this practice. Much thought has been given to this in the past and it is just not possible at the present time.

**OTHER ITEMS  
OF INTEREST**

**Are permit clerks/supervisors adequately compensated?**

Based on our observation and discussion with Division management, permit clerks have a great deal of responsibility. The maneuvering of oversized vehicles through the state is an important task. The consequences of an improperly routed oversized/overweight load could cause substantial damage for both our transportation network and public safety. The clerks and supervisors are

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classified through the Office of Personnel Management as “customer service representatives” and have an average salary of \$1,772 (clerks) and \$2,303 (supervisors). Their job title does not appear consistent with the duties they perform. The Division should contact the Office of Personnel Management for a salary study and/or reclassification of job title.

**Are states around Oklahoma using the same method for issuing permits?**

We interviewed employees who work at the state agencies responsible for issuing size and weight permits in Arkansas, Texas, Colorado, Nebraska and Kansas to determine if the process used in their states is similar to that of Oklahoma. Table 3 summarizes the results:

<b>Table 3 – Comparison of Size and Weight Permit Process</b>			
<b>State</b>	<b>Agency responsible for issuing permit</b>	<b>Manual or Automated System</b>	<b>Field Offices</b>
Oklahoma	Department of Public Safety	Manual	YES
Arkansas	Arkansas State Police	Automated	NO
Colorado	Department of Transportation	Automated	NO
Kansas	Kansas Trucking Connection ( a combination of the Kansas Dept. of Transportation, Corporation Commission, and Dept. of Revenue)	Partially Automated	NO
Nebraska	Department of Roads	Automated	YES
Texas	Department of Transportation	Manual	NO

SOURCE: Personnel from the states and agencies identified above

As noted above, four of the five states that were compared to Oklahoma issue permits from the Department of Transportation or its equivalent. This appears reasonable since that Department is responsible for all aspects of the highways and interstates including road construction and bridge width/height. Additionally, four of the five use some form of an automated system in routing loads through their state.

**RECOMMENDATION**

- The permit clerks/permit clerk supervisors’ are classified as customer service representatives through the Office of Personnel Management. This job title does not appear consistent with their job duties. The Division should contact the Office of Personnel Management for a salary study and/or reclassification of job title.
- A survey revealed that four out of five states that were compared to Oklahoma issue permits from the Department of Transportation or its equivalent. The Department and/or the Legislature may wish to consider if the permit issuance function should continue to be administered at DPS.
- The Department should consider purchasing an automated system to eliminate the human element of plotting routes as well as expediting the process for the public.

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OFFICIALS**

The recommendations listed concerning job classifications, location of the Size & Weight Permits Division, and an automated permit issuance system are reasonable suggestions and have already been considered as changes to the division and its current issuance process.

*IV. Determine if the canceled insurance information is accurately processed, by the Financial Responsibility computer system, to provide an effective and efficient process for collection of fees.*

**METHODOLOGY**

Internal controls for the Financial Responsibility computer system were documented and considered through interviews with Division staff and Oklahoma Tax Commission (OTC) management. In addition, the following procedures were performed:

- We examined the DPS Financial Responsibility division organization chart.
- We reviewed the Processing of Insurance cancellation file process.
- We reviewed the FY 04 Insurance cancellation statistical data.
- We reviewed instructions to the computer operator for a job called ICANTAPE. This job validates the insurance input provided.
- We reviewed instructions for a job called INSCAN. This job processes the file received back from OTC, and produces the letters that go out to inform drivers that DPS needs a response from them on proof of insurance.
- We reviewed the insurance cancellation notification file format for insurance companies.
- We reviewed the file layout for the Oklahoma Tax Commission VIN # match verification.
- We obtained and reviewed computer generated data maintained by DPS which included files from insurance companies, files verified by the DPS system, and files matched by the OTC motor vehicle system.

**OBSERVATIONS**

Oklahoma auto insurance laws state that the owner and/or operator are legally and financially responsible for injury, death, or property damages caused by them or their vehicle in a collision. All drivers and/or vehicle owners in the state are required by Oklahoma auto insurance laws to carry the minimum limits of liability for this state. If the vehicle liability insurance is cancelled within 180 days from the beginning date of a new policy, the insurance company is required to notify the DPS. Motorists have 30 days after being notified to contact the DPS and verify that they have valid insurance coverage. If they do not respond within 30 days, in accordance with Oklahoma auto insurance law, their driver's license and vehicle tags are suspended.

**What is the Financial Responsibility Verification Process?**

- The insurance cancellation file is received from the various insurance companies.
- The file is validated against the DPS Driver License Master.
- The driver license number, name, and date of birth must establish a two-out-of-three match against an Oklahoma Driver License master record.
- Any errors are sent back to that Insurance Company.
- Those records verified correct against the Driver License Master are then forwarded to the OTC.
- OTC takes the file from DPS and verifies it against OTC's Vehicle Registration File. DPS does not have access to vehicle registration files, so OTC must perform this process.
- The VIN Number provided by the Insurance Company in the file transferred to OTC by DPS must match against the VIN in OTC's Vehicle Registration file.

The records that have matching VINs are sent back to DPS.

After the verification process, the results are placed in a new verified file, and the following processes are performed:

- The verified insurance cancellation file is processed against the driver license history to establish a department action code on each person's driver history showing that they have an insurance cancellation issue that must be resolved.
- Letters are sent from DPS daily to motorists requesting the insurance and vehicle status of each flagged driver.
- Each driver then has 30 days to reply to DPS.
- If documentation provided shows that the vehicle has been sold, or a proof of insurance is provided, then that particular department action code is removed on that driver and no action is required.
- For those drivers who have not provided the requested documentation, suspension letters are sent and their driver's license is automatically suspended.
- The suspended drivers must then obtain the required insurance and pay a reinstatement fee in order to regain their driver license privileges.

**Programming Error in Data Field Noted**

DPS management informed us that they are concerned that they are missing out on revenue received from fines because of a failed verification process with OTC's Motor Vehicle System. DPS does not appear to be fully aware of the insurance cancellation process including services provided by OTC. When DPS sends a file to OTC for matching of the VIN numbers, OTC will only send back the records matched and DPS does not know what happens to the other records. While meeting with OTC, a programming error was identified within the system dealing with one of the data fields used to match data in the motor vehicle system. This problem was fixed and allowed for an additional 51 match records.

**DPS does not appear to be fully aware of the insurance cancellation process including services provided by OTC.**

**RECOMMENDATION**

We recommend DPS establish a service level agreement with OTC to fully identify and clarify the services provided to them by OTC. DPS and OTC should collaborate and explore ways to increase the level of matching vehicle and driver information. We further recommend that OTC return all records to DPS, both matched and unmatched, to allow DPS to follow up with insurance companies for any corrections.

**VIEWS OF RESPONSIBLE OFFICIALS**

DPS is in agreement with this condition and recommendation with one exception. The Department has been aware of the problems with the insurance cancellation process since its inception in 1993, including the problems and limitations with the OTC processing. Many of these problems stem from limitations of law. One DPS programmer has been in contact with OTC and working on solutions to the various problems during this period. DPS will work with personnel from the Tax Commission in the development of a "service level agreement" based upon the system as it is today.

Statutory changes would be required to change the type or manner of information submitted to enhance the matching of records with the OTC.

**Un-verified Insurance Data Should be Clarified**

DPS is able to verify approximately 80-90 percent of files sent by the insurance company by matching the driver license numbers, name, and date of birth. DPS does not follow up with the insurance company on records they cannot verify.

**RECOMMENDATION**

We recommend DPS adopt policies and procedures to return incorrect information to the insurance company and require them to provide the correct information to DPS.

**VIEWS OF  
RESPONSIBLE  
OFFICIALS**

We agree with this recommendation. The Department will develop a policy to return errors to insurance companies but it may require statutory changes to compel insurance to return the corrections.

**Insurance Companies Submitting Invalid Data**

We reviewed 2260 records sent to DPS. DPS was able to match 1871 of those records with their verification process. DPS sent 1871 records to OTC and OTC matched 1075 of those records with their validation of VIN process. Overall, there was a 48 percent match between original records sent to DPS from the insurance company and OTC. It appears the insurance companies are not collecting and sending accurate data.

**RECOMMENDATION**

We recommend DPS research other methods of validating driver licenses and vehicle information.

**VIEWS OF  
RESPONSIBLE  
OFFICIALS**

DPS has been conducting research for several years into validating driver and vehicle information. DPS has been monitoring a pilot program in Florida to determine its effectiveness in validating driver and vehicle information. Additionally, the Tax Commission data base layout would need to have significant changes made to it in order to validate drivers and vehicles. A majority of the invalid VIN matches occurs with the VIN that the Insurance Agent has been provided by the owner that does not match the VIN on the Title. A possible solution would be a statutory change be made requiring all Insurance Agents to print on the Insurance Verification form the vehicle identification in a 2D Bar Code. The Insurance Verification Form with the 2D Bar Code would be presented to the Motor License Agent. The Motor License Agent would enter the VIN from the title into the system and then scan the 2D Bar Code. If the VINs matched, a tag would be issued. If the VINs did not match, the owner of the vehicle would be required to go back to their insurance agent and correct the inaccuracy. This would eliminate inaccurate information that the Insurance Companies have and thus would greatly enhance the matches with the Tax Commission.

**Current Address of Motorist Not Always Known by DPS**

In some instances, the insurance companies may have a more current address for a motorist. We noted that DPS is not allowed to send letters to the last known address; they are required by law to send cancellation letters to the address listed in their Driver License master file.

**DEPARTMENT OF PUBLIC SAFETY  
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**RECOMMENDATION** We recommend that DPS seek Legislative change to allow them to use the more current address known.

**VIEWS OF  
RESPONSIBLE  
OFFICIALS**

DPS is in agreement with this recommendation to determine the best address. There are legal ramifications involved with using the most current address rather than our address of record. Statutory changes would be required to assure that notification and due process requirements are met.

It is recommended that this issue be included in an interim study to determine the most feasible method of identifying the most current address. With legislative approval, the most current address could be pursued from information provided by the US Postal Service, or third party entities such as vendors utilizing USPS data or insurance company.

Our experience shows that in many instances, the address that the insurance company reports is not as accurate as the address of record. It would appear the insurance company would have the most current address, however, in processing responses to our initial notice from cancelled policy owners, we randomly check to see if the party has a changed address. We have found that most policy owners have the same address as we have on our records although the insurance company reported a different address.

**Cancellation Notices Sent to Only 28% of Motorists**

DPS submitted the following statistics for insurance cancellations for FY 04:

<b>Table 4 – Cancellation Information</b>	
Total reported insurance company	158,000
Initial cancellation notices sent out	44,244
Responses from motorist	23,665
Suspension notices sent out	20,579
Reinstatement fees	7,734

In FY 04, DPS sent cancellation notices to only 28 percent of the reported motorists. DPS management estimated that 72 percent of the records received did not match information collected in the DPS Drivers License and OTC Motor vehicle system.

DPS does not have sufficient data to know whether the vehicles are uninsured or whether their owners have changed insurance companies or sold the vehicles. DPS officials estimated that 53 percent of the motorists reported as cancelled received coverage with another insurance company or have sold the vehicle and should not have received the notices.

**RECOMMENDATION** We recommend that the Insurance Companies only report cancellations when motorists fail to pay monthly premiums. This would prevent DPS from sending cancellation notices to motorists who have switched insurance companies or sold the vehicle.

Based upon our procedures performed, it appears that the efficiency of the financial responsibility insurance cancellation process could be improved. We recommend that the Legislature consider an interim study to discuss possible solutions for this problem.

**VIEWS OF  
RESPONSIBLE  
OFFICIALS**

DPS supports statutory changes to require insurance companies to report cancellations based on failure to pay premiums and limit any other reason for cancellation. The Financial Responsibility Division director has been researching the aspects of this recommendation for the past year based on information provided by drivers input and other demographic information. DPS supports a legislative interim study of the Financial Responsibility and Compulsory Insurance Laws.