

2.20 Liquor Licensing and Enforcement

The *Liquor Control Act* provides authority to the Board of Directors of the Newfoundland and Labrador Liquor Corporation to: control the possession, sale and delivery of liquor; appoint officials to issue licenses and permits to sell or distribute liquor; appoint or authorize inspectors; and enforce the *Act* and *Liquor Licensing Regulations* through the cancellation or suspension of licences or through the imposition of fines. The *Regulations* provide further direction regarding the licensing of establishments and the manner in which liquor is to be sold.

In 1995, Government directed the Department of Government Services through its Government Service Centres (GSC) to perform the functions of licensing and inspection. This transfer was completed in 1997 and a Memorandum of Understanding (MOU) between the Corporation and the Department was signed in 1998.

Although we planned to perform a review of the licensing and enforcement functions at the Newfoundland and Labrador Liquor Corporation, we were refused access to the information necessary to complete the review. On 11 March 2004, I forwarded a Special Report to the House of Assembly to explain the situation. As a result of not having access to the Corporation's officials and information, we had to rely on information that was available at the Department of Government Services. In most instances, licensing and inspections are initiated by the Department and therefore documentation supporting these activities were available there. However, the final disposition of certain licensing and inspection issues would only have been available from the Corporation.

The following conclusions, therefore, result from our review of the liquor licensing and enforcement information which was available at the Department:

Some licenses were issued even though the licensing requirements of the *Liquor Control Act* and *Regulations* were not met.

Inspection planning was inadequate. For example, there is no formal risk-based approach for inspections, no inspection frequency has been established for the various licence categories, and information is not maintained on all inspections performed.

There were weaknesses in the performance of inspections. For example, inspectors did not document all violations of the *Act* and *Regulations*, inspectors did not always have access to liquor purchase information necessary to detect contraband, and although overcrowding is a life-safety matter, head counts were not always performed.

Inspectors were not always advised of the final disposition of violations of the *Act* and *Regulations* reported to the Corporation on a timely basis in order to close files and follow-up compliance during subsequent inspections. For example, at the time of our review, details of the action taken by the Corporation on some violations had not been provided to the GSC for up to 29 months after being reported to the Corporation.

Inspectors have not received any inspection and enforcement training since 1997. Furthermore, health inspectors and police force officers who also may participate in inspection activity, have neither received training on the requirements of the *Act* and *Regulations* nor have they been provided with guidance such as a checklist to ensure that inspections cover all the required areas.

2.21 School Bus Safety Program

The Motor Registration Division (MRD) of the Department of Government Services is responsible for administering all activities and legislation respecting vehicles and drivers including driver licensing, vehicle registration, driver examination, and highway safety. The school bus safety program administered by the MRD provides for inspection and enforcement activities in relation to school bus safety.

There were 1,044 licensed school buses in the Province at 30 September 2003. The average age of licensed school buses at that time was 11 years, with 739 or 70 % being 1993 model year or older.