

# Legal Services Society **Annual Service Plan Report**

2004/2005



Making a difference  
through leadership,  
respect, and working  
with others.

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# Accountability Statement

Pursuant to the Legal Services Society Act and the Budget Transparency and Accountability Act, this is the Legal Services Society's *Annual Service Plan Report 2004/2005*.

Prepared under the direction of the LSS Board of Directors, this report compares the society's actual performance with the expectations for the year ended March 31, 2005, identified in the *LSS Service Plan 2004/2005 – 2006/2007*. All significant decisions, events, and risks, as of March 31, 2005, have been considered. The report also demonstrates how LSS fulfills its statutory obligations and contributes to the government's goal of providing an accessible, efficient, fair, and affordable system of justice in British Columbia.

The LSS board is accountable for the contents of this document, including how the results have been measured and reported.

A handwritten signature in cursive script that reads "Bruce Hardy". The signature is written in black ink and is positioned above a horizontal line that extends to the right.

Bruce Hardy  
Acting Chair, LSS Board of Directors



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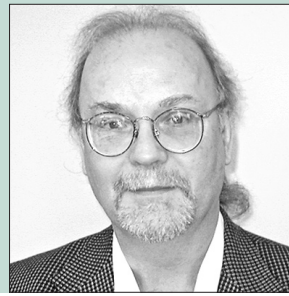
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Bruce Hardy  
Acting Chair, LSS Board  
of Directors



Mark Benton  
LSS Executive Director

## Message from the Chair and Executive Director

Since 2002, the Legal Services Society (LSS or the society) has responded to fiscal restraint by engaging in a long-term process of transforming legal aid in BC. This has involved restructuring how we deliver services and focusing on innovation and collaboration to better meet client needs. We continued with this work throughout 2004/2005, our 25th anniversary year.

The society's key concern this year was to find the funds and other resources necessary to support successful legal information and advice initiatives, enhance core services to alleviate some of the most serious impacts of the 2002 reductions, and ensure LSS has an adequate pool of private bar lawyers to represent clients. The progress made in each of these areas is discussed in the Report on Performance and the Financial Report.

Service improvements feature prominently among the year's highlights. In response to lower than anticipated case volumes, we increased the number of general preparation hours for emergency family law services, restored some immigration and refugee law services, and relaxed financial eligibility levels across the board. In addition, we extended the LawLINE, LawLINK, and legal information outreach worker initiatives to July 2005. The future of these initiatives will be decided by the LSS Board of Directors early next year.

Family law services were further enhanced in February 2005 when the provincial government announced an annual \$4.6 million increase to the society's core funding. This allowed us to implement extended family referrals in March 2005 and establish Provincial Court family duty counsel (FDC) as a permanent program. Next year, we will extend FDC services to Supreme Courts and institute a new limited Supreme Court referrals program.

LSS performance measures, designed to ensure accountability and transparency in our reporting,

rely largely on conducting comprehensive stakeholder surveys. Information drawn from the analysis of last year's tariff satisfaction survey, along with the results of the ongoing tariff review, will provide the basis for the board's decisions on tariff renewal early next year. The society recognized, however, that its current capacity restricts it to conducting one survey annually. As a result, the employee survey was completed this year, but the client and intermediary surveys were postponed.

This was the final year of scheduled provincial government funding reductions for legal aid. The society nonetheless closed 2004/2005 with an operating surplus, primarily due to lower case volumes. Amendments to the Legal Services Society Act in February 2005 gave us the ability to access our accumulated surplus. How we plan for and use these funds will be a key strategic decision for the board. In the meantime, this year's service enhancements, along with other measures such as reduced tariff holdbacks, tariff renewal, and service improvements next year, are expected to result in future balanced budgets.

Our new service delivery system has left departments with expanded responsibilities yet fewer staff to fulfill them. As planned, we conducted a thorough review of this system in 2004/2005. Recommendations from the review include key structural changes designed to strengthen the society's client focus and support current services. When we begin to implement these recommendations early next year, we will embark on the final stage of the transformation process begun in 2002.

LSS is fortunate to have staff who are highly committed to the work they do and are proud to be part of the society. Their dedication, along with that of other service providers across the province — in particular, local agents, private bar lawyers, and community advocates — is the mainstay of the

legal aid plan in BC and has been central to our resourceful and enterprising response to three consecutive years of budget reductions.

Although the society has created a number of highly effective programs over the past few years, significant service gaps remain. Family law assistance has yet to return to a level that meets essential needs; representation for other civil law problems is generally unavailable, and what little legal aid is offered in that area relies on project funding; and the future of immigration/refugee legal services remains uncertain, as once again, government funding in this area was secured for another year only. Clearly, LSS needs more resources if it is to effectively meet its mandate.

As we embark on our next quarter century, we will continue to seek long-term funding to support our ongoing efforts to improve access to justice for low income people.



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Bruce Hardy  
Acting Chair, LSS Board of Directors  
April 2005



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Mark Benton  
Executive Director  
April 2005





## Organization Overview

The Legal Services Society provides legal aid in British Columbia. Created by the Legal Services Society Act (LSS Act or the act) in 1979, LSS is a non-profit organization governed by a nine-member board of directors.

While the provincial government is the society's primary funder, LSS remains independent of government and is mandated to serve the interests of people with low incomes. LSS reports its activities to the provincial government through the Attorney General.

### Mandate

Under section 9 (1) of the LSS Act, the society's mandate is to —

- (a) help low income individuals resolve their legal problems and facilitate access to justice for them,
- (b) establish and administer an effective and efficient system for providing legal aid to low income people in British Columbia, and
- (c) provide advice to the Attorney General about legal aid.

Section 9 (2) of the act sets out the principles that guide the society in pursuing its mandate —

- (a) identify and assess the legal needs of people with low incomes in British Columbia,
- (b) consider the perspectives of both justice system service providers and the general public,
- (c) co-ordinate legal aid with other aspects of the justice system and with community services, and
- (d) be flexible and innovative in the provision of legal aid.

### Mission

To assist low income individuals to resolve their legal problems by providing a spectrum of services that promotes their effective participation in the justice system.

### Vision

An innovative, collaborative legal aid system that responds to the needs of low income people throughout British Columbia.

### Values statement

Making a difference through leadership, respect, and working with others.

### Memorandum of Understanding

Under section 21 of the LSS Act, the society determines the range of services it will provide within the framework of a Memorandum of Understanding (MOU) negotiated with the Attorney General every three years (see Financial Report). This section also allows the Lieutenant-Governor in Council to make regulations concerning legal aid services if the society and the Attorney General are unable to negotiate an MOU.

Together, the act and the MOU form the basis for relations between the society and the provincial government. The MOU —

- sets out the roles and responsibilities of both parties,
- outlines anticipated provincial government funding for legal aid and the priorities for allocating that funding,

- acknowledges that LSS receives funding from sources other than the government and can apply that funding in any manner that is appropriate to fulfilling its mandate, and
- establishes the foundation for the society's budget and planning process.

## Core services

LSS offers a continuum of services that includes legal representation, advice, information, and education. The innovative approaches LSS has taken to making this range of services available to low income people in BC reflect the society's commitment to its values of leadership, respect, and working with others.

Services are delivered by staff at regional centres and on the toll-free LSS Call Centre and LawLINE, and by funded local agents across the province (see the inside back cover for a list of offices). Private bar lawyers who accept LSS referrals provide most of the legal representation services. In addition, the society contracts private bar lawyers and other organizations to deliver services such as duty counsel. See Appendix 1 for a more detailed description of the society's service delivery structure.

The society works to ensure its services are accessible to all communities. For example, LSS —

- provides call centre services for people who are unable to apply in person, particularly those who live in rural communities where there is no legal aid office or who live with disabilities or face other circumstances that prevent them from travelling to an office;
- provides LSS Call Centre or LawLINE clients who speak limited or no English with immediate access to a telephone interpreter via three-way conference calls (see also, Performance measure 3a, Future outlook);
- pays for qualified interpreters and translators for clients who need them to work with their legal aid lawyers;
- produces public legal education and information materials in a variety of languages;
- requires staff to adhere to a code of ethics that includes non-discrimination and non-harassment; and
- follows an employment equity policy.

LSS provides legal representation for financially eligible people with serious family problems (e.g., for child apprehension matters or for specific issues

where domestic violence is involved) and serious criminal problems. It is also available for people who face a refugee or deportation hearing, Mental Health Review Panel or BC Review Board hearing, or prison issue for which the Charter of Rights and Freedoms establishes a right to counsel.

Legal advice is available through the Brydges line, duty counsel, family advice lawyers, and LawLINE. Many LSS advice services are subject to a financial eligibility test.

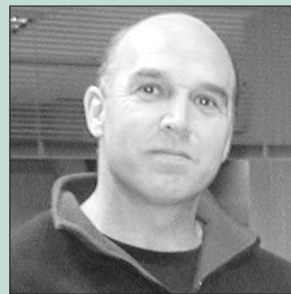
People with low incomes who do not qualify for legal representation or advice services can still get legal information. The society provides a range of information services through LawLINE, publications, several websites, public access computers, and training conferences for community advocates working with LSS clients.

See Appendices 2 and 3 for a more detailed description of these services, Appendix 5 for financial eligibility criteria, and Appendix 6 for 2004/2005 operating data.

## Client confidentiality

All information an applicant or client gives to LSS is subject to solicitor-client privilege. LSS does not reveal this information to a third party unless that disclosure is authorized by the applicant or client, or required by law or an exception to solicitor-client confidentiality. Solicitor-client privilege is protected under section 23 of the LSS Act and section 14 of the Freedom of Information and Protection of Privacy Act.

Within LSS and its contracted agencies, the only people entitled to access this information are those who need it for operating purposes. LSS has strict security measures in place to prevent unauthorized access to confidential information.



## Report on Performance

The Legal Services Society's primary goal, rooted in its mandate, mission, and vision, is to provide services that respond to the legal needs of people with low incomes in BC. The objectives and related strategies for this fiscal year were designed to ensure that the society provides the appropriate legal representation, advice, information, and related services to support that goal (see figure 1, next page), and that it has the ongoing capacity to do so.

LSS assesses much of its performance by surveying four groups: tariff lawyers, clients, intermediaries, and employees. These surveys allow key stakeholders to express their views on whether the society offers the services that are most needed in their communities and how well it delivers those services. Listening and responding to stakeholder concerns helps LSS identify areas in need of improvement and increases its accountability to those who are directly affected by its work. Ultimately, using surveys to measure performance helps LSS collaborate with others to enhance access to justice for people with low incomes.

The society is at the threshold of this type of performance measurement and to date has undertaken two of the four surveys. LSS completed the Tariff Lawyer Satisfaction Survey in March 2004 and the Employee Engagement Survey in March 2005, which enabled the society to establish baselines for related performance measures. Baselines and targets for improvement will be established for all measures by 2006/2007 (see table 1, page 7).

The current plan is to survey each key stakeholder group every three years. Once LSS gains more experience working with surveys, it will reassess whether they should be conducted more frequently. In addition to providing overall measures for central aspects of LSS services, the surveys yield data for a variety of other indicators.

These, along with other service evaluations and process reviews, will be used by the LSS board and senior management to assess and improve the society's operational performance and to establish strategies for achieving the targets set for each overall measure.

As well as measures based on stakeholder surveys, LSS uses a performance measure that focuses on the society's mandate to advise the Attorney General on legal aid issues. This measure recognizes the key role LSS plays in ensuring that the interests of low income people are represented in discussions and decisions about justice reform, and highlights the society's contribution in this area.

Meeting its targets will increase public and legislators' confidence that the society's work is enhancing the ability of low income people to resolve their legal problems. This will in turn enhance the overall efficiency and effectiveness of BC's justice system and contribute to sustaining key values and principles that underpin a modern democratic society, including fairness, equality under the law, and compassion for those in need (see Alignment with government's strategic plan, page 21).

Figure 1 Goal, objectives, strategies, and performance measures

| Goal Services that respond to the legal needs of low income individuals are available in BC  |  |   |
|--|--|---|
| Objectives   | Strategies   | Performance measures  |
| <p><b>1</b> Build the necessary capacity in LSS staff, systems and processes, professionals, and service providers to provide required services</p>  | <ul style="list-style-type: none"> <li>• Conduct business process reviews in key service areas</li> <li>• Assess employee satisfaction</li> <li>• Assess tariff lawyer satisfaction</li> <li>• Assess organizational and individual workload and capacity</li> <li>• Complete performance reviews and training plans for each staff member annually</li> </ul> | <p><b>1a</b> Overall rating by LSS tariff lawyers of their satisfaction with the support provided by LSS</p> <p><b>1b</b> Overall LSS employee engagement</p> <p>Overall LSS employee satisfaction</p>      |
| <p><b>2</b> Build the financial capacity to maintain proven initiatives and sustain core services</p>  | <ul style="list-style-type: none"> <li>• Seek revenue-generating opportunities to utilize existing capacity</li> <li>• Negotiate access to accumulated surplus funds</li> <li>• Reduce the percentage of overall funding that is short-term and/or project-specific</li> </ul>   | <p><b>2</b> Proven initiatives currently funded by short-term funding and budget required for each</p>  |
| <p><b>3</b> Improve the responsiveness of LSS services to the legal needs of low income individuals</p>  | <ul style="list-style-type: none"> <li>• Actively seek the input of justice system partners into LSS priorities</li> <li>• Assess the legal needs of low income individuals in BC and their satisfaction with the response of LSS to those needs</li> <li>• Re-assess client eligibility</li> <li>• Conduct a tariff review</li> </ul>                         | <p><b>3a</b> Overall rating by clients of their satisfaction with LSS services</p> <p><b>3b</b> Overall rating by intermediaries of how LSS responds to the legal needs of low income individuals in BC</p> |
| <p><b>4</b> Increase awareness of LSS services among intermediaries so that more low income individuals are referred to appropriate LSS services</p> | <ul style="list-style-type: none"> <li>• Identify collaboration opportunities with key intermediaries</li> </ul>   | <p><b>4</b> Overall rating by intermediaries of their level of awareness of LSS services</p>  |
| <p><b>5</b> Apply LSS influence to ensure the legal needs of low income individuals are considered in justice system reform</p>                      | <ul style="list-style-type: none"> <li>• Seek LSS representation in justice system forums where decisions that will affect low income individuals in BC are considered</li> </ul>  | <p><b>5</b> Resources utilized by LSS in providing the Ministry of Attorney General advice regarding legal aid</p>  |

**Table 1 Performance at a glance**

| Measure  | Previous result                               | Target                    | Result   | Future targets  |   |   |
|--|---|---------------------------|--|---|---|---|
|  | 2003/2004                                     | 2004/2005                 |  | 2005/2006   | 2006/2007   | 2007/2008   |
| 1a Overall rating by LSS tariff lawyers of their satisfaction with the support provided by LSS             | Baseline set: 68% of tariff lawyers satisfied | Not measured this year    | Target set for 2007/2008                             | Not measured this year  | Not measured this year  | 75% of tariff lawyers satisfied                                       |
| 1b Overall LSS employee engagement   | Under development                             | Establish baseline        | Baseline pending                                     | Not measured this year  | Not measured this year  | Improve on baseline   |
| Overall LSS employee satisfaction  | Under development                             | Establish baseline        | Baseline set: 67% of employees satisfied             | Not measured this year  | Not measured this year  | Improve on baseline   |
| 2 Proven initiatives currently funded by short-term funding and budget required for each                   | N/A   | New measure for 2005/2006 | Baseline set: 4 initiatives totalling \$3.72 million | Reduced reliance on short-term funding to maintain proven initiatives | Reduced reliance on short-term funding to maintain proven initiatives | Reduced reliance on short-term funding to maintain proven initiatives |
| 3a Overall rating by clients of their satisfaction with LSS services                                       | Under development                             | Under development         | Postponed  | Establish baseline  | Not measured this year  | Not measured this year  |
| 3b Overall rating by intermediaries of how LSS responds to the legal needs of low income individuals in BC | Under development                             | Establish baseline        | Postponed  | Postponed   | Establish baseline  | Not measured this year  |
| 4 Overall rating by intermediaries of their level of awareness of LSS services                             | Under development                             | Establish baseline        | Postponed  | Postponed   | Establish baseline  | Not measured this year  |
| 5 Resources utilized by LSS in providing the Ministry of Attorney General advice regarding legal aid       | Under development                             | Establish baseline        | Baseline set: More than 500 hours                    | Measure may be revised  | To be determined  | To be determined  |

## Adjustments

Performance measurement is by necessity a dynamic endeavour. As circumstances and priorities change, public agencies re-evaluate and, as warranted, adjust their objectives, strategies, and measures.

LSS established most of its current objectives and performance measures in fall 2003 in response to the requirements of its new service delivery system. This year, the society made two significant adjustments:

- A new objective was added: To build the financial capacity to maintain proven initiatives and sustain core services. This objective responds to the ongoing risk posed by an over-emphasis on project-based funding. Because the society was able to develop a measure for this objective and establish a baseline in 2004/2005, it is included in this report; however, the precise formulation of the measure is under review.
- The client and intermediary surveys were postponed to 2005/2006 and 2006/2007 respectively. LSS had planned to conduct both the employee and client surveys in 2004/2005; however, given the comprehensive nature of the surveys and the extensive work involved to develop and conduct them, and to analyze the results, senior management determined that the society currently has the capacity to carry out only one each year.

## Benchmarks

Legal aid plans across Canada are structured differently and provide varying levels of service. To date, these organizations have yet to develop a common method of tabulating and analyzing information, or a standard system for performance measurement — although most began to collaborate on finding a common method for assessing client satisfaction this year. At this point, LSS is unable to benchmark its performance in relation to other jurisdictions.

## Key risks affecting performance

The society's 2003 environmental scan and risk assessment identified a number of issues that could affect the society's performance in 2004/2005. During the year, significant risks were posed by four issues: staff capacity, funding capacity, case volumes, and the tariff system.

- **Staff capacity:** Since 2002, LSS has been learning how to maintain a range of information, advice, and representation services with considerably fewer staff. This is an ongoing process that continued to challenge the society in 2004/2005.
- **Funding capacity:** A significant amount of the society's funding remained project-based this year, and until February 2005 there was no workable mechanism in place for the society to access its accumulated surplus.
- **Case volumes:** Projected case volumes, based on averages over several years, exceeded actual volumes in a number of areas (see Financial Report and Appendix 6).
- **Tariff system:** The continuing decline in the number of lawyers who are willing to accept legal aid referrals is an ongoing concern; during the tariff review, lawyers identified current tariff rates and structures as a particular problem in this regard.

Table 2 provides a summary of these risks and the principal steps taken during the year to mitigate them.

**Table 2 Key risks, 2004/2005**

| Issue            | Risk   | Key responses   |
|------------------|--|---|
| Staff capacity   | <ul style="list-style-type: none"> <li>• Unmanageable workloads for staff can weaken the society's ability to retain dedicated and skilled employees whose experience benefits clients.</li> <li>• Insufficient staff numbers can reduce the society's ability to collaborate with others to meet the legal needs of people with low incomes.</li> </ul>   | <ul style="list-style-type: none"> <li>• Conducted a formal organizational review and initiated a process to implement its recommendations<br/>(See Objective 1, Performance measure 1b)</li> </ul>   |
| Funding capacity | <ul style="list-style-type: none"> <li>• Too great an emphasis on project-based funding can hamper the society's ability to develop permanent programs based on successful pilots. This can create uncertainty among clients, intermediaries, and staff, which can negatively impact the effectiveness of LSS services.</li> <li>• Inability to access its accrued surplus limits the society's ability to address strategic priorities and respond effectively to unpredictable circumstances as they arise.</li> </ul> | <ul style="list-style-type: none"> <li>• Obtained a permanent increase in core funding</li> <li>• Obtained greater access to the accumulated surplus by working with the provincial government to amend the LSS Act<br/>(See Objective 2 and the Financial Report)</li> </ul>   |
| Case volumes     | <ul style="list-style-type: none"> <li>• Lower than projected case volumes suggests that potential clients cannot access or are unaware of legal aid programs, and/or coverage and financial eligibility levels are too narrow. Failure to assess and respond to this situation would mean unnecessarily restricting services.</li> </ul>  | <ul style="list-style-type: none"> <li>• Conducted a legal aid awareness campaign in October 2004 to ensure intermediaries understand and refer clients to the full range of legal aid services</li> <li>• Implemented a number of service enhancements</li> <li>• Relaxed financial eligibility limits<br/>(See Objectives 3 and 4)</li> </ul> |
| Tariff system    | <ul style="list-style-type: none"> <li>• A tariff system that poses an obstacle to lawyers' willingness and ability to accept legal aid referrals threatens the society's ability to provide the services that are necessary to ensure access to justice for clients.</li> </ul>   | <ul style="list-style-type: none"> <li>• Continued the tariff review started last fiscal year and implemented a number of operational improvements based on lawyer feedback during phase 1 of that review<br/>(See Objective 3)</li> </ul>  |

# Objective 1

Objective 1 is to build the necessary capacity in LSS staff, systems and processes, professionals, and service providers to provide required services.

## Performance measure 1a

| Measure 1a  | Previous result                               | Target                 | Result                   | Future targets         |                        |                                 |
|---|---|------------------------|--------------------------|------------------------|------------------------|---------------------------------|
|   | 2003/2004                                     | 2004/2005              |                          | 2005/2006              | 2006/2007              | 2007/2008                       |
| Overall rating by LSS tariff lawyers of their satisfaction with the support provided by LSS | Baseline set: 68% of tariff lawyers satisfied | Not measured this year | Target set for 2007/2008 | Not measured this year | Not measured this year | 75% of tariff lawyers satisfied |

The success of any legal aid plan depends on having a sufficient number of lawyers who are qualified and willing to provide the legal representation and advice services that low income people need. In BC, the private bar now provides 96% of all representation services to legal aid clients and the majority of advice services through duty counsel and other programs. In recent years, however, the number of lawyers accepting legal aid referrals has steadily declined. While this trend, referred to as lawyer attrition, affects most Canadian jurisdictions, the decline in BC was much greater than the national average in the years leading up to 2002/2003,<sup>1</sup> when LSS downsized. The subsequent drop in available referrals likely contributed to lawyer attrition since 2002.<sup>2</sup> In 2004/2005, 997 lawyers accepted referrals (compared to 1,027 in 2003/2004 and 1,078 in 2002/2003).

LSS is committed to reversing lawyer attrition and measures its performance in this area through tariff lawyer satisfaction surveys. The society's first survey, conducted by PME Inc. last fiscal year, was sent to lawyers who had performed legal aid work in 2003 and for whom LSS had an e-mail address.<sup>3</sup>

Thirty-nine percent of lawyers responded to the survey, which asked about issues ranging from the referral process, account processing, and authorizations to LSS services and priorities.

The 68% overall satisfaction rate among lawyers who participated in the survey forms the baseline for this measure,<sup>4</sup> reflecting how well the society is meeting private bar needs. Maintaining and, over time, increasing this level of satisfaction will show that LSS is both reducing the risk of having too few lawyers to meet client needs and enhancing its ability to provide quality legal services.

### Performance

A detailed analysis of the tariff lawyer satisfaction survey was completed in January 2005.<sup>5</sup> Lawyers gave LSS staff very high ratings for their courtesy (90%) and knowledge (80%). Overall satisfaction ratings were also positive for referrals (69%), authorizations (67%), account payments (79%), and written communications (85%). At the same time, just over half of the lawyers (51%) indicated they do not feel valued by the society, citing the

<sup>1</sup> In BC, private lawyer participation in the legal aid plan declined by 23% from 1998/1999 (1,634) to 2001/2002 (1,263), compared to a decline of 12% nationally. Source: Statistics Canada, CANSIM, tables 258-0001 to 258-0004.

<sup>2</sup> Total referrals for representation services in 2001/2002 were 46,889 (77.1% handled by the private bar), compared to 28,626 in 2004/2005 (95.7% handled by the private bar).

<sup>3</sup> The survey, conducted online from January – March 2004, was sent to 1,026 private lawyers and completed by 404. Follow-up with a random sample of non-respondents revealed that 39% of the e-mail addresses used for the survey were invalid. One-third of the non-respondents contacted subsequently completed the survey. Their responses indicate that the survey results can be considered representative of all LSS tariff lawyers. A report on the results is posted on the LSS website at [www.lss.bc.ca/for\\_lawyers/forms\\_resources.asp](http://www.lss.bc.ca/for_lawyers/forms_resources.asp).

<sup>4</sup> Respondents were asked to rate the society's performance in key areas by selecting one of five responses: "strongly agree," "agree," "partly agree, partly disagree," "disagree," and "strongly disagree." In analyzing the results, respondents indicating "strongly agree" and "agree" were considered satisfied, and those indicating "strongly disagree" and "disagree" were considered dissatisfied.

<sup>5</sup> Responses related to lawyers' views on how LSS allocates resources are reported under Performance measure 3b.



need for improvements in the tariff structure, specific aspects of customer service, decision-making transparency, and priority-setting.

## Key strategies

**Tariff review:** LSS began a tariff review in February 2004 in response to concerns that lawyer attrition may be impeding its ability to respond to the needs of low income people.<sup>6</sup> The focus of this review is to find ways of establishing and maintaining a tariff that encourages private bar lawyers to accept LSS referrals and ensures they provide quality services, both of which are critical elements in promoting efficiency and effectiveness in the legal aid plan and the overall justice system.

Lawyers consulted in phase 1 of the review,<sup>7</sup> completed in June 2004, directly attribute lawyer attrition to inadequate compensation under the current tariff rates and structures. Review participants advised LSS that the tariff structures do not reflect the demands and realities of current legal aid practice and are not sufficiently geared to rewarding results. These findings are consistent with the tariff lawyer satisfaction survey results. Phase 2 of the review, ongoing at year-end, is focused on consultations with other justice system participants, further lawyer consultations and surveys, and research on compensation and tariff structures for other jurisdictions and professions.

Lawyers participating in the tariff review also provided LSS with valuable information about their needs and their preferred quality assurance initiatives. In response to these and other issues raised during the review, LSS made a number of operational improvements to reduce the administrative burden on lawyers and provide them with professional support.

**Criminal duty counsel process review:** Across the province, the number of lawyers willing to accept criminal duty counsel assignments ranges from too few to too many, and how lawyers are selected for the work varies from location to location. To address this situation, LSS has retained a consultant to review and make recommendations for improving recruitment practices, training, processes for making assignments, and quality assurance criteria for these services.

## Future outlook

Tariff renewal is essential if the society is to ensure there is an adequate pool of lawyers to meet client needs. LSS will take an initial step in this direction in April 2005 by reducing the holdbacks on lawyers' approved accounts (see Financial Report). In June 2005, the LSS board will determine further approaches to tariff renewal in the context of the society's overall funding and priorities as well as recommendations from the tariff lawyer survey and the tariff review.

LSS will continue to modify its quality assurance initiatives to incorporate suggestions arising from the tariff review, the tariff survey, and the criminal duty counsel process review. The society is also looking at further operational improvements, many of them technological, to assist the private bar. These include increasing the number and type of accounts that can be processed through electronic billing and developing additional electronic referral and authorization services.

<sup>6</sup> The 2004/2005 – 2006/2007 service plan listed the tariff review as a strategy related to improving the responsiveness of LSS services to the legal needs of low income people. In the process of developing its 2005/2006 – 2007/2008 service plan, LSS moved this strategy to the more applicable context of building the capacity of LSS staff and professionals.

<sup>7</sup> Phase 1 of the review involved gathering input from 108 tariff lawyers (representing 10% of the tariff bar) through a series of focus groups held around the province. Detailed reports from the tariff review are available on the LSS website at [www.lss.bc.ca/for\\_lawyers/forms\\_resources.asp](http://www.lss.bc.ca/for_lawyers/forms_resources.asp).

## Performance measure 1b

| Measure 1b                        | Previous result   | Target             | Result                                   | Future targets         |                        |                     |
|-----------------------------------|-------------------|--------------------|--|------------------------|------------------------|---------------------|
|                                   | 2003/2004         | 2004/2005          |  | 2005/2006              | 2006/2007              | 2007/2008           |
| Overall LSS employee engagement   | Under development | Establish baseline | Baseline pending                         | Not measured this year | Not measured this year | Improve on baseline |
| Overall LSS employee satisfaction | Under development | Establish baseline | Baseline set: 67% of employees satisfied | Not measured this year | Not measured this year | Improve on baseline |

The transition to the current LSS service delivery system in 2002 was an enormous undertaking that left departments with expanded responsibilities yet fewer staff to fulfill them. The society now has 33% of the staff it employed in 2001/2002, but has maintained access to legal information services and provides about 91% of the combined representation and advice services it did three years ago.<sup>8</sup> The way LSS delivers these services has changed dramatically, with staff lawyers handling 4% of overall referrals in 2004/2005 compared to staff lawyers and paralegals handling 23% in 2001/2002. With the two-thirds reduction in staff, the society had to develop new and innovative approaches to providing legal aid. This meant taking greater advantage of technology, moving to more Web-based services, and increasing advice services. Thus, the balance between LSS representation and advice services has shifted, particularly in family law. The society's commitment to meeting client needs in a changing environment presents an ongoing challenge for effectively managing staff capacity.

LSS measures its performance in this area through employee engagement surveys, the first of which was conducted this year. Engagement represents the combination of employees' satisfaction with resources, support, direction, services, etc., and their commitment to the society's goals and objectives. Improving on the baselines for this measure will show that LSS is enhancing its ability to retain highly skilled employees and, in turn, its efficiency in providing quality legal services.

## Performance

The society's first employee engagement survey, conducted by BC STATS this year, was sent to all LSS regular and term staff members.<sup>9</sup> It had a 98% participation rate, the highest of any survey conducted by BC STATS. Staff were asked questions about issues ranging from their day-to-day work, physical environment and resources, and development, to service quality, the executive, and their overall satisfaction. The overall engagement level (to be determined early next year) and 67% satisfaction level form the baselines for this measure.

Throughout the year, LSS responded to pressing demands by adjusting staff levels (resulting in 148.5 full-time equivalent [FTE] staff at March 31, 2005, compared to 145.1 the previous year), relying on temporary employees (many of whom are former LSS staff familiar with society policies and procedures), cross-training permanent staff, hiring short-term contractors when outside expertise was required, and collaborating with others to provide legal aid services (see Performance measure 3b).

The society also continued its employee wellness and recognition programs, which staff strongly support. Most employees who completed a survey on the wellness program said they would like the activities to continue. And nearly 90% who completed a survey on the recognition program said it "means a lot" when managers support them in learning new skills, praise them for a job well done, ask their opinions or ideas, support them when they make a mistake, and are available to address concerns or questions.

<sup>8</sup> LSS had 148.5 full-time equivalent (FTE) staff at March 31, 2005, compared to 448.2 at March 31, 2002. Legal representation and advice data for 2004/2005 is provided in tables 15 and 16 (see Appendix 6). In 2001/2002, legal representation was provided for 11,112 family cases, 2,879 CFCSA cases, 24,288 criminal cases, 3,110 immigration cases, and 5,500 poverty and human rights cases; legal advice was provided for 22,557 intake cases, 2,600 matters during the application process, 58,311 criminal duty counsel matters, and 29,930 Brydges line matters.

<sup>9</sup> The survey was conducted online from February – March 2005; all responses are kept confidential.

## Strategies

**Organizational review:** In 2004/2005, an organizational review conducted for the society by StrategyOne Consulting found that implementing some key structural changes would give LSS the capacity to meet current and future demands, assuming staff and funding remain at existing levels. The review recommended that LSS design a new structure based on its core client services, and combine similar functions to increase efficiency and effectiveness. Other recommendations included implementing stronger project governance to ensure initiatives are aligned with the strategic plan and have sufficient resources, increasing the legal expertise and client focus at the executive level, and retaining a regional presence across the province.

**Business process reviews:** LSS conducted business process reviews in the Tariff Services, Administration, and Appeals departments this year. Recommendations from the Tariff Services review included adjusting procedures to better meet service delivery needs. Final reports and recommendations from the reviews of Administration and Appeals are due early next year.

The Case Management System (CMS) is the society's main computer application for client referrals and tariff account processing. A CMS enhancement study conducted this year concluded that CMS continues to provide sound technological support for LSS, but improvements are necessary in a variety of areas. In response, LSS established a Tariff Referral Systems Steering Committee to prioritize and manage CMS enhancements and maintenance in the context of the society's strategic objectives.

**Performance reviews and training plans for staff:** The society's new Human Resources Information System allowed LSS to ascertain its overall absentee rate this year. LSS found its average rate of 10.4 days per year per employee for 2003/2004 was above the national average of 8.0 days.<sup>10</sup>

Annual performance reviews for staff continues to be an area that needs attention. Capacity issues this year, particularly for managers, meant reviews were completed for about 29% the society's staff.

This year's training plans were based on managers' assessments of individual staff, department, and society needs. In addition, LSS provided several training conferences and computer upgrade sessions for staff.

## Future outlook

Next fiscal year, BC STATS will conduct a detailed analysis of the employee engagement survey results. The analysis will correlate responses with demographic information and provide comparisons between LSS results and those of other public sector organizations that have conducted similar surveys. Based on that analysis, LSS will determine what improvements need to be made and how to implement them, and set a target for improving on this year's baselines by 2007/2008.

In response to the organizational review, by fall 2005, LSS will implement changes designed to improve its ability to manage workloads and support the full array of client services. As staff gain experience with these changes, the society will make adjustments as necessary. In this context, LSS will also undertake improvements identified in this year's business process reviews, establish an attendance management program, continue the employee wellness initiative, and further evaluate the society's operations.

<sup>10</sup> Absentee rates were 13.23 days per year for BC Government and Service Employees Union members, 3.69 days for excluded staff, and 3.57 days for Professional Employees Association members.

## Objective 2

Objective 2 is to build the financial capacity to maintain proven initiatives and sustain core services.

### Performance measure 2

| Measure 2  | Previous result | Target                    | Result   | Future targets  |   |   |
|--|-----------------|---------------------------|--|---|---|---|
|  | 2003/2004       | 2004/2005                 |  | 2005/2006   | 2006/2007   | 2007/2008   |
| Proven initiatives currently funded by short-term funding and budget required for each | N/A             | New measure for 2005/2006 | Baseline set: 4 initiatives totalling \$3.72 million | Reduced reliance on short-term funding to maintain proven initiatives | Reduced reliance on short-term funding to maintain proven initiatives | Reduced reliance on short-term funding to maintain proven initiatives |

The ability to turn successful pilot projects into permanent programs is critical if LSS is to provide clients with reliable and high quality legal assistance.

The baseline for Performance measure 2 reflects the extent to which LSS relies on short-term funding to meet client needs. Achieving its targets will increase the society's ability to maintain beneficial services and lead the way in developing and testing innovative programs.

### Performance

This year, four pilot projects were sustained through \$3.72 million<sup>11</sup> in short-term funding:

|   |              |
|---|--------------|
| Family duty counsel and advice lawyers  | \$ 2,000,000 |
| LawLINE brief legal services            | \$ 1,312,500 |
| LawLINK expansion to community agencies | \$ 171,000   |
| Legal information outreach workers      | \$ 232,000   |

Consistent with the provincial government's strategic plan, these cost-effective services help clients either resolve their legal problems without litigation or represent themselves in legal proceedings.<sup>12</sup>

### Strategies

Although Objective 2 and its related strategies were established for 2005/2006, the society made significant progress in two important areas this year.

LSS obtained a permanent \$4.6 million increase in core provincial government funding, effective April 1, 2005, to expand services for family clients who are most at risk. As a result, the highly successful Provincial Court family duty counsel and advice lawyer projects became permanent programs.

The society also obtained access to its accumulated surplus by working with the provincial government to amend the LSS Act.<sup>13</sup> As a result of amendments passed in February 2005, LSS will be able to use unrestricted surplus funds to support legal aid services. Without this change, the only way LSS could access these funds was by obtaining the prior approval of both the Minister of Finance and the Attorney General.

### Future outlook

Over the next three years, LSS will seek revenue-generating opportunities and innovative funding arrangements with other justice system partners. This work will include assessing viable and fair ways to collect payments from clients who are able to contribute toward their legal costs. If a feasible system is identified, the revenue it generates would be put toward client programs. The society will also explore direct funding relationships with the federal government in LSS mandate-related areas that fall under federal responsibility. LSS will also continue to advocate for improved legal aid funding through its participation in the Permanent Working Group on Legal Aid (see Glossary).

<sup>11</sup> Data based on budgeted amounts. See table 5 in the Financial Report for actual expenses and Appendix 3 for a description of these services.

<sup>12</sup> Other legal aid jurisdictions are also developing services to help clients resolve their legal problems before they get to the trial stage. Just one example is the Legal Services Commission, the legal aid provider in England and Wales, which recently brought in a package of civil legal aid reforms that included an increased focus on services that encourage out-of-court settlement and mediation (see [www.dca.gov.uk](http://www.dca.gov.uk)).

<sup>13</sup> At the end of 2003/2004, LSS had an accumulated surplus of \$4.4 million, consisting of \$2.2 million in unrestricted (i.e., unallocated) funds, \$600,000 already set

## Objective 3

Objective 3 is to improve the responsiveness of LSS services to the legal needs of low income individuals.

### Performance measure 3a

| Measure 3a  | Previous result   | Target            | Result    | Future targets     |                        |                        |
|---|-------------------|-------------------|-----------|--------------------|------------------------|------------------------|
|   | 2003/2004         | 2004/2005         |           | 2005/2006          | 2006/2007              | 2007/2008              |
| Overall rating by clients of their satisfaction with LSS services | Under development | Under development | Postponed | Establish baseline | Not measured this year | Not measured this year |

Ensuring legal aid programs meet client needs is the foundation of all the society's work. Improving on how LSS responds to those needs, then, is a key objective. One way LSS will assess its progress in this area is through rating client satisfaction with its services.

LSS had planned to develop a client survey this year, but due to capacity issues, postponed the work to 2005/2006 (see page 5). Once the survey is completed next year, the society will establish a baseline and set a target for improving on it. Achieving its target will show that LSS is filling critical service gaps to further its goal of helping people with low incomes resolve their legal problems.

### Performance

Although LSS was unable to move forward on the client survey this year, evaluations of legal advice and information pilot projects provided valuable feedback on the success of some of the society's newest and most innovative services.

In the family duty counsel (FDC) and advice lawyer project evaluations, clients indicated strong support for both the expanded form of the project in Vancouver and the non-expanded projects elsewhere in the province, although ratings for the former were higher (5.8, compared to 5.5 on a 7-point scale).<sup>14</sup> An earlier interim evaluation also showed that more than one-third of the clients served under the expanded project achieved an immediate resolution to their problem.

The LawLINE advice project evaluation found that of callers interviewed, 85% said the service made a difference to them and 89% said they would likely use it again if they had another legal problem. Most callers who reported family, health, transportation, or scheduling problems said LawLINE was easier for them to use than a walk-in service.<sup>15</sup>

The final evaluation of the LawLINK expansion project, to be completed early next year, will report on how clients interact with the public access computers and how effective that technology is in helping them resolve their legal problems. It should be noted that the evaluation was delayed in part because a lower than anticipated number of clients used the computers without assistance from a third party. As a result, the evaluators had to alter the methodology and timing of the study.

### Strategies

**Service improvements:** While responding to requests for family coverage exceptions (see Appendix 3), LSS became aware of a disturbing number of cases where failure to provide clients with legal representation at trial could result in miscarriages of justice. To address this situation, the society developed an extended family services referrals program. The program was piloted in 2003/2004, but funding limitations prevented LSS from continuing it beyond March 31, 2004. The government's commitment to permanently increase core funding for legal aid next year allowed LSS to

aside for alternative dispute resolution pilot projects in child protection (see Performance measure 5), and \$1.6 million invested in capital assets (i.e., property and equipment). This accumulated surplus was a result of three factors: efficient management of the transition to a new service delivery system in 2002; receipt of a federal government Legal Aid Renewal Fund grant at the end of March 2004 (too late for the society to use by year-end); and unanticipated case volume declines. See the Financial Report for details on the accumulated surplus at March 31, 2005.

<sup>14</sup> The evaluation of the expanded FDC project used database reports and included 278 clients whose cases were closed and who used the service between November 2002 and October 31, 2003. The provincial FDC evaluation used data from projects in six locations outside Vancouver and included interviews with 300 randomly selected clients. These evaluations are available at [www.lss.bc.ca/about\\_lss/services.asp](http://www.lss.bc.ca/about_lss/services.asp).

<sup>15</sup> The LawLINE evaluation (October 2004) surveyed 151 callers who qualified for advice services from April 5 to May 10, 2004. The evaluation is available at [www.lss.bc.ca/about\\_lss/services.asp](http://www.lss.bc.ca/about_lss/services.asp).

revive the program in March 2005. Each year, it will help an estimated 300 legal aid clients whose cases involve high conflict issues that, if left unresolved, would leave them at great risk.

In response to lower case volumes and obtaining access to its accumulated surplus (see Financial Report), this year LSS increased the general preparation hours for emergency services under the family tariff; extended the LawLINE, LawLINK, and LIOW projects to the end of July 2005; restored some immigration and refugee services; and enhanced client access to all services by relaxing financial eligibility limits for legal representation and legal advice.

In an effort to reduce the waiting time for LawLINE callers, which was confirmed by the project evaluation to be an issue for clients, LSS allocated more staff and technical resources to the service. The society also added an automated message to let callers know whether their waiting time was likely to be under or over approximately 20 minutes. Demand remains strong, reflecting the ongoing need for brief legal information and advice services across the province. As with any free telephone service, waiting continues to be an unavoidable reality.

Other service improvements this year included adding new publications, self-help kits, and another online video to the Family Law in British Columbia website ([www.familylaw.lss.bc.ca](http://www.familylaw.lss.bc.ca)); advancing quality assurance by translating *What You Should Expect From Your Legal Aid Lawyer* (a fact sheet advising clients of service standards for lawyers) into six languages; producing legal information publications on immigration and refugee law in response to coverage reductions that were in effect at the beginning of the year; developing court forms that can be accessed through the Family Law website and completed online; and enhancing the Brydges service to ensure most callers can speak directly to a lawyer (rather than leave a message) when they contact the line.

LSS representation services are described in Appendix 2, information and advice services in Appendix 3, and financial eligibility in Appendix 5. Case volume changes are discussed in Appendix 6.

**Assessing needs:** In May 2004, LSS contracted the Upper Skeena Counselling and Legal Assistance Society to conduct a Northern Aboriginal Legal Needs Assessment in this rural and remote area of the province, north of and including the Cariboo Regional District. The final report, due early next

year, will review and make recommendations on access to justice issues faced by the people in these communities.

A community profile and needs assessment on public legal education and information (PLEI) in BC was completed this year for the PLEI Working Group, in which the society plays a leadership role. The study concluded that there is a strong base of PLEI materials, but substantial challenges need to be overcome to ensure they get to the communities and people who most need them. The highest priorities for meeting PLEI needs across the province appear to be improving co-ordination among service providers and enhancing access to materials and related support services.

Complementing these assessments, LSS board liaison directors' meetings with key stakeholders (see Governance) contribute to the board's overall policy and planning process. Consultations held prior to the June 2004 retreat proved invaluable for establishing the strategic priorities for addressing the unmet legal needs of low income people that inform the society's 2005/2006 – 2007/2008 service plan.

## Future outlook

Next year, LSS will roll out two new family law programs in its ongoing effort to fill gaps in services. The first will provide family duty counsel in Supreme Courts (a pilot project for this was started in Vancouver in October 2004). The second is a limited family referrals program that unbundles legal services (see Glossary) so lawyers can provide assistance (excluding representation at trial) to eligible clients who have no alternative to litigating in Supreme Court.

By April 2005, recorded messages on LawLINE and the LSS Call Centre will be available in nine languages, making legal aid more accessible. In June, the LSS board will discuss future plans for the LawLINE, LawLINK, and LIOW projects, which were also established to fill critical gaps in family and other civil law matters.

When the society raised financial eligibility limits this year, it also simplified the system by applying one threshold to all areas of law. As a result, it will be easier to adjust and administer eligibility levels in response to future shifts in case volumes and funding. LSS will continue to assess and, wherever possible, adjust its financial eligibility requirements so more low income people can access legal aid services.

## Performance measure 3b

| Measure 3b  | Previous result   | Target             | Result    | Future targets |                    |                        |
|---|-------------------|--------------------|-----------|----------------|--------------------|------------------------|
|   | 2003/2004         | 2004/2005          |           | 2005/2006      | 2006/2007          | 2007/2008              |
| Overall rating by intermediaries of how LSS responds to the legal needs of low income individuals in BC | Under development | Establish baseline | Postponed | Postponed      | Establish baseline | Not measured this year |

LSS collaborates with other justice system service providers to increase its ability to provide legal aid programs. Gauging intermediary satisfaction with LSS services, then, is another important measure of the society's success in responding to the needs of low income people.

LSS intended to establish a baseline for intermediary satisfaction this year, but postponed this work due to limited staff capacity (see page 5). LSS will establish a baseline for this measure in 2006/2007, and then set a target for improvement. Achieving its target will show that the society is working effectively with key stakeholders to advance access to justice in BC.

### Performance

Although LSS was unable to move forward on the intermediary survey this year, evaluations of pilot projects reported under Performance measure 3a also included feedback from intermediaries. For example, judges, family justice counsellors, lawyers, and court registry staff in the family duty counsel evaluations all supported the projects.<sup>16</sup>

Key respondents interviewed for the LawLINE advice project evaluation said they use the service for a wide range of legal content areas.<sup>17</sup> For some, it is a resource for resolving more complex problems; for others, it is an initial or last-minute option. On average, respondents rated the effectiveness of the LawLINE brief advice services at 5.2 on a 7-point scale. The lowest ratings reflected perceptions that non-English speaking clients could not be given help in their own language, although

in fact, LawLINE provides interpreters for these callers (see Appendix 3). In response to this misconception, during the year LSS increased its publicity about the interpreter service (see also Performance measure 4, Future outlook).

LawLINE also exemplifies how the society's work often sets the standard for others. Although telephone legal advice services have long been available in the US, LawLINE is the first program of its kind in Canada. The service is attracting the attention of other legal aid plans, and in November 2004, after consulting with LSS on the feasibility of establishing a similar program, the Legal Aid Society of Alberta launched its own hotline. LSS has also provided information to Saskatchewan Legal Aid, which is looking into establishing telephone intake and legal advice services in that province.

Feedback from participants in the society's regional and provincial training conferences (see next page) indicates that while the networking opportunities and range of information provided are important and valued, advocates need more support than these events can provide.

Lawyers responding to the tariff survey (see Objective 1) provided valuable feedback on how the society allocates its resources. Just under half (42%) felt LSS was doing a good job in this area. The most common suggestions for improving access to legal aid for clients were to relax financial eligibility requirements and simplify the application process. Other frequent suggestions were to increase family law services and coverage and increase poverty law coverage.<sup>18</sup> These responses, which were consistent with lawyers' views

<sup>16</sup> The evaluation of the expanded FDC project used database reports and included interviews with 27 key respondents (i.e., judges, family justice counsellors, lawyers, and court registry staff internal and external to the project). The evaluation of the provincial FDC project used data from projects in six locations outside Vancouver and included interviews with 22 key respondents. The reports are available at [www.lss.bc.ca/about\\_lss/services.asp](http://www.lss.bc.ca/about_lss/services.asp).

<sup>17</sup> The LawLINE evaluation (July 2004) included interviews with 17 legal and/or social organizations in the province (key respondents) who actually or potentially refer to or receive referrals from the service. In the 7-point scale for rating LawLINE's effectiveness, 1 = not effective at all and 7 = very effective. The evaluation is available at [www.lss.bc.ca/about\\_lss/services.asp](http://www.lss.bc.ca/about_lss/services.asp).

<sup>18</sup> A broad range of concerns about family and civil coverage and the impact of the legal aid budget cuts on women were also the subject of a major Legal Education and

expressed during the tariff review, contributed to the society's decisions on service and eligibility improvements this year (see Performance measure 3a).

## Strategies

Collaboration with others often makes the difference between meeting and not meeting client needs. Partnerships are a high priority for the society, and LSS continued to work with service providers and justice system professionals this year. Just a few examples are the society's work with private bar lawyers to provide duty counsel in all areas of law, its involvement with PovNet, and its participation with numerous government and community agencies in a project to pilot the first Supreme Court Self-Help Information Centre in BC (see Glossary).

Another important collaboration is the society's work with the five Ministry of Children and Family Development (MCFD) regions to develop and pilot local alternative dispute resolution (ADR) projects in child protection proceedings. This initiative draws on the success of a 2002 child protection mediation pilot project in the Surrey Court, which found that mediation not only improved the relationship between the family and social worker but also resulted in children spending fewer days in care and fewer cases going to contested hearings. A steering committee consisting of representatives from LSS, the Ministry of Attorney General, and MCFD evaluates and funds projects that will help government services and lawyers move toward out-of-court resolutions that achieve effective results for parents and children in these matters. Projects in the Interior and Vancouver Coastal regions were started this year. Funding for this initiative was provided in March 2003 through a \$600,000 MCFD grant to LSS, which the society matched.

LSS also supports intermediaries by providing education and training. Conferences for advocates, for example, are designed to increase participants' knowledge so they can better help their clients identify, avoid, or resolve the legal aspects of their problems; to raise awareness of LSS resources and services so advocates and their clients can make better use of them; and to strengthen local community networks and referral patterns. This

year, more than 300 advocates attended seven of these conferences.

As part of its quality assurance work this year, LSS contracted the Continuing Legal Education Society (CLE) to conduct a needs assessment to determine what lawyers working on child protection cases need to achieve best practices in their work.<sup>19</sup> The lawyers overwhelmingly identified improved access to resources as their top priority, and in response, LSS partnered with MCFD and CLE to offer a two-day conference in Child, Family and Community Service Act (CFCSA) law.

## Future outlook

The Supreme Court Self-Help Information Centre in Vancouver will be up and running by April 2005, with LSS managers actively involved on its executive and other committees. As well, the society hopes to fund local ADR projects in child protection proceedings in the remaining three MCFD regions next year. Possibilities for additional partnerships and a variety of other service delivery options will be examined to maximize access to legal aid with available funds.

The society is also considering ways to enhance training for advocates.

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Action Fund/Canadian Centre for Policy Alternatives (BC) study in 2004, reported in *Legal Aid Denied: Women and the Cuts to Legal Services in BC* (available at [www.policyalternatives.ca](http://www.policyalternatives.ca)).

<sup>19</sup> The resulting report, *Achieving Best Practices*, is available at [www.lss.bc.ca/about\\_lss/services.asp](http://www.lss.bc.ca/about_lss/services.asp).



## Objective 4

Objective 4 is to increase awareness of LSS services among intermediaries so that more low income individuals are referred to appropriate LSS services.

### Performance measure 4

| Measure 4  | Previous result   | Target             | Result    | Future targets |                    |                        |
|--|-------------------|--------------------|-----------|----------------|--------------------|------------------------|
|  | 2003/2004         | 2004/2005          |           | 2005/2006      | 2006/2007          | 2007/2008              |
| Overall rating by intermediaries of their level of awareness of LSS services | Under development | Establish baseline | Postponed | Postponed      | Establish baseline | Not measured this year |

Potential clients need to know that legal aid exists if the society is to help them resolve their legal problems. The closure of many LSS offices in 2002 received considerable public attention. Since then, anecdotal evidence from staff and intermediaries around the province continues to suggest that many people are unclear about what LSS programs are now available in BC.

The society plans to measure its performance in raising awareness about legal aid through feedback from those who play a crucial role in referring clients to its services.

### Performance

LSS intended to establish a baseline for this measure in 2004/2005 using results from the intermediary survey. Due to limited staff capacity (see page 5), however, the survey was postponed to 2006/2007. Once a baseline and target for improvement are established, the society will be able to monitor its progress toward ensuring accurate information about legal aid services is widely available across the province.

### Strategies

To mark the society's 25th anniversary in October 2004 and in response to the apparent lack of public knowledge about its services, LSS launched a legal aid awareness campaign. The campaign centred around the publication of *Legal Aid: We Can Give You Legal Help*, which explains, in plain language, how legal information, advice, and representation can help low income people and how clients can access these services. More than 20,000 copies of the booklet were distributed to a wide range of community agencies throughout BC,

and staff used it in their outreach work. Response to the publication has been enthusiastic, and in spring 2005, BC's Intergovernmental Agencies Secretariat provided LSS with funding to translate the booklet into French.

In fall 2004, the society tested the effectiveness of bus ads to promote legal aid services. Overhead ads featuring the LSS InfoLINE number, which offers recorded messages about legal aid services, were placed in more than 100 buses serving 19 communities outside the Lower Mainland. Use of the InfoLINE, however, was light during the three months the ads ran, and the society has been unable to determine a reliable method of assessing the ads' impact.

LSS also raised awareness of legal aid services through LIOWs (who collectively reached more than 2,100 people at 188 community meetings this year — see Appendix 3); advocate training conferences; brochures, bookmarks, posters, and other publications and websites; and through staff participation in justice system conferences, meetings, and events.

### Future outlook

Next year, LSS will expand awareness of its programs by translating the booklet *Legal Aid: We Can Give You Legal Help* into more languages and through ongoing staff outreach work and partnerships with other agencies.

The LIOW positions are currently scheduled to continue to the end of July 2005. Future plans for these positions will be discussed by the LSS board in June 2005.

## Objective 5

Objective 5 is to apply LSS influence to ensure the legal needs of low income individuals are considered in justice system reform.

### Performance measure 5

| Measure 5  | Previous result   | Target             | Result                            | Future targets         |                  |                  |
|--|-------------------|--------------------|-----------------------------------|------------------------|------------------|------------------|
|  | 2003/2004         | 2004/2005          |                                   | 2005/2006              | 2006/2007        | 2007/2008        |
| Resources utilized by LSS in providing the Ministry of Attorney General advice regarding legal aid <sup>20</sup> | Under development | Establish baseline | Baseline set: More than 500 hours | Measure may be revised | To be determined | To be determined |

Under the LSS Act, the society's mandate includes providing expert advice and information on legal aid issues to the Attorney General (see Organization Overview). For a legal system to be truly equitable, all citizens, regardless of their income level, must have access to the protections and guarantees it offers. As the primary provider of legal aid in BC, LSS uses its influence to ensure justice reform initiatives consider and respond to the legal needs of people with low incomes.

LSS assesses its contributions in this area by tracking the human resources it devotes to justice reform activities. This is a draft measure, in place while the society attempts to identify more effective ways of determining the extent to which this work helps clients resolve their legal problems.

### Performance

In 2004/2005, LSS established a tentative baseline for this measure using the estimated time staff spent on justice reform. As work in this area evolves, the baseline may be revised and, accordingly, a target for improvement will be set.

### Strategies

LSS provides advice on legal aid issues to the Attorney General in the course of negotiations around the Memorandum of Understanding (see Financial Report), in discussions between the LSS board and the Attorney, and through its justice reform activities.

In 2004/2005, LSS maintained and expanded its representation in justice system forums where decisions that will affect low income people in BC are considered. This included participating in three committees established by the BC Justice Review Task Force: the Family Justice Reform Working Group, the Civil Justice Reform Working Group, and the Mega Trials Working Group. LSS also took part in the Law Society of BC's task force on unbundling legal services. Drawing on 25 years of providing and managing family, civil, and criminal legal aid services, LSS staff bring extensive expertise to this work.

The society also contributes to justice reform through its participation in a variety of local activities, such as court user committees and the Vancouver Drug Treatment Court.<sup>21</sup>

### Future outlook

The society will continue to participate in justice reform initiatives, advise key stakeholders and the Attorney General on how justice system changes affect low income people, and collaborate with partners at all levels of the justice system to address matters of mutual concern.

<sup>20</sup> In preparing the 2005/2006 – 2007/2008 service plan, LSS revised the wording of this measure to more directly reflect the society's legislated mandate.

<sup>21</sup> See Glossary for descriptions of the task forces, working groups, and drug court.

## **Alignment with government's strategic plan**

The society's work supports the government's goal of establishing a supportive social fabric in BC, and the related objective of developing a fair and efficient system of justice, as outlined in the province's strategic plan for 2005/2006 – 2007/2008. LSS contributes directly to this goal and objective through activities related to the following government strategies:

- Enhance access to justice through civil and family law reform and innovative and integrated justice processes.

LSS supports this strategy through its family duty counsel, call centre, and LawLINE services; legal information and education publications and websites; advice to the Attorney General; and justice reform activities. All of these increase access to justice by providing resources and assistance for clients, intermediaries, and service providers. Much of this work is achieved through collaborating with a wide range of justice system partners to develop innovative, cost-effective services (such as the Supreme Court Self-Help Information Centre) that enhance access to justice for low income people.

- Move criminal cases through the justice system in a timely and efficient manner.

LSS facilitates the efficient handling of criminal cases by ensuring high quality legal representation is available to people with low incomes and by streamlining administrative procedures for lawyers. This is done, for instance, through e-business tools such as electronic billing, the Strategic Case Assessment Program (see Appendix 4), and the quality assurance program (see Performance measure 1a), all of which are designed to enhance services to clients and reduce court delays.



## Financial Report

LSS experienced improved financial stability in 2004/2005. As well, for the eighth consecutive year, the society had an operating surplus, and for the second consecutive year, none of this surplus had to go toward retiring a deficit.

### Management discussion and analysis

The society closed 2004/2005 with \$1.7 million in cash and \$18.2 million in investments, offsetting \$16.6 million in liabilities. The operating surplus for the year was \$4.1 million.

### Surplus

This year's operating surplus was the result of two key factors. First, LSS had budgeted to apply a significant portion of the federal Legal Aid Renewal Fund (LARF — see Federal funding, page 24) to cover the increased costs associated with raising financial eligibility guidelines for criminal cases.<sup>22</sup> The balance of the LARF funding was to be applied toward other criminal law services for which the provincial government also provided funding.

However, the higher financial eligibility limits for criminal cases did not result in the anticipated increase in referrals (see Appendix 6). As a result, the LARF funds earmarked for those costs were applied toward the criminal services portions of the new regional centre, call centre, LawLINE and local agent budgets, resulting in provincial government funding being under spent by about \$3 million.

LSS attempted to address this situation by raising awareness of the higher limits among staff and the general legal community; however, this work did not lead to additional cases. LSS also asked the federal government to allow the society to change how it reports expenses in this area (to incur the full cost of referrals made under the program at the time of referral rather than when the bills are actually received, which often is in future fiscal years). The federal government was unable to accommodate this request.

The second factor contributing to the surplus was an unpredicted decline in immigration/refugee cases. Recognizing that, historically, demand for service in this area has fluctuated considerably,<sup>23</sup> LSS based its estimate of the number of cases on the average for the past 10 years. In 2004/2005, however, demand declined dramatically (see Appendix 6). LSS responded to this by restoring some services for immigration/refugee clients; however, the budget for these cases was under spent by \$1.1 million.

The accumulated surplus was \$8.4 million at March 31, 2005 (see table 7 and footnote 13). This amount includes \$3.5 million invested in capital assets and \$0.6 million internally restricted for alternative dispute resolution pilot projects in the area of child protection, leaving \$4.3 million in unrestricted funds available for future general use (see Future outlook, page 26).

### Risks

The major financial risk posed this year came from case volumes (see Surplus, above). Cost pressures from inflation and the tariff review, identified as

<sup>22</sup> Financial eligibility limits were increased in March 2004 to match Social Development Canada's Market Basket Measure.

<sup>23</sup> Prior to 2004/2005, the number of immigration/refugee law referrals ranged from a high of 3,949 in 1999/2000 to a low of 1,756 in 2003/2004.

potential risks last year, were absorbed by available funds, primarily because of the decline in case volumes.

In response to concerns raised by the auditors last year regarding potential risks in how the society processes financial eligibility assessments, LSS contracted Western Management Consultants in fall 2004 to review the society's policies and practices in this area. The review found that staff are making correct decisions but that the organization, completeness, and recording of data behind these decisions could be improved to support verification, auditing, and performance management activities. Recommendations included enhancing documentation and verification of information through better use of existing technology; performing additional verification procedures for high-risk, high-cost cases; and, based on benchmark data,<sup>24</sup> using shorter referral periods and regular reassessment intervals for clients. Implementing these recommendations will help LSS ensure that applicants receive services for which they are qualified and that the society expends its limited funds appropriately.

## Resource allocations

Expenses for general administration (infrastructure and operational support) this year totalled \$7.7 million (see table 11, page 28), which represents

12.7% of all spending. This amount includes costs such as the Vancouver Regional Centre building expenses and amortization (i.e., leases, furniture, depreciation on equipment, etc.) that are more appropriate to — and next year will be allocated to — client liaison and tariffs.

At March 31, 2005, there were 95.8 FTE positions allocated to direct client support and 52.7 to general administrative support.

## Revenue

The society's 2004/2005 revenue was \$64.7 million, compared to \$71.1 million in 2003/2004 (see Statement of Operations, page 34). This decline was primarily due to reductions in provincial government funding, the Notary Foundation grant, and the society's investment revenue (although the latter two still exceeded the society's budget — see table 3). Funding provided by the federal Legal Aid Renewal Fund offset some of the decrease in revenue.

## Provincial funding

The provincial government provides the major portion of the society's revenue (see table 3). This revenue is subject to a three-year Memorandum of Understanding (MOU) between LSS and the Attorney General.

**Table 3 Legal Services Society revenue, 2004/2005**

| Revenue                             | Actual               | %            | Budget               | %            |
|-------------------------------------|----------------------|--------------|----------------------|--------------|
| Core provincial government funding  | \$ 55,936,801        | 86.5         | \$ 56,840,000        | 86.6         |
| Law Foundation grant                | 3,272,500            | 5.1          | 3,272,500            | 5.0          |
| Notary Foundation grant             | 506,346              | 0.8          | 450,000              | 0.7          |
| Legal Aid Renewal Fund <sup>1</sup> | 3,649,577            | 5.6          | 4,299,577            | 6.5          |
| Investments                         | 543,858              | 0.8          | 450,000              | 0.7          |
| Other <sup>2</sup>                  | 500,513              | 0.8          | 341,000              | 0.5          |
| Law Foundation project grants       | 266,975              | 0.4          | –                    | –            |
| <b>Total</b>                        | <b>\$ 64,676,570</b> | <b>100.0</b> | <b>\$ 65,653,077</b> | <b>100.0</b> |

<sup>1</sup> The federal government provides this funding to the BC government, which then transfers it to LSS.

<sup>2</sup> Other includes publishing revenue, administrative fees, etc.

<sup>24</sup> The benchmark data was based on interviews with three external organizations that deal with a similar client demographic as LSS: BC's Ministry of Human Resources (MHR) and Ministry of Children and Family Development (MCFD), and Legal Aid Ontario (LAO). MHR reassesses financial eligibility annually and checks on eligibility continually; MCFD assesses income quarterly; LAO reassesses financial eligibility annually with three-year open referrals. LSS grants five-year open referrals with no set requirements or processes for reassessment of financial eligibility. For situations where LSS reassesses eligibility, see Appendix 5.

The MOU outlines anticipated provincial government funding for LSS and the priorities for its use. Under the current agreement, 2004/2005 was the last of three years of previously announced legal aid funding cuts; accordingly, the society's revenue was scheduled to drop by \$7.1 million this year. In addition, 2004/2005 costs for exceptional matters were \$0.9 million less than budgeted. Provincial funding therefore came in at a total of \$8 million less than the previous year (see Statement of Operations, page 34).

The MOU defines exceptional matters and establishes a stable process for funding them (see Appendix 4). Provincial funding for these cases is adjusted to match the actual costs incurred during the year. The MOU also allocates specific amounts for representation in each area of law, public legal education and information services, and service and strategic objectives, and sets out priorities for reallocating surpluses to shortfalls among budget categories during the year. In 2004/2005, there were no shortfalls. The society's obligation to provide services is limited to the funding allocated in the MOU for each specific area.

## **Federal funding**

Under federal-provincial contribution agreements, the federal government reimburses the provincial government for some legal aid costs. In 2004/2005, the federal contribution to BC for criminal, young offender, and immigration legal aid was about \$12 million.

In addition, the society received \$3.6 million in 2004/2005 from the Legal Aid Renewal Fund, which is designed to support innovative services that address unmet needs in criminal law. This year's revenue was less than the budgeted \$4.3 million because large, federally prosecuted criminal cases, estimated to cost \$650,000, did not materialize.

LSS anticipates receiving \$2.7 million from LARF and up to \$650,000 for large, federally prosecuted criminal cases in 2005/2006.

## **Foundation grants**

Both the Law Foundation and the Notary Foundation provide annual grants to LSS (see table 3) with revenue from interest earned on trust funds held by their members. The Notary Foundation is required under the Notaries Act to contribute 50% of this revenue to the society. Although this grant declined by 36% in 2004/2005 because of reduced revenue from the trust funds, it exceeded the budgeted amount (see table 3).

LSS can allocate the foundation grants at its discretion, since this revenue is not subject to the MOU. This year, the grants supported strategic initiatives, as did a set amount of provincial government funding budgeted for this purpose (see tables 5 and 6). LSS accounts for how it uses the grants in its quarterly reports under the Budget Transparency and Accountability Act. These expenses are also audited at year-end, along with the rest of the society's finances.

The Law Foundation also provided LSS with \$119,000 in project grants, which was included in this year's revenue along with \$147,975 in Law Foundation project grants deferred from 2003/2004. These grants can be used only for the designated projects. LSS is required to provide the Law Foundation with semi-annual reports on the work and can carry unspent funds into subsequent years to complete the projects. However, the society must return unspent funds when projects come in under budget or are not completed.

## **Investment revenue**

The society's investment revenue declined to \$543,858 due to decreased interest rates during most of 2004/2005, but still came in over budget (see table 3).

Funds available to the society for investments include cash from restricted and unrestricted surpluses (see Surplus, page 22) and revenue received to cover pending liabilities, the largest of which is the liability for tariff payables.

This year, LSS changed its investment strategy. Rather than relying entirely on direct investments through a broker, the society now invests most of its available cash in pool funds (see Glossary). These are more secure because risks are shared with other investors. LSS also hopes to benefit from higher interest rates over the longer term. Bond values decreased in 2004/2005, lowering some of the investment returns for LSS this year. The society has now adjusted for this and future revenues should increase.

## **Other revenue**

Increased revenue in this category came from payment for administrative services LSS provided to the Ministry of Attorney General for out-of-mandate cases, Social Development Canada (formerly Human Resources Development Canada) funding to support PovNet, and a deferred contribution from the Ministry of Children and Family Development for child protection mediation projects.

**Table 4 Legal Services Society expenses, 2004/2005**

| Expenses  | Actual                           | %            | Budget               | %            |
|---|----------------------------------|--------------|----------------------|--------------|
| Contracted representation services and support (tariff support, etc.) | \$ 42,076,747                    | 69.4         | \$ 45,986,877        | 70.0         |
| Service and strategic initiatives (see table 5)                       | 3,544,687                        | 5.9          | 4,782,300            | 7.3          |
| Client liaison (offices, PLEI)  | 7,660,523                        | 12.6         | 8,151,000            | 12.4         |
| Administration (infrastructure/system support)                        | 7,341,122                        | 12.1         | 6,732,900            | 10.3         |
| <b>Total</b>  | <b>\$ 60,623,079<sup>1</sup></b> | <b>100.0</b> | <b>\$ 65,653,077</b> | <b>100.0</b> |

<sup>1</sup> The total consists of "Total operating expenditures" plus "Amortization" in the Statement of Operations on page 34.

## Expenses

The society's expenses came to \$60.6 million in 2004/2005 (see table 4), compared to \$69.2 million in the previous fiscal year. Tables 7 to 12 summarize the society's expenses for the past five years.

The largest decline in expenses this year was in tariffs (see Tariff expenses, page 26). Spending also dropped for computers (by \$0.6 million), due to the completion of system design and development for projects such as LawLINE and LawLINK.

The major spending increases were for salaries and benefits (up \$862,104 as a result of filling vacant positions), LawLINE (up \$594,789 because 2004/2005 was the first complete year for that service), premises (e.g., leasing costs, up \$494,904 due to relocating two offices), and family duty counsel (up \$475,858 because 2004/2005 was the first complete year of providing those services).

In addition, the society's investment in capital assets rose to \$2.9 million this year (see page 33). This consisted of desktop computer replacements (\$549,888), Vancouver and Surrey office relocations (\$2,242,040), and office equipment and furniture purchases (\$394,948), which were offset by the disposal of computers and leasehold improvements at former office locations.

## Service and strategic initiatives

LSS allocated \$4.8 million and spent \$3.5 million (excluding Law Foundation grants and capital costs) for service and strategic initiatives in 2004/2005 (see table 5). These initiatives,

**Table 5 Service and strategic initiatives expenses, 2004/2005**

| Initiative                                | Expense             |
|---|---------------------|
| CMS enhancements                          | \$ 22,804           |
| Employee wellness                         | 24,302              |
| Family duty counsel                       | 1,693,888           |
| Family Law in BC website                  | 70,073              |
| LawLINE                                   | 1,077,095           |
| LawLINK                                   | 98,113              |
| LIOWs                                     | 213,536             |
| Strategic initiatives resources (surveys) | 24,872              |
| PLEI Working Group                        | 110,018             |
| Quality assurance                         | 60,490              |
| Tariff review                             | 149,496             |
| <b>Total</b>                              | <b>\$ 3,544,687</b> |

continued from the previous year, were undertaken to improve access to legal services and develop new systems to provide legal information.

## Tariff expenses

Tariff costs continued to decline this year (down \$4.5 million from 2003/2004 — see Statement of Operations, page 34), in part because of the lower than expected demands in immigration/refugee and criminal law (see Surplus, page 22) and in part because of anticipated reductions resulting from service changes implemented in 2002.

The estimated liability for tariff services provided by the private bar at the end of 2004/2005 is \$12.4 million (including \$3.4 million in holdbacks to be paid). To arrive at this figure, LSS used an actuary's model that includes actual costs based on invoices received and estimated costs for work on all unbilled referrals made during the fiscal year. The calculation is 90% accurate, 19 times out of 20.

The budget for exceptional matters (see Appendix 4) this year was \$2.7 million, plus \$0.8 million in deferred revenue from prior fiscal years. Expenses came to just over \$1.8 million, resulting in a year-end deferred contribution of \$1.7 million.

LSS continued to manage lengthy criminal cases through its Strategic Case Assessment Program and retained its case cap policy (see Appendix 4).

## Holdbacks

The board of directors authorized the payment of all holdbacks, totalling \$3.4 million, for criminal, family, CFCSA, immigration/refugee, and duty counsel bills approved between April 1, 2004, and March 31, 2005. This marks the first time since holdbacks were established in 1994 that all lawyers will receive 100% of the funds that were withheld

during the year (see Appendix 4). The holdback payment is included in the tariff costs for 2004/2005.

## Future outlook

The provincial government announced in February 2005 that it will increase core funding for legal aid by \$4.6 million as of 2005/2006, allowing LSS to enhance family law services. In addition to this year's improvements (see Report on Performance, Objective 3), LSS will roll out two new core programs in 2005/2006.

Other positive developments this year included amendments to the LSS Act, which will give the society more flexibility in its financial planning process. One of these revisions allows LSS greater access to its accumulated surplus.

The MOU for 2005/2006 – 2007/2008 should be signed early next year and will reflect the new legal aid funding levels. While longer-term funding gives the society more stability by allowing it to plan farther ahead than one year at a time (see table 6), there is nonetheless a risk that, should costs increase, LSS could incur a deficit. The changes to the LSS Act this year offset this risk by allowing the society to incur a deficit as long as it does not exceed the accumulated surplus.

LSS is taking a number of steps to avoid future surpluses. Measures include implementing service enhancements, relaxing financial eligibility (see Report on Performance, Objective 3), and reducing holdbacks to 5% for all tariff billings received on or after April 15, 2005. Although the holdback reduction eliminates some flexibility for LSS, this risk is offset by the society's ability to access its accumulated surplus.

**Table 6 Financial outlook**

|   | 2004/2005<br>Actual        | 2005/2006<br>Projected | 2006/2007<br>Projected |
|---|----------------------------|------------------------|------------------------|
| Revenue (all sources)   | \$ 64,676,570              | \$ 70,583,500          | \$ 70,583,500          |
| Expenses  |                            |                        |                        |
| Contracted representation services and support (tariff support, etc.) | 42,076,747                 | 51,009,700             | 51,600,600             |
| Strategic initiatives and other expenses                              | 18,546,332                 | 19,573,800             | 18,982,900             |
| Total expenses  | \$ 60,623,079 <sup>1</sup> | \$ 70,583,500          | \$ 70,583,500          |
| Surplus (deficit)   | \$ 4,053,491               | \$ –                   | \$ –                   |

<sup>1</sup> The 2004/2005 total consists of "Total operating expenditures" plus "Amortization" in the Statement of Operations on page 34.



Long-term funding for immigration/refugee legal aid continues to be a concern for the society. Although \$1.7 million in provincial and federal funding is available for 2005/2006, no commitments have been made for funding in this area beyond March 31, 2006. The federal portion of next year's funding will become available only after the provincial funding (\$800,000) has been exhausted.

## Revenue and expenses, 2000/2001 – 2004/2005

**Table 7 History of revenue and expenses**

|                               | 2004/2005     | 2003/2004               | 2002/2003     | 2001/2002      | 2000/2001      |
|-------------------------------|---------------|-------------------------|---------------|----------------|----------------|
| Revenue                       | \$ 64,676,570 | \$ 71,131,172           | \$ 76,326,537 | \$ 101,458,186 | \$ 88,324,187  |
| Expenses                      | 60,623,079    | 69,210,287 <sup>1</sup> | 73,228,635    | 95,543,921     | 87,522,039     |
| Excess revenue over expenses  | 4,053,491     | 1,920,885               | 3,097,902     | 5,914,265      | 802,148        |
| Accumulated surplus (deficit) | \$ 8,385,626  | \$ 4,332,135            | \$ 2,411,250  | \$ (686,652)   | \$ (6,600,917) |

Note: Some numbers in this table have been restated to match the financial statements (see page 36, note 2d)

<sup>1</sup> Expenses for 2003/2004 consist of the following in the Statement of Operations, page 34: total expenditures from operations (\$62,233,661) minus the transition costs (recoveries of \$406,969) plus the change in tariff estimate (\$6,637,859) plus amortization (\$745,736).

**Table 8 History of operating expenses: Legal aid offices**

|                                  | 2004/2005           | 2003/2004           | 2002/2003            | 2001/2002            | 2000/2001            |
|----------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Regional centres                 | \$ 5,260,904        | \$ 4,715,833        | \$ 3,015,176         | \$ –                 | \$ –                 |
| Local agents                     | 700,200             | 719,250             | 464,502              | –                    | –                    |
| Contracted services <sup>1</sup> | 1,149,338           | 1,094,341           | 644,295              | –                    | –                    |
| Brydges duty counsel             | 338,172             | 243,538             | 242,843              | 229,576              | 211,248              |
| Other <sup>2</sup>               | –                   | –                   | 12,443,049           | 29,903,237           | 23,998,362           |
| <b>Total</b>                     | <b>\$ 7,448,614</b> | <b>\$ 6,772,962</b> | <b>\$ 16,809,865</b> | <b>\$ 30,132,813</b> | <b>\$ 24,209,610</b> |

Note: In September 2002, branch offices, community law offices, native community law offices, and area directors were replaced by regional centres, local agents, and the LSS Call Centre.

<sup>1</sup> Contracted services include Community Legal Assistance Society and West Coast Prison Justice Society.

<sup>2</sup> Other includes costs for former offices and former contracted services.

**Table 9 History of operating expenses: Client programs**

|  | 2004/2005           | 2003/2004           | 2002/2003           | 2001/2002           | 2000/2001           |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Appeals                                | \$ 488,942          | \$ 501,077          | \$ 494,235          | \$ 647,791          | \$ 564,584          |
| Community Services                     | 1,731,988           | 1,965,441           | 185,645             | –                   | –                   |
| Public Legal Education and Information | 1,536,267           | 1,593,245           | 490,328             | –                   | –                   |
| Other <sup>1</sup>                     | –                   | –                   | 917,684             | 2,223,539           | 2,117,285           |
| <b>Total</b>                           | <b>\$ 3,757,197</b> | <b>\$ 4,059,763</b> | <b>\$ 2,087,892</b> | <b>\$ 2,871,330</b> | <b>\$ 2,681,869</b> |

<sup>1</sup> Prior to September 2002, Other included Library services, Public Legal Education, Publishing, and Native Programs. From September 2002 onward, these costs are included under Community Services and Public Legal Education and Information.

**Table 10 History of operating expenses: Service delivery support**

|                                  | 2004/2005           | 2003/2004           | 2002/2003           | 2001/2002           | 2000/2001           |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Tariff, Audit, and Investigation | \$ 1,654,241        | \$ 1,401,693        | \$ 1,395,135        | \$ 1,400,170        | \$ 1,354,843        |
| Field Operations <sup>1</sup>    | 573,860             | 836,740             | 531,794             | 895,038             | 869,348             |
| <b>Total</b>                     | <b>\$ 2,228,101</b> | <b>\$ 2,238,433</b> | <b>\$ 1,926,929</b> | <b>\$ 2,295,208</b> | <b>\$ 2,224,191</b> |

<sup>1</sup> Field Operations includes reciprocals.

**Table 11 History of operating expenses: Management and administration**

|                                | 2004/2005           | 2003/2004           | 2002/2003           | 2001/2002           | 2000/2001           |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Human Resources <sup>1</sup>   | \$ 699,424          | \$ 760,605          | \$ 677,174          | \$ 1,184,480        | \$ 1,134,290        |
| Finance and Corporate Services | 4,201,273           | 2,615,210           | 2,891,780           | 3,515,022           | 2,953,341           |
| Information Technology         | 1,779,929           | 2,001,973           | 2,323,670           | 2,529,604           | 2,492,076           |
| Communications                 | 78,776              | 62,265              | 56,277              | 51,063              | 46,886              |
| Depreciation                   | 958,398             | 745,736             | 946,370             | 1,461,537           | 1,280,748           |
| <b>Total</b>                   | <b>\$ 7,717,800</b> | <b>\$ 6,185,789</b> | <b>\$ 6,895,271</b> | <b>\$ 8,741,706</b> | <b>\$ 7,907,341</b> |

Note: Some numbers in this table have been restated to match the financial statements (see page 36, note 2d).

<sup>1</sup> Human Resources includes training.

**Table 12 History of operating expenses: Tariff**

| Area of law                         | 2004/2005              | 2003/2004                  | 2002/2003            | 2001/2002            | 2000/2001            |
|-------------------------------------|------------------------|----------------------------|----------------------|----------------------|----------------------|
| Criminal                            | \$ 21,370,625          | \$ 27,349,175 <sup>1</sup> | \$ 19,269,211        | \$ 18,835,042        | \$ 18,947,381        |
| Family                              | 5,535,663              | 6,432,371                  | 11,319,885           | 18,162,787           | 16,530,017           |
| CFCSA                               | 3,527,608              | 3,563,404                  | 4,112,980            | 4,200,867            | 4,225,398            |
| Immigration                         | 760,437                | 3,647,560                  | 3,695,260            | 4,435,750            | 5,271,599            |
| Exceptional matters <sup>2</sup>    | 1,681,900 <sup>3</sup> | 2,741,705                  | 1,426,087            | –                    | –                    |
| Duty counsel <sup>4</sup>           | 5,639,730              | 5,014,337                  | 3,639,683            | 3,187,290            | 2,766,854            |
| Human rights <sup>5</sup>           | 4,901                  | 26,373                     | 189,343              | 398,582              | 526,060              |
| Prison                              | –                      | –                          | 97,034 <sup>6</sup>  | 173,834              | 142,927              |
| Transcripts                         | 916,285                | 952,918                    | 1,223,329            | 1,164,625            | 1,299,439            |
| Pro bono disbursements <sup>7</sup> | <77,695>               | 109,153                    | 155,077              | 320,547              | 217,520              |
| Staff case disbursements            | 111,913                | 116,344                    | 380,789              | 623,540              | 571,832              |
| <b>Total<sup>8</sup></b>            | <b>\$ 39,471,367</b>   | <b>\$ 49,953,340</b>       | <b>\$ 45,508,678</b> | <b>\$ 51,502,864</b> | <b>\$ 50,499,027</b> |

Note: Tariff expenditures include private bar disbursements and tariff liabilities (including holdback payments). Recoveries from lawyers for accounts billed in error (\$57,822 in 2004/2005 and \$61,303 in 2003/2004) and recoveries from clients (\$197,264 in 2004/2005 and \$413,092 in 2003/2004) are paid back into the applicable tariff budget.

<sup>1</sup> In 2003/2004, LSS implemented a new method of estimating its tariff liability (see page 26). Using the new method, the society's liability at the end of that year was \$6.6 million greater than the amount using the former method; this \$6.6 million is included in the criminal tariff costs for that year.

<sup>2</sup> Costs for exceptional matters (see Appendix 4) were not reported separately or were not covered by LSS prior to April 1, 2002.

<sup>3</sup> The \$1.8 million for this item in Note 7 to the Financial Statements on page 38 includes \$140,000 in LSS administration costs. Here, these costs are part of the Tariff, Audit, and Investigation expenses in table 10.

<sup>4</sup> Duty counsel includes circuit court counsel payments and family duty counsel projects (for FDC projects, these costs were \$1,693,888 in 2004/2005 and \$1,218,030 in 2003/2004). It does not include Brydges costs (see note 8), which are included in the duty counsel amount in the Statement of Operations on page 34.

<sup>5</sup> Human rights coverage was eliminated as of April 1, 2002, due to funding cuts to the BC Human Rights Commission. Expenses since then were for referrals issued prior to April 1, 2002. The commission (via the provincial government) reimbursed LSS for the cost of the human rights tariff for BC Human Rights Act matters.

<sup>6</sup> The 2002/2003 total includes payments to private bar lawyers for referrals made prior to September 2002.

<sup>7</sup> Pro bono recoveries for disbursements from prior years totalled \$109,345. (These recoveries consist of funds reimbursed to LSS by private lawyers who have recovered costs from clients they assisted under the society's former poverty law services.) Total disbursements for 2004/2005 totalled \$31,650.

<sup>8</sup> The 2004/2005 total consists of the following expenditures (shown in the Statement of Operations on page 34): tariffs plus transcripts plus duty counsel minus Brydges (included in duty counsel). Brydges costs (reported separately under legal aid offices in table 8) were \$338,172.

The 2003/2004 total consists of the following expenditures (shown in the Statement of Operations on page 34): tariffs plus transcripts plus duty counsel plus change in tariff estimate minus Brydges (included in duty counsel). Brydges costs (reported separately under legal aid offices in table 8) were \$243,538. The 2003/2004 change in tariff estimate is included in the criminal tariff amount — see note 1.

# Legal Services Society Financial Statements 2004/2005

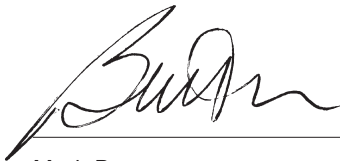
## Legal Services Society Management's Responsibility for the Financial Statements

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Management is responsible for the preparation of the society's financial statements. This responsibility includes maintaining the integrity and objectivity of the society's financial records, and presenting the society's financial statements in accordance with Canadian generally accepted accounting principles.

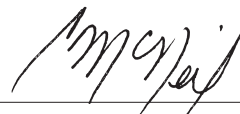
Management maintains a system of internal controls that ensures that all material agreements and transactions of the society are properly recorded. The society's financial statements for the year ended March 31, 2005, have been examined by KPMG LLP. Their examination was made in accordance with Canadian generally accepted accounting standards, and included obtaining a sufficient understanding of the society's internal controls to plan the audit.

The directors of the Legal Services Society board are not employees of the society. The board of directors is responsible for determining that management fulfills its responsibilities in the preparation of the financial statements and the control of the society's financial operations. The board of directors meets with staff of KPMG LLP. to discuss their audit work, the society's internal controls, and the financial statements. The board of directors is responsible for approving the financial statements.



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Mark Benton  
Executive Director



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Catherine McNeil  
Director, Finance and Corporate Services



**KPMG LLP**  
**Chartered Accountants**  
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## AUDITORS' REPORT

*To the Board of Directors,  
Legal Services Society, and,*

*To the Attorney General,  
Province of British Columbia*

We have audited the balance sheet of the *Legal Services Society* (the "Society") as at March 31, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior year's comparative figures were audited by another auditor.

Chartered Accountants  
Vancouver, Canada  
May 13, 2005

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

# Legal Services Society Balance Sheet

As at March 31, 2005

|  | 2005                 | 2004<br>(Restated – note 2d) |
|--|----------------------|------------------------------|
| <b>Assets</b>                            |                      |                              |
| <b>Current assets</b>                    |                      |                              |
| Cash                                     | \$ 1,657,956         | \$ 4,932,456                 |
| Short-term investments (note 3)          | 18,176,117           | 9,096,808                    |
| Accounts receivable                      |                      |                              |
| Government of British Columbia           | 912,396              | 1,695,927                    |
| Government of Canada                     | 407,711              | 464,522                      |
| Other                                    | 475,115              | 436,607                      |
| Prepaid expenses                         | 264,766              | 85,181                       |
| <b>Total current assets</b>              | <b>21,894,061</b>    | 16,711,501                   |
| Long-term investments (note 3)           | -                    | 1,517,133                    |
| Capital assets (note 4)                  | 3,715,889            | 1,652,103                    |
|  | <b>\$ 25,609,950</b> | <b>\$ 19,880,737</b>         |
| <b>Liabilities</b>                       |                      |                              |
| <b>Current liabilities</b>               |                      |                              |
| Accounts payable and accrued liabilities |                      |                              |
| General                                  | \$ 1,914,359         | \$ 2,009,904                 |
| Tariff (note 5)                          | 12,412,369           | 11,784,331                   |
| Deferred contributions (note 7)          | 2,278,009            | 1,677,367                    |
| <b>Total current liabilities</b>         | <b>16,604,737</b>    | 15,471,602                   |
| Long-term liabilities (note 8)           | 619,587              | 77,000                       |
| <b>Surplus in net assets</b>             |                      |                              |
| Invested in capital assets (note 9)      | 3,509,889            | 1,590,103                    |
| Unrestricted                             | 4,275,737            | 2,142,032                    |
| Internally restricted (note 11)          | 600,000              | 600,000                      |
|  | <b>8,385,626</b>     | 4,332,135                    |
|  | <b>\$ 25,609,950</b> | <b>\$ 19,880,737</b>         |

## Commitments (note 10)

The accompanying notes are an integral part of these financial statements.

Approved by:

  
 Bruce Hardy  
 Acting Chair of the Board of Directors

  
 Janice Comeau  
 Finance Committee member

## Legal Services Society Statement of Changes in Net Assets

For the year ended March 31, 2005

|   | Invested<br>in capital<br>assets | Unrestricted        | Internally<br>restricted<br>(note 13) | Total               |                                 |
|---|----------------------------------|---------------------|---------------------------------------|---------------------|---------------------------------|
|   |                                  |                     |                                       | 2005                | 2004<br>(Restated —<br>note 2d) |
| Balance, beginning<br>of year as reported                       | \$ 1,636,103                     | \$ 2,157,032        | \$ 600,000                            | <b>\$ 4,393,135</b> | \$ 2,464,250                    |
| Restatement due<br>to asset retirement<br>obligation (note 2d)  | (59,000)                         | (2,000)             | -                                     | <b>(61,000)</b>     | (53,000)                        |
| Balance, beginning<br>of year restated                          | 1,577,103                        | 2,155,032           | 600,000                               | <b>4,332,135</b>    | 2,411,250                       |
| Excess (deficiency)<br>of revenue over<br>expenses for the year | (958,398)                        | 5,011,889           | -                                     | <b>4,053,491</b>    | 1,920,885                       |
| Investment in capital<br>assets                                 | 2,891,184                        | (2,891,184)         | -                                     | -                   | -                               |
| Balance, end of year  | <b>\$ 3,509,889</b>              | <b>\$ 4,275,737</b> | <b>\$ 600,000</b>                     | <b>\$ 8,385,626</b> | <b>\$ 4,332,135</b>             |

# Legal Services Society Statement of Operations

For the year ended March 31, 2005

|  | 2005                | 2004<br>(Restated – note 2d) |
|--|---------------------|------------------------------|
| <b>Revenue</b>   |                     |                              |
| <b>Grants</b>  |                     |                              |
| Government of British Columbia                                 | \$ 55,936,801       | \$ 63,979,424                |
| Legal Aid Renewal Fund   | 3,649,577           | 1,644,400                    |
| Law Foundation   | 3,539,475           | 3,607,981                    |
| Notary Foundation  | 506,346             | 796,171                      |
|  | <b>63,632,199</b>   | <b>70,027,976</b>            |
| <b>Other income</b>  |                     |                              |
| Interest   | 543,858             | 647,052                      |
| Miscellaneous  | 500,513             | 456,144                      |
|  | <b>1,044,371</b>    | <b>1,103,196</b>             |
|  | <b>64,676,570</b>   | <b>71,131,172</b>            |
| <b>Expenses</b>  |                     |                              |
| Area directors/Local agents                                    | 700,200             | 719,250                      |
| Board expenses   | 88,474              | 65,247                       |
| Computer   | 839,149             | 1,395,981                    |
| Duty counsel (note 5)  | 5,977,902           | 5,236,282                    |
| Grants and contracted services                                 | 3,463,285           | 3,221,165                    |
| Libraries  | 80,097              | 98,656                       |
| Miscellaneous  | 218,034             | 103,311                      |
| Office   | 1,315,237           | 1,166,081                    |
| Premises   | 1,594,247           | 1,099,343                    |
| Salaries and benefits  | 11,410,570          | 10,548,466                   |
| Tariffs (note 5)   | 32,915,350          | 37,369,819                   |
| Transcripts  | 916,285             | 952,918                      |
| Travel   | 145,851             | 257,142                      |
|  | <b>59,664,681</b>   | <b>62,233,661</b>            |
| <b>Excess of revenue over expenses<br/>from operations</b>     | <b>5,011,889</b>    | <b>8,897,511</b>             |
| <b>Transition costs</b>  | -                   | 406,969                      |
| <b>Change in tariff estimate</b>                               | -                   | (6,637,859)                  |
| <b>Excess of revenue over expenses<br/>before amortization</b> | <b>5,011,889</b>    | <b>2,666,621</b>             |
| <b>Amortization</b>  | <b>958,398</b>      | <b>745,736</b>               |
| <b>Excess of revenue over expenses</b>                         | <b>\$ 4,053,491</b> | <b>\$ 1,920,885</b>          |



# Legal Services Society Statement of Cash Flows

For the year ended March 31, 2005

|   | 2005                | 2004<br>(Restated – note 2d) |
|---|---------------------|------------------------------|
| <b>Cash flows provided by (used in):</b>        |                     |                              |
| <b>Operating activities</b>                     |                     |                              |
| Excess of revenue over expenses for the year    | \$ 4,053,491        | \$ 1,920,885                 |
| Items not involving the outlay of cash          |                     |                              |
| Amortization                                    | 958,398             | 745,736                      |
|   | <u>5,011,889</u>    | <u>2,666,621</u>             |
| Changes in non-cash operating items             |                     |                              |
| Accounts receivable                             | 801,834             | (1,052,756)                  |
| Prepaid expenses                                | (179,585)           | 24,057                       |
| Accounts payable and accrued liabilities        | 532,493             | 5,816,656                    |
| Transition costs                                | -                   | (846,000)                    |
| Deferred contributions                          | 600,642             | (478,372)                    |
| Long-term liabilities                           | 542,587             | 77,000                       |
|   | <u>7,309,860</u>    | <u>6,207,206</u>             |
| <b>Investment activities</b>                    |                     |                              |
| Capital asset additions                         | (3,022,184)         | (929,475)                    |
| Short-term investments                          | (9,079,309)         | (3,155,685)                  |
| Long-term investments                           | 1,517,133           | (1,517,133)                  |
|   | <u>(10,584,360)</u> | <u>(5,602,293)</u>           |
| <b>Financing activities</b>                     |                     |                              |
| Equipment lease payments                        | -                   | (22,470)                     |
|   | <u>(3,274,500)</u>  | <u>582,443</u>               |
| <b>Net increase (decrease) in cash position</b> |                     |                              |
|   | <u>4,932,456</u>    | <u>4,350,013</u>             |
| <b>Cash, beginning of year</b>                  |                     |                              |
|   | <u>\$ 1,657,956</u> | <u>\$ 4,932,456</u>          |
| <b>Supplemental cash flow information</b>       |                     |                              |
| Interest paid                                   | \$ -                | \$ 840                       |

# Legal Services Society

## Notes to the Financial Statements

For the year ended March 31, 2005

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### 1. Overview

The Legal Services Society (the "Society") was established under the Legal Services Society Act on October 1, 1979, and was revised on May 9, 2002. The Society is governed by a Board of Directors, of which 5 are appointed by the Province of British Columbia (the "Province") and 4 are appointed by the Law Society. The purpose of the Society is to:

- assist low income individuals to resolve their legal problems and facilitate access to justice for them,
- establish and administer an effective and efficient system for providing legal aid to low income individuals in British Columbia, and
- provide advice to the Attorney General about legal aid.

The Society is not subject to income taxes.

### 2. Significant Accounting Policies

#### (a) Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

#### (b) Investments

Short-term investments include treasury bills, provincial bonds, banker acceptance, finance and corporate paper with a maturity of less than one year, and pooled funds, and are carried at the lower of cost and market value.

Investments with a maturity beyond one year are considered long-term. These investments are carried at cost. Where there is a decline in the value of the investment that is considered to be other than temporary, the investment is written down to recognize the loss.

#### (c) Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis as follows:

|                        | Per year |
|------------------------|----------|
| Furniture              | 20%      |
| Equipment              | 20%      |
| Computer equipment     | 33%      |
| Computer software      | 33%      |
| Case Management System | 10%      |
| Leasehold improvements | 20%      |

#### (d) Assets retirement obligation

Effective April 1, 2004, the Society adopted the recommendations of the CICA Handbook Section 3110 – *Asset Retirement Obligations* on a retroactive basis.

The Society recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The Society concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset.

The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in revenue as an operating expense using the interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is depreciated over the remaining life of the asset.

The adoption of these recommendations resulted in the following changes to the balance sheet for fiscal year 2004: an increase in capital assets of \$16,000 and long-term liabilities of \$77,000, and a decrease in surplus investment in capital assets

of \$59,000 and unrestricted surplus of \$2,000. The amount reported as excess of revenue over expenses was decreased by \$8,000.

**(e) Pension plan**

The Society participates in a multi-employer contributory pension plan. The cost of the defined contributions is recognized based on the contributions required to be made during each period.

**(f) Revenue recognition**

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions for expenses that will be incurred in future periods are deferred and recognized in the period in which the related expenses are incurred.

**(g) Donated services**

Donated services are recorded at fair value when they would normally be purchased by the Society and when fair value can be estimated for the services. If fair value cannot be reasonably estimated, the services are not recorded.

**(h) Tariff expenses**

Tariff expenses include amounts billed by the lawyers to the Society and an estimate of amounts of services performed by lawyers but not yet billed to the Society.

**(i) Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial statements include the collectibility of accounts receivable, amortization of capital assets, asset retirement obligations, and tariff expenses. Actual results could differ from those estimates.

**3. Investments**

The combined carrying value of the Society's short-term and long-term investments is \$18,176,117 (2004 — \$10,613,941). Included in Accounts receivable — Other is \$49,888 for accrued interest (2004 — \$111,627). The investments have a market value at March 31, 2005, of \$18,226,515 (2004 — \$10,745,350).

**4. Capital assets**

|                        | Cost         | Accumulated amortization | Net book value |                              |
|------------------------|--------------|--------------------------|----------------|------------------------------|
|                        |              |                          | 2005           | 2004<br>(Restated — note 2d) |
| Furniture              | \$ 611,533   | \$ (205,862)             | \$ 405,671     | \$ 107,274                   |
| Equipment              | 1,095,781    | (946,707)                | 149,074        | 194,879                      |
| Computer equipment     | 2,282,049    | (1,750,299)              | 531,750        | 220,878                      |
| Computer software      | 919,310      | (638,957)                | 280,353        | 424,622                      |
| Case Management System | 1,126,527    | (884,240)                | 242,287        | 354,196                      |
| Leasehold improvements | 2,580,447    | (473,693)                | 2,106,754      | 350,254                      |
|                        | \$ 8,615,647 | \$ (4,899,758)           | \$ 3,715,889   | \$ 1,652,103                 |

**5. Accounts Payable — Tariff**

|   | 2005          | 2004          |
|---|---------------|---------------|
| Balance, beginning of the year            | \$ 11,784,331 | \$ 6,545,220  |
| Duty counsel                              | 5,977,902     | 5,236,282     |
| Tariffs                                   | 32,915,350    | 37,369,819    |
| Less tariff payments made during the year | (38,265,214)  | (44,004,849)  |
| Change in accounting estimate             | -             | 6,637,859     |
| Balance, end of the year                  | \$ 12,412,369 | \$ 11,784,331 |

Tariff payables include \$3,442,814 (2004 – 2,000,000) of tariff holdbacks, as described below.

Since 1994, the Society has held back a percentage of tariff fees payable to lawyers from the private bar. However, the amount of the holdback that actually gets paid to the lawyers is at the discretion of the Society's Board of Directors. As at March 31, 2005, the Board of Directors approved 100% (2004 – 56%) of the holdback to be paid to the lawyers. The Society is not obligated to reimburse lawyers for any difference between the amount withheld and the amount the Society's Board of Directors has authorized to pay.

The Society uses an actuarial model to estimate legal services performed but not yet billed to the Society. Management estimated the liability to be approximately \$8,961,000 (2004 – 9,731,000). This estimate included in the above table incorporates average case costs and service billings for similar cases over a 2-year period.

## 6. Pension Plan

The Society and its employees contribute to the Municipal Pension Plan, a jointly trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 contributors from local governments.

Every 3 years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003, indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006, with results available for 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The Society paid \$527,846 for employer contributions to the plan in fiscal 2005 (2004 – \$497,133).

## 7. Deferred Contributions

Contributions that are restricted to funding-specific expenses are deferred and amortized to operations as the related expenses are incurred.

|   | Balance,<br>beginning of<br>the year | Restricted<br>contributions | Amortized to<br>operations | Balance,<br>end of the<br>year |
|---|--------------------------------------|-----------------------------|----------------------------|--------------------------------|
| Law Foundation  | \$ 272,137                           | \$ 55,000                   | \$ 202,975                 | \$ <b>124,162</b>              |
| Ministry of Children and<br>Family Development              | 600,000                              | -                           | 96,461                     | <b>503,539</b>                 |
| Human Resources<br>Development Canada                       | 33,022                               | -                           | 33,022                     | -                              |
| Government of<br>British Columbia<br>(exceptional matters*) | 772,208                              | 2,700,000                   | 1,821,900                  | <b>1,650,308</b>               |
| Total   | \$ 1,677,367                         | \$ 2,755,000                | \$ 2,154,358               | \$ <b>2,278,009</b>            |

\* The Society's Memorandum of Understanding with the Attorney General of British Columbia provides for restricted funding for exceptional matters commencing with the 2003 fiscal year. Exceptional matters are cases that meet one or more of the following criteria:

- A court has ordered that counsel be provided.
- The complexity of the legal matter requires payment of fees in excess of the standard rate.
- Legal fees or disbursements exceed \$50,000.
- Several individuals are involved in a similar or related legal proceeding.

## 8. Long-Term Liabilities

Included within long-term liabilities is the Society's accrual for its asset retirement obligation for the estimated costs of restoring certain leased facilities to their original condition at the end of the lease terms. The following is a reconciliation of the changes in the asset retirement obligation during the year:

|                                      | <b>2005</b>       | 2004<br>(Restated –<br>note 2d) |
|--------------------------------------|-------------------|---------------------------------|
| Balance, beginning of the year       | \$ <b>77,000</b>  | \$ 75,000                       |
| Liabilities incurred during the year | <b>206,000</b>    | -                               |
| Accretion expense                    | <b>1,000</b>      | 2,000                           |
| Less: liabilities settled            | <b>(23,000)</b>   | -                               |
| Balance as at March 31, 2005         | \$ <b>261,000</b> | \$ 77,000                       |

The accretion expense is included in the premises expense. The undiscounted estimated cash flows required to settle the obligation range from \$5,500 to \$187,000 during the years 2007 to 2014. The cash flows are discounted using a credit-adjusted risk-free rate of 3.0% (2004 – 3.0%).

## 9. Invested in Capital Assets

|  | <b>2005</b>         | 2004<br>(Restated – note 2d) |
|--|---------------------|------------------------------|
| (a) Net assets invested in capital assets are calculated as follows: |                     |                              |
| Capital assets   | \$ <b>3,715,889</b> | \$ 1,652,103                 |
| Amounts financed by:   |                     |                              |
| Asset retirement obligation  | <b>(206,000)</b>    | (75,000)                     |
| Balance, end of the year   | \$ <b>3,509,889</b> | \$ 1,577,103                 |
| (b) Excess of revenue over expenses:                                 |                     |                              |
| Amortization of capital assets                                       | \$ <b>(958,398)</b> | \$ (745,736)                 |
|  | <b>(958,398)</b>    | (745,736)                    |
| (c) Net change in investment in capital assets:                      |                     |                              |
| Net increase in capital assets                                       | \$ <b>3,022,184</b> | \$ 929,475                   |
| Change in asset retirement obligation                                | <b>(131,000)</b>    | -                            |
|  | \$ <b>2,891,184</b> | \$ 929,475                   |

## 10. Commitments

The Society has the following commitments for long-term leases of its office premises and operating leases:

|      |    |           |
|------|----|-----------|
| 2006 | \$ | 620,595   |
| 2007 |    | 623,099   |
| 2008 |    | 584,570   |
| 2009 |    | 557,538   |
| 2010 |    | 576,139   |
|      |    | <hr/>     |
|      | \$ | 2,961,941 |

At fiscal year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which the Society is currently committed, is estimated by management to be approximately \$13.1 million. This estimate uses the same methodology as described in note 5 for tariff payables.

## 11. Internally Restricted Net Assets

On March 31, 2003, the Ministry of Children and Family Development agreed to provide \$600,000 to establish a pilot project for alternative dispute resolution programs in relation to child protection. The funds are included in Deferred Contributions. The Society has matched this funding by internally restricting \$600,000 of net assets for the same purpose.

## 12. Related Parties

The Society is related to the Province and its ministries, agencies, and Crown corporations. In this relationship, the Province provided funding in the amount of \$55,936,801 (2004 – \$63,979,424) and the Society is responsible for providing legal aid to low income individuals throughout BC. At year-end, the Province owed the Society \$912,396. In 2003/2004, the Society was related to its former community law offices and native community law offices. Transactions with these entities are generally considered to be in the normal course of operations and are recorded at the exchange amount, unless otherwise disclosed separately in these financial statements.

## 13. Financial Instruments

The carrying value of the Society's financial instruments, including cash, short-term investments, accounts receivables, long-term investments and accounts payable and accrued liabilities, approximate their fair value due to their immediate or short term to maturity.

## 14. Economic Dependence

In 2005, the Society received 86% (2004 – 90%) of its operating revenue from the Province and 5% (2004 – 5%) of its operating revenue from the Law Foundation of British Columbia. The Society depends on funding from these sources for the continuance of its operations.

## 15. Comparative Figures

Certain comparative figures have been changed to conform to the current year's presentation.



## Governance

LSS is governed by a nine-member board of directors. Of the nine directors —

- five are appointed by the Lieutenant-Governor in Council on the recommendation of the Attorney General, and
- four are appointed by the Law Society of BC after consultation with the executive of the BC Branch of the Canadian Bar Association.

The LSS Act outlines the need for the board as a whole to have a range of knowledge, skills, and experience in areas including —

- business management and the financial affairs of public and private sector organizations;
- law and the operation of courts, tribunals, and alternative dispute resolution processes;
- legal aid provision;
- BC's cultural and geographic diversity; and
- the social and economic circumstances associated with the special needs of low income people.

At March 31, 2005, the board members were —

- Bruce Hardy (Surrey, acting chair)
- D. Brent Adair, QC (Chilliwack)
- Janice Comeau (Vancouver)
- Geoffrey Cowper, QC (Vancouver)
- Leah George-Wilson (North Vancouver)
- Lawrence (Larry) Edward Goble (Victoria)
- John M. Hogg, QC (Kamloops)
- D. Mayland McKimm, QC (Victoria) (from September 2004)
- Greg Stacey (Nelson) (from December 2004)

Judge Gregory T. W. Bowden (Vancouver) held the position of LSS board chair until his appointment

to the Provincial Court of British Columbia in May 2004. Madam Justice Barbara Fisher was board chair from June 2004 until her appointment to the Supreme Court of British Columbia in November 2004. Bruce Hardy was acting board chair from May to June 2004 and from November 2004 to April 2005.

## Board governance

The board's governance framework, which is rooted in the LSS Act, consists of policies and by-laws reflecting established best practices for governance. Under its by-laws, the board's role is "to ensure the effective governance of the society through setting direction, monitoring performance, and hiring and supporting the executive director."

At their first meeting in each fiscal year, the directors elect a board chair and an executive committee. Established under section 5 of the LSS Act, the executive committee is headed by the board chair and consists of at least two other directors. This committee holds all the powers of the board between meetings except the power to fill vacancies on or alter the membership of board committees and powers excluded by resolution of the board. At March 31, 2005, executive committee members were —

- Bruce Hardy (chair)
- D. Brent Adair, QC
- Janice Comeau
- Larry Goble

The board also establishes standing and ad hoc committees to help it carry out its responsibilities. The chair, in consultation with the society's executive director, appoints the members of these committees unless otherwise directed by the board.

The finance committee makes recommendations on matters pertaining to the society's finances, funding, and fiscal allocations. At March 31, 2005, members of this committee were —

- Bruce Hardy (chair)
- Janice Comeau
- Leah George-Wilson

Under the by-laws, liaison directors are appointed to promote the ongoing exchange of information and co-ordination of efforts with external organizations and individuals on issues of common interest and concern. To this end, liaison directors meet with key stakeholders prior to and after the board's annual planning retreat.

- Janice Staryk, Manager, Tariff Operations
- Eugene Wandell, Manager, Financial Services
- Anna Evans, Executive Assistant, Legal Information, Technology, and Communications (recorder)

## Senior management

The board of directors appoints an executive director to supervise, manage, and administer the business of the society. The executive director chairs the society's Executive Management Committee (EMC), which oversees the management of the society. At March 31, 2005, EMC members were —

- Mark Benton, Executive Director
- Harold V. J. Clark, Director, Field Operations and Human Resources
- Carol McEown, Acting Director, Legal Information, Technology, and Communications
- Catherine McNeil, Director, Finance and Corporate Services
- Gulnar Nanijjuma, Executive Assistant, Executive Office (recorder)

The Operations Management Team (OMT) manages the day-to-day operations of the society. At March 31, 2005, OMT members were —

- Joel Chamaschuk (co-chair), Manager, Information Technology
- Edward Tanaka (co-chair), Manager, Audit, Investigation, and Appeals
- James Deitch, Manager, Tariff Services
- Thomas Fink, Manager, Corporate Services
- Noreen Finnerty, Manager, Human Resources
- David Griffiths, Manager, Field Operations
- Heidi Mason, Manager, Field Operations
- Carol McEown, Manager, Public Legal Education and Information
- John Simpson, Manager, Community Services
- Sandy Shreve, Communications Officer





## Appendix 1: Structure

LSS provides services through 7 society-operated regional centres, 2 regional centre satellites, a toll-free call centre, and 20 society-funded local agent offices, as well as through private bar lawyers and other funded agencies. (For a list of legal aid offices, see the inside back cover.)

### LSS Call Centre

The LSS Call Centre is a toll-free service for people who are unable to apply for legal representation in person. Call centre staff —

- process applications for legal representation and refer eligible clients to lawyers (intake services); and
- direct callers to legal information and/or advice services, including online and print materials, community agencies, LawLINE, and family duty counsel.

Waiting times for callers are comparable to those for applicants who apply in person.

### Regional centres

Staff in regional centres —

- process applications for legal representation and refer eligible clients to lawyers (intake services);
- provide intake services at local courthouses;
- take legal aid referrals (staff lawyers);
- liaise between LSS and advocacy groups, courts, and the private bar;
- co-ordinate regional duty counsel;
- direct clients to legal information and/or advice services, including online and print materials, community agencies, LawLINE, and family duty counsel; and

- help clients access online legal information and self-help resources using the LawLINK website and public access computers.

### Local agents

Local agents are private bar lawyers funded by LSS to —

- process applications for legal representation and refer eligible clients to lawyers (intake services);
- provide intake services at local courthouses (in most locations);
- take legal aid referrals (up to an equitable portion of the referrals issued by their office);
- co-ordinate local duty counsel;
- liaise between LSS and the community and private bar; and
- direct clients to legal information and/or advice services, including online and print materials, community agencies, LawLINE, and family duty counsel.

At some local agent offices, clients can access online legal information and self-help resources using the LawLINK website and public access computers.

### Other funded services

LSS contracts other agencies and/or private bar lawyers to provide Brydges line, circuit court, duty counsel, prison law, and mental health law services (see Appendices 2 and 3). Some LSS services are also available through government agents across BC.

Under contract with LSS, government agents provide clients with —

- copies of the society's legal information publications,
- access to the LawLINK website,
- limited free printing services, and
- a fax drop-off/pick-up point.

## Provincial support services

Staff at the Vancouver Regional Centre also provide services to the public, assistance to legal aid offices throughout the province, and support for private bar lawyers. At March 31, 2005, provincial support services were provided through the Executive Office and three divisions:

- The Executive Office — responsible for supporting the LSS Board of Directors, board committees, and the Executive Management Committee to provide overall direction and policy planning for the society.
- The Field Operations and Human Resources Division — responsible for intake and service delivery across the province, and personnel matters ranging from recruitment to labour relations.
- The Finance and Corporate Services Division — responsible for the society's financial transactions, corporate research, service delivery support for private bar lawyers, audit and investigations, legal representation for judicial appeals, and administrative matters such as space planning and lease negotiations.
- The Legal Information, Technology, and Communications Division — responsible for public legal education and information, corporate communications, and the society's computer systems (including development of and support for applications such as the society's Case Management System, and operations services such as server support and technical assistance for staff).

## Appendix 2: Coverage

LSS provides legal representation to financially eligible people whose legal problems fall within the society's coverage guidelines.

Clients who qualify for legal representation are normally referred to the lawyer of their choice if that lawyer practices in the community where the case will be heard and is available and willing to do legal aid work. Clients are entitled to change lawyers once during a case. They must give LSS a

reasonable explanation for their request for a new lawyer.

The society also contracts private bar lawyers or provides staff lawyers to work as counsel in a number of circuit courts. These courts consist of a team that travels to remote areas of the province to hear cases. Many of the communities where these courts sit are small, rural, and predominantly Aboriginal. Circuit court lawyers represent clients in criminal, family, and youth court matters, including preliminary hearings and trials. They also provide duty counsel services (see Appendix 3).

LSS coverage provisions are outlined in the following sections.

## Criminal law

LSS provides legal representation to financially eligible people charged with criminal offences who, if convicted, —

- are likely to go to jail,
- could receive a conditional sentence that would severely limit their liberty (e.g., an order for house arrest),
- might lose their means of earning a living, or
- could be deported from Canada.

Applicants also receive legal representation if they —

- do not face imprisonment if convicted but have a mental or emotional disability that prevents them from defending themselves (for instance, if they cannot understand the nature or possible consequences of the proceedings, or they are unable to communicate effectively with counsel or the court); or
- are Aboriginal and their ability to follow a traditional livelihood of hunting and fishing could be affected.

Under the federal Youth Criminal Justice Act, anyone under 18 years of age who is charged with a federal offence has a legal right to a lawyer paid for by the state. Coverage must be provided regardless of whether the client meets LSS financial eligibility requirements or is likely to go to jail if convicted.

With special funding from the Ministry of Attorney General, LSS provides legal advice and representation to victims of, or witnesses to, sexual offences when the lawyer for the defence asks for disclosure of personal information (such as counselling records). Criminal Code provisions

require a judge to hear arguments about the relevance of the information sought and the effect of a disclosure on the victim of, or witness to, a crime. Applicants requesting representation in these matters do not have to meet the society's financial eligibility requirements to get a lawyer.

## Family law

LSS provides legal representation in family law for financially eligible people who —

- are victims of domestic violence or at risk of violence and likely need a restraining order or other legal assistance to protect their safety,
- have a child or children at risk of violence and need a supervised access order or restraining order to protect them,
- need to change a current custody or access order to ensure their and/or their children's safety, or
- need a non-removal order to prevent the other parent from permanently moving their children out of the province (the threat must be real and imminent, and involve a permanent change of residence).

Legal assistance for a family law problem is usually limited to one emergency referral. An emergency referral is designed to stabilize the client's situation by providing interim court orders when domestic violence is an issue or the other parent is threatening to permanently move their children out of BC. It may include several actions under the Family Relations Act or the Divorce Act, such as obtaining custody, access, and maintenance orders; orders preventing the other parent from selling or disposing of family assets; or restraining orders. The referral usually does not provide enough hours for the lawyer to represent the client at trial.

## Coverage exceptions

Coverage exceptions may be approved in extenuating circumstances. These include situations where —

- court documents refer to sexual, physical, or emotional abuse, and the offending parent or partner is back in the community;
- a serious condition or disability makes the applicant unable to represent him or herself, and the family matter must be resolved to avoid further harm;

- a child is kidnapped by the access parent, and there is an existing custody order or separation agreement;
- the applicant is the respondent in a maintenance enforcement committal proceeding and will be sent to jail as a result of a failure to pay maintenance;
- there has been complete denial of access for three months or more, in breach of a court order or separation agreement; or
- the applicant is a victim of litigation harassment.

## Extended referrals

Extended family referrals may be approved for clients who would be at great risk if their high-conflict cases were left unresolved. These referrals are designed specifically for clients whose cases cannot be dealt with through mediation. The program provides lawyers with an additional 40 hours for court attendance and preparation time so they can help clients attain longer-term resolutions to their legal problems than is normally possible through the society's emergency services coverage.

Lawyers with legal aid referrals issued January 1, 2004, or later, and who believe they have cases that warrant this additional coverage, apply to LSS for the extended services on behalf of their clients. To be eligible, cases must entail one or more of the following:

- significant contested issues involving sexual, mental, or physical abuse of the client or the client's children;
- significant involvement with the Ministry of Children and Family Development;
- an unreasonably litigious opposing party who is using the justice system to continue a pattern of abuse;
- a significant risk of the client being alienated from his or her children;
- an abused client and/or the client's children may be at risk or without security if coverage of the case is discontinued; or
- the client and/or the client's children may suffer significant harm or injustice if an outstanding issue such as property or spousal support is left unresolved.

## Child apprehension law

LSS provides legal assistance to eligible clients who have a legal problem that falls under the Child, Family and Community Service Act (CFCSA) and the society's CFCSA coverage guidelines.

The society's guidelines provide legal representation to applicants when —

- the Ministry of Children and Family Development (MCFD) has taken or has threatened to take their children away from them; or
- a lawyer is required to deal with custody and access issues related to a child in the care of MCFD.

## Immigration and refugee law

LSS provides legal assistance for eligible clients who need help initiating refugee claims. This assistance includes preparation of Personal Information Forms and legal representation at hearings in a limited number of merit-tested cases, including complex admissibility hearings, Pre-Removal Risk Assessment applications, and Humanitarian and Compassionate claims.

## Judicial appeals

Applicants who meet LSS financial eligibility requirements may receive legal representation if they are responding to appeals initiated by another party. For example, LSS normally covers a financially eligible defendant in a Crown appeal of an acquittal where the case is one the society ordinarily would cover. Otherwise, LSS funds only appeals that fall under the society's regular coverage criteria and have a reasonable chance of success.

Judicial appeals include —

- appeals of lower court decisions made to the BC Supreme Court, the BC Court of Appeal, the Supreme Court of Canada, and the Federal Court of Appeal; and
- applications for judicial reviews of decisions made by administrative boards or tribunals such as those under the Immigration Act or the Canada Corrections Act. These applications are made to the BC Supreme Court or the Federal Court Trial Division.

Immigration reviews and appeals are limited to merit-tested cases that have a substantial likelihood of success. Family appeals are limited to CFCSA cases and other matters related to custody and access where violence is an issue or where the children are being removed from the province.

The Appeals Department must approve all judicial appeals and all services to be provided in each case.

## Mental health law

LSS contracts the Community Legal Assistance Society to provide representation at Mental Health Review Panels in BC where people are detained under the Mental Health Act, and at all Review Board hearings (established pursuant to the Criminal Code) in the Lower Mainland. LSS provides representation at review board hearings outside the Lower Mainland through referrals to the private bar.

## Prison law

LSS delivers prison law services in all federal and provincial correctional facilities in BC through the LSS Call Centre and the West Coast Prison Justice Society. Priority is given to prisoners in provincial institutions.

LSS policy, based on a right to counsel under the Charter of Rights and Freedoms, is to provide services in situations where clients are unable to protect their own liberty interests in a prison setting. LSS generally approves representation for clients facing internal disciplinary hearings, involuntary transfers to higher security, detention hearings at the point of statutory release, segregation, or parole suspension or revocation.

## Reciprocals

People who face proceedings in a Canadian jurisdiction outside their home province or territory may, if they meet specific criteria, receive the same level of legal aid service as the residents of that jurisdiction. To obtain this service, applicants must —

- be financially eligible for legal representation in their home province or territory, and
- have a legal problem that is covered by their home legal aid plan and the plan in the jurisdiction where the proceedings will take place.

## **Appendix 3:**

# **Legal Information and Advice Services**

A priority for LSS is to provide at least some assistance to people who are ineligible for legal representation. The society offers a range of legal information and advice services that can help people with low incomes resolve their legal problems on their own or with assistance from intermediaries. Clients can access these services through legal aid offices, LawLINE, and the Internet, as well as through courthouses, government agents, community groups, and public libraries.

## **Advocate education and support**

LSS offers advocacy skills training and education in substantive law for community advocates and intermediaries.

## **Brydges line**

The province-wide 24-hour toll-free Brydges line telephone service gives prompt access to emergency legal advice for people who are arrested, detained, or under active investigation by the police or other law enforcement agencies but not yet charged.

## **Duty counsel**

LSS contracts private bar lawyers to provide duty counsel services to in- and out-of-custody accused people in most courts. Duty counsel advise unrepresented accused about the charges against them, court procedures, and their legal rights (including the right to counsel and the right to apply for legal aid). Duty counsel often act for clients at hearings to apply for a release, enter a guilty plea, and/or speak to sentence.

Immigration duty counsel at the Vancouver enforcement office of Citizenship and Immigration Canada provide legal advice to people who are being held in custody as a result of immigration proceedings, and represent them at detention hearings if there is a reasonable chance they will be released.

Clients do not have to meet the LSS eligibility requirements for legal representation to receive criminal and immigration duty counsel services, but only those who meet LSS coverage and financial eligibility requirements are entitled to a referral for ongoing representation.

Family duty counsel (FDC) give legal advice to unrepresented clients with family law and child protection problems. These lawyers are available in most Provincial Courts across BC on family list days. They can speak for clients in court on simple matters such as adjournments, consent and emergency restraining orders, and uncontested custody, access, and support hearings. They can also help clients draft documents, review documents to be filed in court, and negotiate and settle issues. Duty counsel do not provide representation at trial. Priority is given to clients with matters scheduled for court that day and who meet the financial eligibility criteria for legal advice services (see Appendix 5).

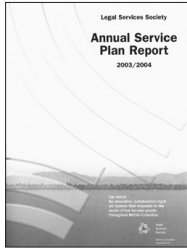
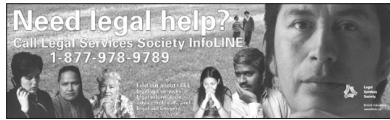
The expanded FDC program at the Robson Square Courthouse in Vancouver is co-housed with family justice counsellors to enhance both services, and has on-site access to family advice lawyers (see below), a LawLINK public access computer, and LSS intake services. FDC in Vancouver maintain client files and can help clients prepare for their cases over several meetings.

## **Family advice lawyers**

Family advice lawyers are available in some Supreme Courts and at some family justice counsellor (FJC) offices to help unrepresented clients before and/or after their court appearance. These lawyers provide advice about family and property matters, outline available options, and help with forms and procedures. Advice lawyers at FJC offices also help low-income parents who are going through the FJC mediation process to settle their separation or divorce.

## **LawLINE**

LawLINE, the society's province-wide toll-free telephone service, offers legal information to people with low incomes. LawLINE focuses on the areas of law for which LSS does not provide legal representation. LawLINE is staffed by lawyers and paralegals who answer legal questions and direct people to other information or services that can help them resolve their legal problems. LawLINE



## Award winning publications

LSS is consistently recognized for producing high quality materials. In 2004/2005, society publications received Communicator and Apex Awards. Both awards were established in the United States to recognize excellence in the communications field.

The following received Communicator Awards:

- *Need Legal Help?* (bus ad) — Crystal Award of Excellence
- *LSS Annual Service Plan Report 2003/2004* — Award of Distinction
- *Legal Aid: Lawyer Services* and *Legal Aid: Information and Advice Services* (brochures in seven languages) — Honourable Mention

The following received Apex Awards:

- *For Your Protection: Peace Bonds and Restraining Orders* (in Chinese, English, and Punjabi) — a joint project with the Ministry of Public Safety and Solicitor General — Grand Award
- *LSS Annual Service Plan Report 2002/2003* — Award of Excellence

callers can get immediate access to telephone interpreters if needed.

Under the enhanced LawLINE pilot project, lawyers and paralegals also provide brief legal services ranging from advice and help with correspondence to phone calls or letters to third parties on a client's behalf. These services are available to people who cannot use alternative legal services and who meet the society's income test for advice services (see Appendix 5).

## Publications

LSS staff produce legal information and self-help materials in plain language to help clients identify, avoid, or resolve common legal problems.

Some publications are produced in languages other than English when a need for translated versions is identified. The society offers publications in Chinese, Farsi/Dari, French, Japanese, Korean, Punjabi, Russian, Spanish, and Vietnamese. LSS publications are posted on the society's websites at [www.lss.bc.ca](http://www.lss.bc.ca) and [www.familylaw.lss.bc.ca](http://www.familylaw.lss.bc.ca).

## Website services

An important focus for the society is to use new technologies to make legal information available to

the public. LSS manages four websites and supports PovNet ([www.povnet.org](http://www.povnet.org)).

## Electronic Law Library

The Electronic Law Library (ELL) provides reliable legal resources for advocates and advanced researchers looking for detailed legal information. This includes links to case law databases, searchable full-text legislative databases, policy manuals, guides to the legal system, and information on how to do legal research. The ELL is also a key resource for LSS staff, community advocacy groups, and libraries throughout the province. ([www.bcpl.gov.bc.ca/ell](http://www.bcpl.gov.bc.ca/ell))

## Family Law in British Columbia

The Family Law in British Columbia website is dedicated to helping people understand and use the law to resolve their family law problems. It is also a resource for people who are trying to help friends or clients. The site contains publications and videos on family law matters, self-help kits, a section on resolving family law problems, and links to other helpful organizations. ([www.familylaw.lss.bc.ca](http://www.familylaw.lss.bc.ca))

## LawLINK

LawLINK is a website designed to help low income people and their advocates find current, relevant, and usable self-help legal information on the Internet. Public access computers featuring the website and direct telephone access to LawLINE are available during regular office hours at all LSS regional centres and, as part of a pilot project, at a variety of other locations across BC. ([www.lawlink.bc.ca](http://www.lawlink.bc.ca))

## LSS website

The LSS website features publications on various aspects of the law and provides information about the society and legal aid services, including the financial eligibility guidelines for representation and advice services and how to apply for a legal aid lawyer. It also offers services and support for lawyers. ([www.lss.bc.ca](http://www.lss.bc.ca))

## Legal information outreach workers

Legal information outreach worker (LIOW) positions were created as part of the LawLINK expansion project. LIOWs refer low income people to appropriate resources and help them find information, fill out court forms, and use LawLINK public access computers. They also give talks and workshops at social service, Aboriginal, women's, immigration, and other community agencies in locations served by regional centres to explain how to access various LSS services.

### Appendix 4:

## Legal Aid Rates

Private bar lawyers who represent legal aid clients are paid according to a schedule of fees and disbursements known as the tariffs. These are established by LSS in consultation with tariff committees representing private bar lawyers.

The criminal tariff is generally paid at block fee rates, which are based largely on court appearances

and meant to include all services that are not billable separately, including case preparation. Block fees represent the average amount of time required for a proceeding at an hourly rate of \$80 (before holdbacks — see Holdbacks, next page).

Fees for service increase according to the category of the offence. There are four categories:

- Category I — the least serious offences, such as breach of probation
- Category II — most summary or hybrid offences, such as simple assault or dangerous driving
- Category III — most indictable offences, such as breaking and entering or criminal negligence
- Category IV — the most serious offences, such as murder or kidnapping

The society's Strategic Case Assessment Program helps LSS develop budgets and predict costs and preparation needs for lengthy cases. It is applied to serious (category III or IV) offences for which the anticipated length of the preliminary hearing or trial exceeds 10 half-days of court time. Advance budget decisions are made co-operatively by LSS case review lawyers and trial counsel. This program pays lawyers a rate of \$80 per hour (before holdbacks) for authorized preparation and court time. In complex cases, LSS may appoint junior counsel, who may bill at half the tariff rates.

The family and child apprehension (CFCSA) tariffs are \$80 per billable hour (before holdbacks) up to specified maximums for preparation time. This fee is paid for all time spent in court.

The immigration tariff pays \$80 per billable hour (before holdbacks) up to specified maximums for a limited range of work.

Private bar lawyers with expertise in various areas of law advise and assist staff in assessing requests for extra fees and extraordinary disbursements. Most disbursement items requiring pre-approval are handled by LSS staff.

Large and unpredictable (usually criminal) cases have a significant impact on the society's budget. One way LSS manages these costs is by reserving the right to terminate a referral at any time once either the legal fees or the disbursements paid or billable for a case reach \$50,000, and the society concludes that further expenditures are unjustified.

Details of all tariffs are provided in the *Guide to Legal Aid Tariffs* on the LSS website.

## Exceptional matters

Under the Memorandum of Understanding (MOU) between LSS and the Attorney General, the society maintains a budget item to cover the costs of exceptional cases. These are legal proceedings that fall within the society's mandate where —

- representation is required to meet section 7 or 11 of the Charter of Rights and Freedoms and the client has a low income but is not financially eligible for legal aid;
- the degree of complexity involved, a court order, or an agreement by the government requires the payment of fees and/or disbursements that exceed the standard limits set by LSS policies (i.e., enhanced fee cases);
- the total fees, disbursements, or both exceed \$50,000; or
- there is an unusually large number of similar cases that together will result in higher than normal costs.

To help ensure that spending on exceptional cases does not affect the budgets for other LSS services, the current MOU allows the society to treat any unspent funds in that budget item as deferred revenue to cover exceptional matters in future years.

## Enhanced fee cases

Cases deemed to be more complex than most category IV trials (based on criteria developed in consultation with the Criminal Tariff Committee) may qualify for enhanced fees of \$125 per hour for senior counsel. Enhanced fees are not subject to holdbacks.

To be eligible for these fees, a lawyer must have a minimum of 12 years' experience in criminal law practice (i.e., at least 50% of the lawyer's practice is in this area of law). In addition, the lawyer must have acted as lead counsel on a substantial number of complex category IV trials.

Enhanced fee requests are reviewed by a panel of three senior private bar lawyers.

## Holdbacks

Holdbacks, introduced in 1994 to provide more fiscal stability for the society, are amounts deducted from accounts at the time of payment. At the end of each fiscal year, the board determines whether funds are available in the tariff budgets to pay any portion of these amounts (see Financial Report).

## Appendix 5: Financial Eligibility

Anyone whose net household income and assets fall below set limits is eligible for legal representation if their legal problem is covered by LSS. Some income sources, such as the Canada Child Tax Benefit, are excluded from total net income, while some expenses, such as daycare costs, are deducted.

Applicants whose income is below the guidelines may own some assets and still be eligible for legal aid. There are five asset categories: family home, real property (any kind of real estate except the family home), vehicles, business assets, and personal property (excluding vehicles but including, for example, savings accounts, RRSPs, furniture, and jewellery). Each category has different limits, but applicants may still qualify for legal aid if they have some personal property (e.g., reasonable household furnishings), a small amount of liquid assets (e.g., cash, bank accounts), and equity of \$5,000 or less in vehicles.

As a condition of receiving a legal aid referral, clients must agree to repay some or all of their legal aid costs if their financial situation improves and, on reassessment of their eligibility, the society asks them to do so. Clients with a significant share of equity in their family home may be reassessed at a later date and required to pay for some or all of their case costs.

Applicants whose income and assets are above the financial eligibility limits can still receive legal information.

## Legal aid income/asset guidelines

Table 13 sets out the LSS income and personal property asset guidelines (effective February 9, 2005).



**Table 13 Income/Asset guidelines**

| Household size | Net monthly household income | Personal property exemption |
|----------------|------------------------------|-----------------------------|
| 1              | \$ 1,304                     | \$ 2,000                    |
| 2              | \$ 1,804                     | \$ 4,000                    |
| 3              | \$ 2,112                     | \$ 4,500                    |
| 4              | \$ 2,516                     | \$ 5,000                    |
| 5              | \$ 2,862                     | \$ 5,500                    |
| 6              | \$ 3,208                     | \$ 6,000                    |
| 7 or more      | \$ 3,554                     | \$ 6,000                    |

Note: These guidelines are for all family, criminal, and immigration cases, including appeals. Family cases include child apprehension matters.

## Financial eligibility reassessments

Financial eligibility may be reassessed to determine whether a client is still financially eligible for legal representation. If the client is no longer eligible, the referral is terminated and the individual must pay for a lawyer privately. Such reassessments normally occur —

- if the client’s financial circumstances have changed during the course of a referral;
- if LSS becomes aware of assets, income, or family relationships that the client did not reveal during intake;
- when a new case is opened;
- when a change of lawyer is processed;
- as a result of a complaint about the client’s financial eligibility; or
- on a random basis for auditing purposes.

A client’s financial eligibility is always reassessed if he or she receives assets or money. In such cases, LSS calculates the total amount received and determines whether to convert the legal aid referral to a private fee retainer to collect a payment from the client. There is an exemption of \$10,000 in assets or money received to cover basic needs, including housing. The maximum a client could be asked to pay toward legal expenses is 50% of the amount received after deducting this exemption.

## Legal advice financial eligibility test

LSS uses a separate financial eligibility test (based on the one used by family justice counsellors) for most legal advice services. Table 14 sets out this test (effective February 9, 2005).

**Table 14 Legal advice financial eligibility test**

| Number of family members <sup>1</sup> | Monthly (annual) net household income <sup>2</sup> |
|---------------------------------------|--|
| 4 or fewer                            | \$ 2,666 (\$32,000/year)                           |
| 5                                     | \$ 3,000 (\$36,000/year)                           |
| 6                                     | \$ 3,333 (\$40,000/year)                           |
| 7 or more                             | \$ 3,583 (\$43,000/year)                           |

<sup>1</sup> Family members include children and parent(s) or other adult(s) responsible for and living with the children.

<sup>2</sup> Income is the person’s net income from all sources but does not include the income of a new spouse or child support payments.

To be eligible, a client’s net income must fall within the limits set out in table 14. Clients who are not financially eligible can still receive —

- legal information and referral services from LawLINE,
- 20 to 45 minutes of general assistance from family duty counsel (depending on the lawyer’s availability), and
- an initial 45-minute appointment with a family advice lawyer (if referred by a family justice counsellor).

## Appendix 6:

# Operating Data

The tables in this section offer a detailed breakdown of the numbers of clients using LSS services. Data is provided on applications and referrals for legal representation, LSS advice and information services, and policy compliance processes.

Additional data on applications and referrals by area of law for 2004/2005 is available by contacting LSS (see the inside back cover).

## Legal representation

Table 15 summarizes applications and referrals for legal representation by area of law for the past three years. For information on the reliability of this data, see page 56.

| Table 15 Demand for legal representation: All areas of law |               |               |                        |               |                        |               |   |
|--|---------------|---------------|------------------------|---------------|------------------------|---------------|---|
| Type of legal problem                                      | 2004/2005     |               | 2003/2004 <sup>1</sup> |               | 2002/2003 <sup>1</sup> |               |   |
|  | Applications  | Referrals     | Applications           | Referrals     | Applications           | Referrals     | Information/summary advice <sup>2</sup> |
| Criminal   | 27,823        | 21,404        | 28,821                 | 21,828        | 28,837                 | 21,970        | 2,559                                   |
| Family <sup>3</sup>  | 8,267         | 4,174         | 8,754                  | 4,410         | 8,309                  | 4,062         | 2,139                                   |
| CFCSA <sup>4</sup>   | 2,665         | 2,308         | 2,540                  | 2,205         | 2,720                  | 2,392         | 81                                      |
| Immigration <sup>5</sup>                                   | 994           | 740           | 2,061                  | 1,756         | 2,593                  | 2,300         | 39                                      |
| Other <sup>6</sup>   | –             | –             | –                      | –             | 11,147                 | 813           | 673                                     |
| <b>Total</b>   | <b>39,749</b> | <b>28,626</b> | <b>42,176</b>          | <b>30,199</b> | <b>53,606</b>          | <b>31,537</b> | <b>5,491</b>                            |

<sup>1</sup> Data as recorded in previous annual reports.

<sup>2</sup> By September 2002, summary advice at intake was eliminated. In addition to the five months of summary advice during intake, this data includes legal information, diversion to alternate services, and referrals to outside agencies for applicants found ineligible for legal representation.

<sup>3</sup> Effective May 22, 2002, legal representation for family law matters was significantly reduced; 2002/2003 data reflects less than two months of the broader service provided under the society's former coverage guidelines. In 2004/2005, 522 referrals were approved on exception review (see page 45) compared to 722 in 2003/2004.

<sup>4</sup> Child, Family and Community Service Act (see Appendix 2).

<sup>5</sup> Immigration data includes some cases that received only duty counsel services at detention hearings and thus are not considered a referral for representation: 1 in 2004/2005 and 223 in 2003/2004. Therefore, the decline in immigration legal representation referrals this year was 51.8% (i.e., from 1,533 in 2003/2004 to 739 in 2004/2005). See also note 3, table 16 and Legal advice, page 56.

<sup>6</sup> Other includes former human rights, poverty law, and intake case services. Intake cases, eliminated by August 2002, provided up to two hours of summary advice and/or information.

## Volume changes

Criminal referrals decreased by 1.9% from 2003/2004 and represented 74.8% of all legal aid referrals (up from 72.3% in 2003/2004). Family referrals decreased by 5.4% and represented 14.6% of all referrals (unchanged from 2003/2004). Child apprehension (CFCSA) referrals increased by 4.7% and represented 8.1% of all legal aid referrals (up from 7.3% in 2003/2004). Immigration referrals decreased by 51.8% (see note 5, table 15) and represented 2.6% of all referrals (down from 5.8% in 2003/2004). See figures 2 and 3.

The overall percentage of applications resulting in referrals this year was 72.0% (compared to 71.6% in 2003/2004 and 71.4% in 2002/2003).

After a significant increase in the late 1980s and early 1990s, the number of criminal legal aid cases has declined in every fiscal year since 1992/1993. It is difficult to be precise about why volumes change from year to year. Although the changes in criminal referrals are consistent with reported levels of criminal activity, a definite link between these two trends cannot be established. Before legal aid becomes involved in the process, the police must first receive a report about a crime, investigate the case, and recommend charges against suspects. Then Crown counsel must decide to lay charges. Only at this point do suspects apply for legal aid. Thus, even when crime levels remain constant, the number of legal aid cases can still fluctuate significantly.

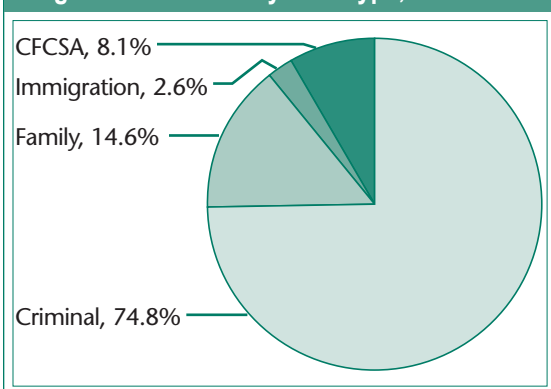
The higher financial eligibility limits for criminal law implemented in March 2004 resulted in 1,148 new referrals this year — considerably fewer than the anticipated 6,500 (see Financial Report, page 22).

The decrease in family referrals this year can be attributed to the success of the society's family duty counsel and other services (see Appendix 3).

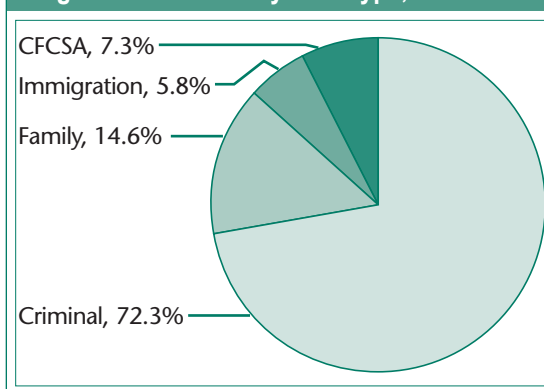
The increase in CFCSA volumes corresponds to an increase in child apprehensions by the Ministry of Children and Family Development.

Immigration volumes declined significantly in 2004/2005. Across Canada, these volumes would have been influenced by factors such as national arrival rates for refugees, international interdiction measures, and safe third country legislation introduced by the federal government this year. Additional factors influencing applications in BC likely include claimants' perceptions of the provincial economy, welfare system, and legal aid system, as well as the perceived likelihood of establishing a successful claim in BC relative to other provinces.

**Figure 2 Referrals by case type, 2004/2005**



**Figure 3 Referrals by case type, 2003/2004**



## Legal advice

Table 16 provides data for LSS legal advice services for the past three years. For information on the reliability of this data, see page 56.

| Table 16 Legal advice services                 |                            |           |           |
|--|----------------------------|-----------|-----------|
| Service  | Number of clients assisted |           |           |
|  | 2004/2005                  | 2003/2004 | 2002/2003 |
| Criminal duty counsel <sup>1</sup>             | 69,267                     | 60,865    | 60,152    |
| Family duty counsel and advice lawyer projects | 14,272 <sup>2</sup>        | 10,415    | –         |
| Immigration duty counsel <sup>3</sup>          | 1,011                      | –         | –         |
| Brydges line                                   | 25,848 <sup>4</sup>        | 27,016    | 25,385    |
| LawLINE advice <sup>5</sup>                    | 7,129                      | 2,961     | –         |

Note: Data for 2003/2004 and 2002/2003 recorded in previous annual reports. Totals reflect the number of times advice was given (or the number of calls handled), not the number of clients served (clients may access services more than once).

<sup>1</sup> Includes duty counsel at circuit courts.

<sup>2</sup> In 2003/2004, family duty counsel services were established in new locations throughout the year; therefore, data for that year reflects less than 12 months for a number of projects.

<sup>3</sup> Prior to 2004/2005, LSS tracked only a portion of immigration duty counsel services and that data is incorporated into table 15. Data for 2004/2005 in table 16 reflects all but one duty counsel matter for the year (see note 5 to table 15).

<sup>4</sup> Brydges services were provided in June 2004, but data for that month is unavailable; therefore, the 2004/2005 total represents 11 months of service.

<sup>5</sup> 2004/2005 was the first full year of providing both legal advice and information/referral services through LawLINE. Total calls handled by the service this year were 14,661 (see also table 17).

## Legal information

Tables 17 and 18 provide data on the public's use of the society's legal information resources. For information on the reliability of this data, see page 57.

| Table 17 Legal information services                    |                    |           |           |
|--|--------------------|-----------|-----------|
|  | 2004/2005          | 2003/2004 | 2002/2003 |
| LawLINE information/referral requests <sup>1</sup>     | 7,532 <sup>2</sup> | 15,374    | 16,912    |
| PLEI publications distributed <sup>3</sup>             | 131,003            | 196,381   | 215,261   |
| PLEI materials produced (new and revised) <sup>4</sup> | 37                 | 54        | 25        |
| LIOW information <sup>5</sup>                          | 2,522              | 688       | –         |

<sup>1</sup> Totals reflect the number of calls handled, not the number of individuals served (people may access the service more than once).

Prior to September 15, 2003, LawLINE provided only legal information and referral services. In 2003/2004, staff responded to 8,516 callers requiring information from April 1 – September 15, 2003 and 6,858 callers requiring information after September 15, when LawLINE added brief legal advice services, reported in table 16. The 2002/2003 total is based on data for 11 months. Calls were not tabulated in August 2002 as no staff were available to manually count interview forms during the transition to a computerized tabulation system.

<sup>2</sup> 2004/2005 was the first full year of providing both legal advice and information/referral services through LawLINE. Total calls handled by the service this year were 14,661 (see also table 16).

<sup>3</sup> Data for 2004/2005 includes 6,762 copies of the Tenants Rights Action Coalition publication *Tenant Survival Guide*. Prior to 2003/2004, LSS also distributed PLEI materials produced by other organizations. The society distributed 35,994 of these items in 2002/2003.

<sup>4</sup> PLEI publications are all available on the LSS website. Data excludes administrative materials such as reports, evaluations, and brochures describing LSS services.

<sup>5</sup> Totals reflect the estimated number of client questions handled by LIOWs. This service began in fall 2003, therefore data for 2003/2004 represents five months (November 2003 – March 2004).

**Table 18 Use of LSS websites**

| Site                         | 2004/2005                     | 2003/2004                       | 2002/2003                       |
|------------------------------|-------------------------------|---------------------------------|---------------------------------|
| LSS website <sup>1</sup>     | 12,049 visits/month           | 8,611 visits/month              | 5,326 visits/month              |
| Electronic Law Library (ELL) | 19,522<br>page requests/month | 17,520<br>page requests/month   | 19,019<br>page requests/month   |
| Family Law website           | 5,469 visits/month            | 3,374 visits/month              | 2,533 visits/month <sup>2</sup> |
| LawLINK                      | 4,666 visits/month            | 3,091 visits/month <sup>3</sup> | –                               |

Note: "Visits" are the number of times the site is accessed over a given period (if the same person returns to the site after one hour, that person is counted again as a new visitor). Data for the LSS, Family Law, and LawLINK websites reflects the average number of visits per month for each year. "Page requests" are the number of hits on specific pages on the site (i.e., the number of times pages are viewed, downloaded, printed, etc.). Data for the ELL reflects the average number of page requests per month for each year.

<sup>1</sup> LSS data is tabulated automatically by a computer. LSS website data for 2002/2003 data is based on three months' activity.

<sup>2</sup> Family Law website data for 2002/2003 is based on three months' activity.

<sup>3</sup> LawLINK data for 2003/2004 is based on activity in February and March 2004.

## Policy compliance

Staff at regional centres, local agent offices, and the LSS Call Centre refuse to provide legal representation if they believe an applicant —

- is not financially eligible,
- has a problem that falls outside the society's coverage rules, or
- has provided insufficient information to satisfy them that he or she is eligible for a referral.

Staff ensure LSS coverage and financial eligibility policies are applied accurately and consistently across the province, by —

- reviewing refusals for legal representation whenever applicants request such reviews within 21 days of receiving the decision, and

- investigating all complaints received by anyone who alleges someone is improperly receiving legal representation.

Tables 19 and 20 show the volumes and results of financial eligibility reviews and complaints investigations for the past three years. For information on reliability of this data, see page 57.

LSS received client eligibility complaints for fewer than 1% of cases in 2004/2005.

**Table 19 Financial eligibility reviews**

| Reviews                | 2004/2005  | 2003/2004  | 2002/2003  |
|------------------------|------------|------------|------------|
| Abandoned <sup>1</sup> | 8          | 10         | 23         |
| Approved <sup>2</sup>  | 32         | 50         | 10         |
| Refused                | 106        | 163        | 210        |
| Files open at year-end | 0          | 2          | 0          |
| <b>Total</b>           | <b>146</b> | <b>225</b> | <b>243</b> |

<sup>1</sup> Abandoned means the matter was returned to the referring office to consider additional information or issues, or the applicant resolved the matter by other means.

<sup>2</sup> Approvals are often based on additional information provided by the applicants that was unavailable when they first applied for legal aid.

**Table 20 Complaints about clients' eligibility**

| Result of investigation  | 2004/2005  | 2003/2004  | 2002/2003  |
|--|------------|------------|------------|
| Complaint unfounded/coverage continued   | 64         | 68         | 104        |
| Coverage terminated/case converted to private fee retainer or collection file opened                         | 58         | 70         | 86         |
| Referral cancelled after client failed to respond to a request for reassessment                              | 6          | 13         | 10         |
| Complaint about a non-LSS client <sup>1</sup>  | 24         | 14         | 99         |
| Complaint received after case concluded or substantially completed   | 30         | 21         | 34         |
| No further investigation required (e.g., complaint duplicates information already reported and investigated) | 17         | 22         | 16         |
| Open, investigation continuing   | 21         | 13         | 39         |
| <b>Total<sup>2</sup></b>   | <b>220</b> | <b>221</b> | <b>388</b> |

<sup>1</sup> These files are kept open for at least six months in case the individuals apply for legal aid.

<sup>2</sup> Number of individuals complained about includes files still open at the end of the previous fiscal year.

## Reliability of data

The following describes the sources and accuracy of LSS operating data.

## Legal representation

### (table 15)

When annual report numbers are generated for any fiscal year, a few paper applications remain to be processed and a few applications initiated in error remain to be corrected. As a result, the final numbers for each year are slightly different from those in the annual report. For example, the final application numbers for 2003/2004 were 0.02% lower than the data published in the *LSS Annual Service Plan Report 2003/2004*. The accuracy of the 2004/2005 application data in table 15 is expected to be similar to that published last year (i.e., accurate to within 99.9% or better).

Before a referral can be issued, the client's income must be verified and his or her legal situation assessed, and a lawyer has to be found to take the case. Although more than 90% of first referrals are approved and issued within 30 days of an application, some take longer to process. Accordingly, when the annual report data is generated, decisions are pending on some applications. For example, the final total for 2003/2004 referrals was 0.61% higher than the total in the *LSS Annual Service Plan Report*

2003/2004. The accuracy of the 2004/2005 referral data in table 15 is expected to be similar to that published last year.

In 2002/2003, data for summary advice services at intake included brief administrative assistance such as making referrals to other agencies, processing changes of counsel, and providing self-help materials. Intake staff continue to provide administrative services, but the society no longer collects reliable data on this work.

## Legal advice

### (table 16)

Criminal law duty counsel data in table 16 is compiled from reports submitted by lawyers providing this service. Duty counsel can submit their bills and information on the number of clients assisted up to six months or more after the service date. Accordingly, not all information is available when data for the annual report is generated. For example, after a total of 60,865 cases was published in the *LSS Annual Service Plan Report 2003/2004*, duty counsel billed for another 1,575 cases applicable to that fiscal year.

LSS successfully automated duty counsel billing this year. The new system brings these accounts in line with the rest of the society's referral and billing procedures, which may marginally improve availability of the data at year-end. Because the new system also dramatically changed how LSS

counts immigration duty counsel, 2004/2005 data cannot be compared with the data from previous years. This year's data consists of 730 matters drawn from the society's computerized Case Management System (CMS) and 281 matters from a database kept manually by staff.

Data for family duty counsel at all locations other than Vancouver is drawn from CMS. In CMS, an FDC client is any person who came in on a given date; thus the same individual may be counted more than once, as a typical case may involve two or more court appearances. In the Vancouver project, data was maintained on Webtime, and both clients and appearances were tracked. The data in table 16 includes 1,035 appearances on behalf of 1,000 clients for the Vancouver project.

Criminal and family duty counsel services are delivered by a combination of staff, contract, and private bar lawyers; however, with the exception of the Vancouver FDC project, table 16 excludes most of the clients helped by staff and contract lawyers, primarily because that data is not available by year-end.

Brydges line data in table 16 is provided by the contracted service provider.

Telephone calls received by LawLINE reported in table 16 are counted by computer; data on which of these calls involve advice services is drawn from a database maintained by LSS staff.

## **Legal information**

### **(tables 17 and 18)**

Telephone calls received by LawLINE reported in table 17 are counted by computer; data on which of these calls involve information services is drawn from a database maintained by LSS staff.

The publications data in table 17 is drawn from a database maintained by LSS staff.

Legal information outreach worker data in table 17 is based on information compiled manually by LIOWs; data from some locations is incomplete.

The website data in table 18 presents an approximate measure of public use of the society's websites. The Electronic Law Library is on a server for the BC public libraries branch in Victoria. ELL statistics are tabulated automatically by that computer.

The LSS websites are on the society's own server. Since January 2003, statistics for the LSS, Family Law, and LawLINK sites have been captured and analyzed by computer. Currently, data for the LSS website shows activity by all users, including staff, board members, and local agents. The society expects that by next year it will be able to provide a more detailed breakdown of statistics so it can identify, for instance, how many visits to the LSS website are related to electronic billing and how many are visits from the public.

## **Policy compliance**

### **(tables 19 and 20)**

Reviews of refusals based on financial eligibility are conducted at the Vancouver Regional Centre. Data in table 19 is drawn from an LSS database maintained by staff. Since 2002/2003, reviews of refusals based on coverage eligibility have been conducted by managing lawyers at regional centres and by local agents elsewhere. LSS is unable to report data on these reviews until a reliable method of tracking them can be developed in conjunction with future CMS enhancements.

Complaints data in table 20 is drawn from an LSS database maintained by staff.

# Glossary

## Acronyms

|       |   |
|-------|---|
| ADR   | Alternative Dispute Resolution              |
| CFCSA | Child, Family and Community Service Act     |
| CMS   | Case Management System                      |
| ELL   | Electronic Law Library                      |
| EMC   | Executive Management Committee              |
| FDC   | Family duty counsel                         |
| FJC   | Family justice counsellor                   |
| FTE   | Full-time equivalent                        |
| LARF  | Legal Aid Renewal Fund                      |
| LIOW  | Legal information outreach worker           |
| LSS   | Legal Services Society                      |
| MCFD  | Ministry of Children and Family Development |
| MOU   | Memorandum of Understanding                 |
| OMT   | Operations Management Team                  |
| PLEI  | Public legal education and information      |
| PWG   | Permanent Working Group on Legal Aid        |
| QC    | Queen's Counsel                             |
| SCAP  | Strategic Case Assessment Program           |

## Definitions

**Act** The Legal Services Society Act (the act; also LSS Act), provincial legislation under which LSS operates

**Accumulated surplus** The excess of revenue over expenses that accumulates over the life of the organization; the LSS accumulated surplus reflects assets (e.g., buildings, equipment, cash, investments) minus liabilities (e.g., accounts payable)

**Annual report** Annual service plan report

**Board** The LSS Board of Directors (governing body for LSS)

**Case Management System** A computer system (designed for and owned by LSS) that supports the society's intake, referral, tariff processing, and other business functions

**Civil Justice Reform Working Group** A sub-committee of the Justice Review Task Force formed in fall 2004, this working group is looking at how to improve resolving civil disputes; it is scheduled to report its findings in December 2005

**Client** An individual who is receiving or who has received legal aid

**Continuum of services (LSS)** Legal services ranging from information and education to advice, advocacy, and representation

**Environmental scan** The method an organization uses to understand the external environment and apply that understanding to its planning and decision-making processes; an environmental scan involves identifying technical, economic, social, and political trends and events that are important to the organization, and encourages management and staff to plan ahead

**Family Justice Review Working Group** A subcommittee of the Justice Review Task Force formed in 2003, this working group explored a variety of options for improving services to parents and children; its mandate was to make fundamental changes to the family justice system, and it is scheduled to release its report early next year



**Family list days** First-time court appearances for Child, Family and Community Service Act and Family Relations Act matters, such as child support and child protection; family list days are usually held one or two days each week in larger centres and once a month in smaller communities

**Fiscal year (LSS)** A period beginning on April 1 in one year and ending on March 31 in the next year

**Full-time equivalent** The sum of all permanent full- and part-time positions (including vacancies) at LSS

**Goals** Statements that identify the key results an organization expects to achieve in a three- to five-year period; goals are closely related to objectives, which cover a shorter term

**Human Resources Information System** A computer system used by LSS to run reliable and timely reports in areas such as salaries, wages, benefits, and employee history.

**Hybrid offence** An offence for which the Crown can choose whether to proceed by way of indictment or summary conviction

**Indictable offence** A serious offence for which the accused has the right to choose a trial by judge in Provincial Court, by judge in Supreme Court, or by judge and jury in Supreme Court; an indictable offence carries a minimum penalty of two years in prison

**Intermediaries** Judges, police, lawyers, court workers, local agents, staff at women's shelters, community advocates, and others in the justice system who interact with legal aid clients

**Justice Review Task Force** Established in March 2002 at the initiative of the Law Society of BC, the task force's objective is to identify potential reform initiatives to help make the justice system more responsive, accessible, and cost-effective. Further information on the task force is available at [www.bcjusticereview.org](http://www.bcjusticereview.org)

**Key stakeholders (LSS)** Those with a direct interest in BC's legal aid plan, including low-income people who need legal services, service providers and intermediaries, the public, government and other funders, and LSS staff

**Key strategies** The main courses of action, broadly stated, that an organization will undertake to accomplish its objectives; key strategies can change in response to environmental scans and risk analyses

**Legal aid** Legal representation, advice, information, and other services provided under the LSS Act

**Legal Aid Renewal Fund** A fund established to cover innovations related to criminal law services implemented from April 1, 2002, through March 31, 2005; it is part of the Agreement Respecting Legal Aid in Criminal Law, Youth Criminal Justice Act, and Immigration and Refugee Matters between the Government of Canada and the Province of British Columbia (also known as the Federal Investment Fund)

**Mega Trials Working Group** A subcommittee of the Justice Review Task Force; the mandate of this working group, formed in April 2004, is to make recommendations for managing the administration and costs of large criminal cases in BC

**Objectives** Statements that identify the main results an organization expects to achieve within a one- to three-year period

**Operating surplus** The excess of revenue over expenses in a fiscal year

**Permanent Working Group on Legal Aid (PWG)** A subcommittee of the Federal/Provincial/Territorial Deputy Ministers of Justice Committee; the PWG consists of representatives from all ministries of attorney general, and makes recommendations to the deputy ministers of justice on providing legal aid in Canada. Representatives from all legal aid plans sit on the PWG in an advisory capacity. One of the group's tasks is to address the funding formula for distributing federal criminal legal aid resources and issues related to inter-governmental support for civil legal aid

**Performance measures** Methods an organization uses to determine whether it is achieving the results set out in its goals and objectives; performance measures vary from one organization to another and range from satisfaction surveys to comparative data

**Pool funds** Non-taxable investment funds available only to institutional investors with non-taxable status; pool funds require a much higher entry fee than do mutual funds

**PovNet** A searchable website ([www.povnet.org](http://www.povnet.org)) for people on welfare, advocates, community groups, and individuals involved in anti-poverty work. It provides information on and links to resources for a variety of issues affecting the rights of people with low incomes, and hosts a number of electronic discussion groups for advocates. PovNet is operated by a steering committee consisting of representatives from more than 10 advocacy and service agencies in BC, including LSS

**Private bar lawyers** Lawyers in private practice

**Private fee retainer** An agreement between a private bar lawyer and an individual who is not receiving legal aid regarding services to be provided and the rate of compensation to be paid

**Public Legal Education and Information Working Group** Established to co-ordinate delivery of PLEI services in BC in response to recommendations in *Review of the Role of Public Legal Education in the Delivery of Justice Services* (2002) (see [www.ag.gov.bc.ca/public/PLE-Review.pdf](http://www.ag.gov.bc.ca/public/PLE-Review.pdf)), a report commissioned by the Ministry of Attorney General; the working group consists of organizations with a mandate to provide province-wide PLEI services (for the group's community profile and needs assessment reports, see [www.lss.bc.ca/about\\_lss/services.asp](http://www.lss.bc.ca/about_lss/services.asp))

**Risk analysis** An examination of potential threats to an organization's ability to meet its mandate; a risk analysis is often conducted along with an environmental scan

**Rowbotham application** An application made by someone who has been denied legal aid; in a *Rowbotham* application, the person asks the court for a stay of proceedings until he or she has been provided a state-funded lawyer

**Staff lawyers** Lawyers employed by LSS

**Society** The Legal Services Society

**Strategic issues** Major factors that will affect, or are affecting, an organization; strategic issues emerge from an environmental scan and may be either positive or negative

**Strategic objectives** Objectives drafted specifically to address strategic issues, either by mitigating external threats and internal weaknesses or by taking advantage of external opportunities and internal strengths

**Strategic plan** A plan that encompasses an organization's mission, vision, objectives, goals, and values; it sets out the direction for the organization and outlines how it will achieve its vision and mission

**Summary advice** Legal information and assistance on where to go or what to do next; summary advice may involve a review of facts or an analysis of the problem; it may be given quickly or in more detail, depending on the problem and the resources available

**Summary offence** Less serious than an indictable offence, a summary offence is always dealt with by a judge in Provincial Court, and usually carries a maximum penalty of a \$2,000 fine and six months in jail

**Supreme Court Self-Help Information Centre** A pilot project to provide legal information, education, and referral services to unrepresented litigants who are involved in civil actions in the Vancouver location of the Supreme Court; the centre will open in April 2005

**Tariffs** The schedule of fees and disbursements LSS pays to private bar lawyers who represent legal aid clients

**Total current assets** Cash in hand plus cash owed to LSS

**Total current liabilities** Money owed to creditors and payable over the coming fiscal year

**Unbundled legal services** Designed to help people who are representing themselves in legal proceedings, unbundled legal services allow lawyers to provide limited assistance to clients who cannot afford to pay for full legal representation. LSS has considerable experience with this approach, as it is consistent with the society's own long-standing approach of providing a continuum of legal aid services, from information and advice to legal representation. The mandate for the Law Society's Unbundling Legal Services Task Force, established in 2005, includes clarifying the scope of unbundled services, how this approach might increase access to justice in BC, and identifying best practices for lawyers offering these services. This task force is scheduled to make an initial report to the Law Society's Benchers in July 2005 (additional information is available at [www.lawsociety.bc.ca/about\\_law\\_society/body\\_about\\_commitees.html](http://www.lawsociety.bc.ca/about_law_society/body_about_commitees.html))

**Vancouver Drug Treatment Court** A four-year pilot funded by the provincial and federal governments, this project provides a court-supervised treatment program for people who have drug addictions and who repeatedly face criminal proceedings

**Year** Refers to fiscal year

# Legal Aid Offices

Call the toll-free LSS InfoLINE (1-877-978-9789) or check the phone book for current office addresses and phone numbers. Offices are listed under “Legal Aid — Legal Services Society” in the white pages of the phone book and under “Lawyers” in the yellow pages. You can also contact the LSS Call Centre (to apply for legal representation) and LawLINE (for legal advice or information): (604) 408-2172 (Lower Mainland) or 1-866-577-2525 (toll free).

## Interior/East Kootenays

### Regional Centre:

Kamloops (Kathleen Kendall, Managing Lawyer)

### Local Agents:

Cranbrook (Richard Strahl)

Salmon Arm (Brian Burgess)

Williams Lake (Alfred Kaiser, from February 2005;  
Kenneth Grant, to December 2004)

## North

### Regional Centre:

Prince George (Debby O’Leary, Managing Lawyer)

### Local Agents:

Dawson Creek (Glenn Stasiuk)

Fort St. James (Paul Swartz)

Fort St. John (Robert Zeunert)

Quesnel (Gary Lilienweiss)

## Northwest

### Regional Centre:

Terrace (Judith Kenacan, Managing Lawyer)

### Regional Centre satellite:

Prince Rupert

### Local Agent:

Hazelton (Linda Locke)

## Okanagan/West Kootenays

### Regional Centre:

Kelowna (Dennis Morgan, Managing Lawyer)

### Local Agents:

Nelson (Richard Strahl)

Penticton (James Pennington)

Vernon (Brian Burgess)

## Surrey/Fraser Valley

### Regional Centre:

Surrey (Bill Andrew, Managing Lawyer)

### Regional Centre satellite:

Port Coquitlam

### Local Agents:

Abbotsford (Chris Maddock)

Chilliwack (Chris Maddock)

## Vancouver Island

### Regional Centre:

Victoria (Forrest Nelson, Managing Lawyer)

### Local Agents:

Campbell River (Doug Marion)

Courtenay (Doug Marion)

Duncan (Denice Barrie)

Nanaimo (Denice Barrie)

Port Alberni (Barbara Smith)

## Vancouver/Sunshine Coast

### Regional Centre:

Vancouver (David Griffiths and Heidi Mason,  
Managers, Field Operations)

### Local Agents:

North Vancouver (Dan Sudeyko)

Richmond (Robert Parsonage)

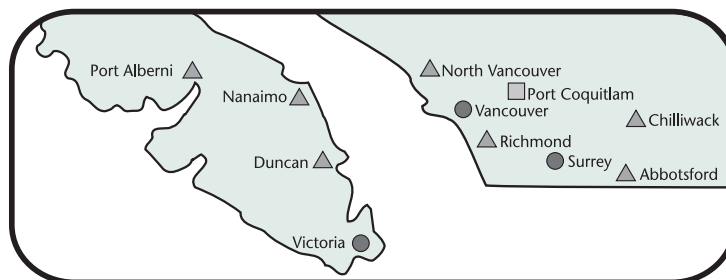
Sechelt (Martin Dubec, to September 2004)

# Contact Information

For further information about the society, visit the main LSS website at [www.lss.bc.ca](http://www.lss.bc.ca) or contact the LSS Communications Department at:

400 – 510 Burrard Street  
Vancouver, British Columbia V6C 3A8  
Phone: (604) 601-6000

# Map of Legal Aid Offices



March 31, 2005