Background

The Children’s Lawyer is appointed by the Lieutenant Governor on the recommendation of the Attorney General. The Office of the Children’s Lawyer (Office) is located in Toronto and has approximately 85 staff, including lawyers, social workers, and support staff. The Office also engages what it calls “panel agents”—approximately 440 private lawyers and 180 clinical investigators across the province—on an hourly fee-for-service basis.

The legal services the Office provides fall under various statutes and the Rules of Civil Procedure in the Superior Court of Justice. These services involve providing children under the age of 18 with legal representation for personal or property rights matters. Other parties whose interests might be at stake in a court proceeding involving children include the child’s parents and relatives, Children’s Aid Societies, and insurance companies.

Personal rights proceedings include child protection cases and custody and access cases. The Office must provide legal representation for children in protection cases when ordered by the court under the Child and Family Services Act. For custody and access cases, the court may request under the Courts of Justice Act that the Office provide a child with legal representation, and the Office has discretion in accepting these cases. When it does accept them, it either provides lawyers to legally represent the child or has clinical investigators with expertise in social work help resolve the dispute and prepare reports for the court or involves both lawyers and clinical investigators, depending on the child’s age and circumstances.

The Office must represent children in property rights proceedings when appointed by the court or as required by legislation. In civil litigation cases, which consist mainly of personal injury actions, the Office may be ordered by a court to act as Litigation Guardian for the child where there is no parent, guardian, or other adult willing and able to pursue or defend a claim on behalf of the child and make decisions on his or her behalf. The Office also reviews proposed settlements referred by the courts in cases involving minors to assess whether they are in the best interests of the child and reports back to the court. In estate/trust cases, the Office represents minor and unborn beneficiaries in matters such as challenges to the validity of a will, interpretation of a will, removal of executors and trustees, and other estate administration matters.

The Office is part of the Ministry of the Attorney General (Ministry). For the 2010/11 fiscal year, the Office’s expenditures were approximately $32 million, including $22 million for external professional services and $9 million for internal staffing costs.
The Office is unique in Canada for the broad range of legal and other services that it provides to children. Although there are other agencies in Ontario that offer support services to children, they generally do not have the mandate or funding to provide children with their own independent legal representation for court proceedings.

The Office accepts about 8,000 new cases per year and as of March 31, 2011 had more than 11,000 open cases. Figure 1 illustrates the types of open cases as of March 31, 2011.

Audit Objective and Scope

Our audit objective was to assess whether the Office of the Children's Lawyer had adequate policies, procedures, and systems in place to:
- serve the personal and property interests of children in accordance with legislative and court requirements; and
- measure and report on its efficiency and effectiveness in doing so.

Senior management reviewed and agreed to our audit objective and associated audit criteria.

The scope of our audit included interviews with ministry officials and an examination of files, documentation, and policies in use at the Office’s only location, in Toronto. We contacted stakeholders from the private bar and other agencies that provide children’s services to discuss their perspectives on the services provided by the Office. We also engaged as advisors independent experts in legal services and child and youth services and researched how other jurisdictions provide legal representation to children. In addition, we obtained input from the Chief Justice of the Superior Court of Justice and the Chief Justice of the Ontario Court of Justice.

We did not rely on the Ministry’s internal auditors to reduce the extent of our audit work, because they had not conducted any recent audits of the Office. However, we were able to reduce our work on financial controls, particularly with respect to payments to service providers, because we examine these annually as part of our annual audit of the Office of the Children’s Lawyer’s financial statements.

Summary

Ontario legislation and the province’s courts provide children in need of protection of their personal and property rights with independent legal representation through the Office of the Children’s Lawyer. Demand for the Office’s legal and clinical investigation services is significant. As well, the Office is unique in that no other jurisdiction in Canada provides children with the same range of centralized legal services. Overall, the legal and investigative work done by the Office is valued by the courts, children, and other stakeholders. However, these services are often not assigned or delivered in a timely enough manner.

We also found that the Office’s case management system was not meeting its information needs and that it did not have an adequate process...
in place for evaluating the cost-effectiveness of its operations. For example, the Office had not adequately analyzed why its payments to panel agents had increased by more than $8 million, or 60%, over the last 10 years even though new cases accepted decreased by 20% and the Office’s overall active caseload did not change significantly over the same period.

We identified several other areas where the Office’s systems, policies, and procedures warranted improvement, as follows:

- In the 2010/11 fiscal year, the Office exercised its discretion to refuse more than 40% of child custody and access cases referred to it by a court. We found that the Office had not adequately assessed the impact of these refusals on the children and courts. The Office’s decisions were based on reasons to refuse a case rather than reasons to accept a case based on the best interests of the child. As well, many of the decisions to refuse cases were made primarily because of limited financial resources. In addition, it had not explored the reasons for fairly significant regional fluctuations of between 29% and 50% in refusal rates across the province.

- Although the Office has substantially reduced the time it takes to accept or refuse custody and access cases, from 68 days in 2008/09 to 39 days in 2010/11, it still is not meeting its 21-day turnaround target. Also, once a case was accepted, it took more than eight weeks to assign almost 50% of cases to staff or an agent before work could commence. Improved information systems would help ensure that the causes of these delays are better identified for corrective action.

- In a custody and access case where the Office is providing the court with a Children’s Lawyer Report detailing its investigation and making recommendations to the court on the custody of and access to a child, the Family Law Rules require that it do so within 90 days. However, the Office met this deadline less than 20% of the time and did not have any formal strategy in place to improve its performance in this area.

- The Office had a sound process for ensuring that personal rights lawyers and clinical investigators were well qualified and selected fairly. However, there was no open selection process in place for the almost 100 property rights lawyers the Office had under engagement at the time of our audit.

- The Office permits property rights panel lawyers to charge a rate of up to $350 an hour when recovering their costs from a child’s estate or trust or settlement funds. Yet if the same lawyers charge their services directly to the Office, they are paid $97 an hour.

- The Office’s programs for reviewing the quality of the work performed by panel agents did not include an assessment of whether the fees charged were reasonable.

- A new case management system, scheduled for November 2011 and estimated to cost $3.8 million, might not meet all of the Office’s key information needs and functional requirements.

- There were no formal protocols for transition planning and support to assist children (other than those who are mentally incapable) with the management of their ongoing civil lawsuits or estate matters when they turn 18 and no longer qualify for the Office’s services.

- The Office did not have objective measures to assess and report on its performance, nor were there formal, regular processes for assessing whether stakeholders, including children, were satisfied with the services provided.

We did note that the Office had established quality assurance processes and training programs to help ensure that legal and clinical investigative services were being consistently and competently delivered.
Detailed Observations

INTAKE AND REFERRAL OF CASES

Decision to Accept or Refuse a Custody and Access Case

The Courts of Justice Act gives the Office discretion to decide whether it will provide representation to children in custody and access cases when it is asked to by the court, and it has established an intake process for reviewing and deciding whether to accept these types of cases. In the 2010/11 fiscal year, it received almost 4,480 custody and access cases and rejected about 1,820 of them, or 41%. Figure 2 shows that the percentage of custody and access files refused over the last five years has ranged from 41% to 55%.

More than 10 years ago, the Office developed 13 criteria that its intake staff and senior management use to decide whether to refuse to provide services in referred custody and access cases. To assess a case against its refusal criteria, the Office requires a copy of the court order requesting its services, which is usually forwarded to it by the court or an involved party, such as a parent’s counsel. It also requires the submission of standardized intake form that provides information about the family’s history, the situation, and the relationship between the parents and children involved. Parties must submit their forms to the Office within 10 calendar days of the date of the court order or the case may be refused. The Office’s intake clerks use the forms and collateral information, such as Children’s Aid Society investigations or medical reports, to prepare a summary of the case and make a recommendation to accept or refuse the case to either the Personal Rights Legal Director or the Manager.
of Clinical Services, who make the final decision. Generally, for accepted cases, those that involve children under the age of 12 are recommended for clinical investigator services, and those that involve children who are aged 12 and over, who are more likely and able to express their views and preferences to lawyers, are recommended for legal representation.

We were advised that the 13 refusal criteria are used to ensure that the Office provides its services only in cases where it believes that it could add value. Nonetheless, we questioned whether the Office ought to establish criteria that set out when a case should be accepted and that focus on ensuring that it accepts a case when it is in the best interest of the child to do so. Acceptance criteria would enable the Office to better track the common reasons for being involved in a custody and access case as well as the benefits provided to children. The Office has not done any studies or assessments, and had no other mechanisms in place, to determine the impact on children and the courts of its refusing, over the last five years, an average of 44% of the custody and access cases referred by the courts.

We were advised that the Office’s decisions to refuse custody and access cases were all made from its head office in Toronto and not on a regional basis, nor are its budgets based on regions. However, we noted that the Office had not determined the reasons for inconsistent refusal rates for its nine regions throughout the province. Figure 3 indicates that the average refusal rates varied from 29% in an eastern region to 50% in its northern region.

Although 12 of the 13 refusal criteria are published on the Ministry’s website, the Office is not required to disclose its reason for refusal to the parties in a particular case. We were advised that this is a common complaint of parties whose cases have been refused. However, the Office will inform the parties if a case is refused for the following reasons: an intake form was not received; one of the parties resides outside of Ontario; there is a restraining order prohibiting contact between one of the parties and the child(ren); supervised access has been ordered but has not yet commenced; Children’s Aid Society (CAS) has not responded to a request for information regarding its involvement; or the child(ren) are in the care of CAS. Parties may request a reconsideration of their case after it has been refused by the Office.

Based on the refusal criteria, the Office’s internal reports indicate that more than 90% of the custody and access cases that it refused were turned down for the following reasons:

- 38% are refused because there is insufficient information to evaluate the case;
- 36% are refused because other resolution efforts should have first occurred but have not been attempted; and
- 17% are refused because the Office deems that the child’s situation would not be improved by the Office’s involvement.

The Office records in Case Track, its computerized case management system, the reasons for refusing a case according to one of the 13 intake criteria. We noted some inconsistencies between the reasons for refusal that were documented in the file compared to those documented in the database. In addition, in some instances where it had been recorded in the database that a case had been refused, the file noted that the Office had

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<th>Office of the Children’s Lawyer Provinces</th>
<th>Average Refusal Rate for Custody and Access Cases</th>
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actually accepted the case and provided services. The documentation of how a decision was arrived at to refuse a case could also be improved. For example, more than a third of cases were refused because other resolution efforts (such as mediation, clinical assessments, or family counselling) should have occurred and had not been attempted. However, almost half of the cases we reviewed that were refused for this reason did not indicate the specific resolution efforts that should have been considered, nor was it evident from the file summaries. Without clear documentation of how decisions are made, there is a risk that intake staff may not be adequately and consistently assessing children’s needs, and this would not be apparent from any supervisory or management review of the case documentation.

Senior management at the Office informed us that one common reason for refusing a custody and access case was a lack of available funding for the Office to accept more cases; however, this reason was not tracked, nor is it one of the 13 refusal criteria. For cases that would otherwise be accepted (based on the refusal criteria) had funds been available, we were told that another reason for refusal is selected from one of the 13 refusal criteria. The Office uses a forecast model to ensure that expenditures for the year stay within budget. Because custody and access cases are the most significant type of cases the Office has the discretion to refuse, budget considerations affect how many cases at any given time can be accepted. However, the number of cases rejected due to funding limitations is not specifically monitored or even known. This would be useful information to communicate to senior ministry decision-makers as part of the Ministry’s annual budgeting process.

**Timeliness of Decisions**

The Office has identified the issue of delays in the intake process as a concern to its stakeholders. It completed internal reviews in 2007 and 2008 to seek ways to improve the process. The 2007 report made 15 recommendations, including changes to the intake form, training for staff, granting more authority to intake staff to refuse files, replacing the Case Track system, and reassessing the 21-day target turnaround time for deciding whether to accept or refuse a case. At the time of our audit, the Office had implemented or partially implemented seven of the 15 recommendations and was working to address those that remained. For instance, intake staff report weekly to management the number of cases refused and accepted, the number still waiting to be processed, and the reasons for refusing cases to help identify outstanding cases and causes of delay.

We noted that the Office has made headway in reducing delays in decision times, but not enough to achieve the 21-day target turnaround time. Our sample showed that average turnaround time significantly improved between 2008/09 and 2010/11, falling from 68 days to 39 days, but it was still about 85% higher than the target. The Office records the date a file is received and the date a recommendation to accept or refuse a case is made by an intake clerk, but it does not record the date the Personal Rights Legal Director or Manager of Clinical Services makes the final decision. It is difficult to accurately assess where bottlenecks are occurring if this information is not tracked. Using data from Case Track that includes the date a case is received and the date that it is forwarded to the Director or Manager for a decision, our analysis indicated that over the last three years:

- 17% of cases took 21 days or less to be forwarded;
- 67% took between 22 days and 56 days to be forwarded; and
- 10% took 57 or more days, or more than eight weeks, to be forwarded.

We could not determine time frames for the remaining 6% of cases because of missing or inconsistent information in Case Track.

**Case Assignment**

The Office’s Accounts and Referrals unit is responsible for assigning protection cases when a court
order is received requiring the Office’s involvement and for assigning accepted custody and access cases. Cases outside of the Toronto region are generally assigned to panel agents residing in the local community. Cases in the Toronto region are assigned to both in-house staff and panel agents.

Panel agents have voiced concerns about unfair distribution of cases across a particular region. We also noted wide disparities in the number of cases being assigned to agents within a geographic region. Although an agent may have a good reason for not carrying more cases (such as being newly empanelled or having other workload), the Office has an inadequate system in place to monitor and track panel agents’ workload or their reasons for rejecting cases. Our analysis indicated that in one region there were 22 active legal agents, each carrying an average caseload of 17 files; six of these agents were carrying fewer than five files, and four of them were carrying 30 or more. The Office could more appropriately assign cases if it tracked and took into consideration the current caseload of each of its panel agents.

Furthermore, the Office has a policy requiring prior authorization for legal agents to be assigned more than 50 files at a time and for clinical agents to be assigned to prepare more than two Children’s Lawyer Reports per month. (If the parties do not resolve the dispute, the clinical investigator prepares a Children’s Lawyer Report under the *Courts of Justice Act* for the court that assesses the children’s wants and needs and the family’s circumstances.) Accounts and Referrals staff informed us that there is no documentation in the personnel files or any notation in Case Track to indicate a legal agent having received authorization to carry more than 50 cases at a time. Accounts and Referrals staff told us that they rely on the supervisors in other areas of the Office who monitor agents to advise them that an agent should not be assigned any more files. As of April 2011, there were 15 legal agents who were carrying more than 50 files. One agent had a caseload of 123 files. However, no documentation was on file indicating that the required prior authorization had been given for these agents to carry more than 50 cases.

Similarly, there was no documentation or notation in Case Track to indicate a clinical agent receiving authorization to be assigned more than two Children’s Lawyer Reports per month. We were informed that, although supervisors monitor case-loads through regular file reviews of each agent, the Accounts and Referrals staff who actually assign the cases did not actively keep track of agents’ case-loads. We noted that as of April 2011, there were eight clinical agents with a caseload of 10 or more Children’s Lawyer Reports.

We also found that there was no tracking of files waiting to be assigned at Accounts and Referrals. Clerks report monthly on the number of unassigned files, but they do not report how long those files have been left unassigned. We were informed that a case may take up to three weeks to be assigned because there are no agents willing or able to take it. Possible reasons for this include conflict of interest and excessive workload. The Office does not formally keep track of panel agents’ refusal of cases and their reasons for refusing a case. It has attempted to address delays by recently implementing a new procedure that requires clerks to bring a file to the attention of the manager if it has been unassigned for two weeks. In the meantime, the Office advised us that child protection cases are a high priority for the Office and are assigned to an agent within five business days of acceptance in 80% to 90% of cases. However, we found long delays for custody and access cases to be assigned, as follows:

- 7% of cases took 28 days or less to be assigned;
- 36% took between 29 and 56 days to be assigned; and
- 47% took 57 or more days, or more than eight weeks, to be assigned.

We could not determine time frames for the remaining 10% of cases because of missing or inconsistent information in Case Track.
RECOMMENDATION 1

To ensure that its intake and referral services make appropriate and timely decisions on whether to accept or reject a custody and access case and whom to assign a personal rights case to, the Office of the Children’s Lawyer (Office) should:
- establish criteria for accepting cases based on the best interests of the children involved and the benefits provided by the Office’s involvement, and track these reasons for accepting them—the reasons for refusing cases should also continue to be tracked, but recorded more accurately, including noting when funding limitations affect the decision to refuse a case;
- examine the impact on children and the courts of its refusal rate of more than 40% for custody and access cases referred to the Office by the courts;
- monitor the number of cases assigned to each in-house lawyer and panel agent, and ensure that higher-than-normal caseloads receive the required authorizations; and
- establish recording and reporting systems that allow management to adequately track and monitor the time it takes to accept or reject a custody and access case as well as to assign an accepted case, and use this information to identify any systemic reasons for delays.

OFFICE RESPONSE

The Office strives to be responsive to the needs of children, parents, other parties, and the family courts and to inform them in a timely way about whether custody and access cases have been accepted.

The Office is also committed to providing staff with the tools they need to make appropriate case acceptance/refusal decisions and to accurately record the reasons for decisions taken.

The Office is taking steps to:
- articulate and record in more detail the criteria used by the Office when accepting or refusing a custody and access case, including specifying when funding limitations are a factor;
- communicate to senior management in the Ministry the number of custody and access cases accepted and refused;
- reduce the current turnaround times for communicating a decision to accept/refuse a case;
- monitor and authorize, when appropriate, panel agent caseloads that are beyond established thresholds; and
- analyze and measure case flow to identify systemic issues affecting the management of cases from the time a case is opened to its assignment, if accepted.

TIMELINESS OF COURT REPORTS

The Family Law Rules of the Superior Court of Justice require that the Office file a Children’s Lawyer Report with the court within 90 days of serving notice to the parties that an investigation is to be conducted. We were informed that the Office does not view the 90-day time frame to be realistically attainable and that it has attempted in the past to extend this time frame through discussions with the Family Rules Committee but was unsuccessful. The Office monitors the number of reports that meet the 90-day requirement and the number of reports that were completed within 120 days. Since April 2006, the Office has reported that less than 20% of assigned reports were filed within 90 days, with an additional 22% of reports filed within 120 days. We also noted that 25% of reports took more than 180 days to complete, with the longest taking almost 400 days. The Office had not established an action plan to improve its performance in meeting the 90-day deadline.
PANEL AGENTS

Empanelment Process

The Office uses “panel agents”—lawyers and clinicians (that is, social workers or psychologists) working in private practice—to supplement its own staff and to provide services throughout the province. An empanelment process is used to select and prequalify lawyers and clinicians, who are then enrolled to a list, also called a panel, and who can then be assigned cases in their region.

We found that a comprehensive empanelment-selection process was in place for lawyers and clinicians hired for personal rights cases, but there was no equivalent process for the lawyers the Office used in property rights cases.

The Office advertises its empanelment process, and interested lawyers and clinicians submit applications and references. The Office requires that personal rights legal and clinical agents have sufficient credentials, knowledge, experience, and interpersonal skills to deal effectively with children and families. Both legal and clinical applicants must sign an agreement listing the undertakings expected of the agent if he or she is selected for the panel—agreeing to comply with Office policies and procedures, lawyers being a member in good standing with the Law Society of Upper Canada, submitting invoices on time, attending training, and accepting all cases assigned except where there is a conflict of interest.

The Office’s panel agents for personal rights cases are retained for a three-year term. They may leave or be removed from the panel at any time, and new agents may be hired in-term, if required. At the end of the empanelment period, agents must reapply if they wish to remain on the panel. At the time of our audit, there were about 335 active panel lawyers carrying more than 7,200 cases, and about 180 active clinical agents carrying about 1,150 cases. We concluded that this was a sound process.

However, the Office has not established a similar process or criteria for its property rights agents. At the time of our audit, there were 98 private lawyers retained by the Office for property rights cases, an increase of 17 lawyers or 17% from the previous year. The Office informed us that it seeks out lawyers in private practice who have skills and experience in conducting estate and civil litigation cases. The Office also relies on lawyers that have established good working relationships based on previous services provided. Nevertheless, a more formal and open empanelment process for property rights lawyers would be more consistent with the general principles of a transparent and fair procurement process.

RECOMMENDATION 2

To help improve its performance in meeting a regulated 90-day deadline for filing Children’s Lawyer Reports with the court, the Office of the Children’s Lawyer should establish a formal strategy that addresses the changes needed to its systems and procedures in this area.

OFFICE RESPONSE

The Office remains committed to delivering its Children’s Lawyer Reports to the parties and the courts in a timely manner. The preparation of these reports is time-intensive and requires meetings with the parties, meetings with the child(ren), observing the parties and the child(ren), obtaining information from several external sources, and drafting the report. Accordingly, it is often difficult to meet the 90-day timeline.

To improve timeliness, the Office is examining and analyzing the obstacles to meeting the 90-day timeline. It is also exploring alternative forms of fact-gathering and report-writing, both within the Office and with stakeholder partners. An action plan is being developed, geared specifically to reducing impediments to meeting the 90-day timeline.
Tariff Rates

The Office sets maximum amounts for the rates and hours that personal rights panel agents are allowed to charge for their services. Any service hours charged over the maximum require prior authorization by the Office. In general, lawyers may charge up to 30 hours for the first year of a case, and up to 15 hours for the second and each subsequent year, which is increased to 40 and 20 hours, respectively, if four or more children are involved. They are also allowed additional hours if the case proceeds to trial. Clinical panel members can charge up to 30 hours for preparing a Children’s Lawyer Report or in the first year in a case requiring clinical assistance, and up to 15 hours in each subsequent year.

Historically, changes to the tariff rates paid to Legal Aid Ontario lawyers have been followed within a few months by a matching increase in the Office’s legal tariff rates.

On January 25, 2010, the Attorney General announced that the province was going to increase the rates for Legal Aid Ontario lawyers. One of the changes introduced under the agreement was an increase in hourly fees for criminal, family, immigration/refugee, and mental-health lawyers by an average of 5% per year for the next seven years. As of April 1, 2011, lawyers working for Legal Aid Ontario receive an hourly rate of around $112, compared to a rate of $97 for those hired by the Office. However, the Office’s last tariff increase was approved more than three years ago by the Ministry.

Stakeholders advised us that they found the difference in rates for similar services unfair because in many cases in the same courtroom parents may be represented by Legal Aid Ontario lawyers while their children are represented by the Office’s panel lawyers at a lower rate.

The Children’s Lawyer has made a request to the Ministry to match the rates paid by Legal Aid Ontario. The Office estimated that the financial impact of this proposed tariff increase would be a 10% rate increase effective November 1, 2010, and would result in the Office requiring approximately $732,000 in additional funds for the 2010/11 fiscal year and 5% per year over the subsequent five years. At the time of our audit, the Office’s request had not been approved.

Property Rights Legal Fees

When the Office represents a child in an estate matter, the services will be paid for by the Office at the tariff rate unless the fees can be paid by another party to the litigation or out of the estate/trust, or the settlement. When the fees are to be paid by another party, or from the estate/trust or settlement, the property rights staff lawyers review the accounts and the court approves the payments from the other party or the child’s funds. In civil cases, when damages are paid to a child, such as for accident claims, panel agents are instructed to seek recovery of their costs from another party to the litigation whenever possible. If it is not possible to recover costs from another party, fees are paid from the settlement, after being approved by the court.

We noted that the Office was paying lawyers it engaged for property rights cases $97 per hour when the Office paid for the services, but had established a policy that allowed lawyers to “charge their usual hourly rate” up to a maximum of $350 per hour ($300 per hour before June 2010) when a child paid for the services from the estate/trust or settlement. The Office advised us that a higher rate was established as a means of attracting and retaining property rights counsel to do work for it. In 2002, the rate was capped at $300 per hour. In our discussions with them, Office staff noted that they hire expert lawyers to handle more complex cases, sometimes on a contingency-fee basis, and this expertise necessitates higher fees. In our view, this still does not explain why the Office permits lawyers to charge only the tariff rate when the Office is paying and to charge a rate that is more than three times higher when they are being paid from the child’s funds.

The Office informed us that it reviews all cases that have settled with payments to agents to ensure
that the payments made on behalf of the child are acceptable and that these fees are approved by a court. We requested information on how much has been paid to lawyers from estates/trusts and settlements at the rate above the tariff, but the Office does not keep track of this information because the payments do not come from its budget. Therefore, the Office could report only the amount that it paid out to property rights agents at the tariff rate, which was $354,000 in 2010/11.

Because the Office pays the lower tariff rate to many different panel lawyers for property cases, it should have a good understanding of which of these lawyers are most capable of handling the more complex cases. We suspect that many of these lawyers might well, if offered the opportunity, be willing to undertake property cases on behalf of a child’s estate for significantly less than $350 an hour.

**Payments**

Legal and clinical agents for personal rights cases are required to submit invoices to the Office at least three times per year but not more than once a month and not for less than $100 for services rendered.

Accounts and Referrals clerks receive all personal rights agents’ invoices and manually enter the payments in Case Track. The clerks check the invoices for accuracy, correct tariff rates, and approved disbursements and ensure that any amounts over the tariff rate include documentation of prior authorization before approving them for payment. However, the clerks do not have the knowledge of the cases to be able to assess whether the amounts billed are reasonable given the services provided. A supervisor, staff lawyer, or clinical investigator reviews panel agents’ files as part of the Office’s quality assurance program, but this review does not include an assessment of invoices either before or after payment to ensure that the charges were reasonable. Office staff informed us that supervisors have occasionally conducted ad hoc file examinations where billings that were considered higher than the average amounts were reviewed for reasonableness of services provided, but these examinations have not been consistently done and there was no record of specifically which files were reviewed or any documentation of the procedures followed when they are done.

Until 2010, invoices pertaining to a particular case were not centrally stored; rather, the invoices relating to the case could be located in several different batches of payments, making it labour-intensive to locate all of an agent’s invoices for a single case to review the billings after payments had been made. Although invoices are now filed by case, processes for regularly examining payments have still not been established. At the end of our audit fieldwork, the Office told us that it had been informed by an outside source about possible fraudulent billings by a panel agent that may have taken place over the past 10 years and, although it was still too soon to know the extent of the billing irregularities in that particular case, it had initiated an investigation of its payment practices. We also noted from our discussions with Legal Aid Ontario that it was implementing a process for conducting regular post-payment examinations of its panel lawyers’ invoices to ensure that the payments made to the panel lawyers were appropriate and reasonable in relation to the work done.

The Office informed us that agents regularly complain about the length of time it takes for their invoices to be paid. One of the Office’s performance measures is to have 80% of invoices paid within 30 days. The Office has reported its difficulties in meeting this target—the percentage of invoices paid within 30 days fell from 78% in 2006/07 to just 26% in 2009/10. The Office informed us that it is working to address delayed payments and has hired contract staff for 2010/11 and 2011/12 to clear the backlog of invoices waiting to be processed. This resulted in 71% of invoices being paid within 30 days for the 2010/11 fiscal year. However, the Office has not determined whether it is possible to change its current business processes to expedite
invoice processing without having to resort to the periodic use of contract staff.

**Block Payments**

Block fees are fixed fees that are paid for common types of services. We discovered that, to reduce administrative costs and provide more financial certainty, Legal Aid Ontario was changing to a block-fee framework for many legal services rather than paying by the actual number of hours incurred on a case. To implement block-fee payments, Legal Aid Ontario reached an agreement with its legal stakeholders to pilot a new payment method. The first and second phases of its block-fees program were implemented in May 2010 and May 2011.

The Office informed us that it was not formally considering other billing structures, such as block fees or alternative payment arrangements, for personal rights cases. We were also advised that the Office had implemented a block-fee arrangement with a firm to handle aspects of its 2003–2009 property rights cases; however, the Office did not have any information or analysis on the cost-effectiveness of this arrangement.

The Office’s annual review of tariff fees paid to panel agents includes a review of the total hours paid for and total disbursement amounts above the standard tariff hours allowed. However, we noted that the Office’s billing system is not capable of reporting on the number of hours and amounts billed compared to the allowable maximums and other similar analyses. Access to information on the extent to which particular types of cases require more or less than the standard tariff hours, or on whether certain agents consistently require more or less time than the tariff allows, would be useful in evaluating allowable tariff hours and different payment frameworks.

**RECOMMENDATION 3**

To ensure that it has adequate systems, policies, and procedures for acquiring, reimbursing, and managing its legal and clinical panel agents, the Office of the Children’s Lawyer (Office) should:

- develop a more open empanelment process for lawyers hired for property rights cases similar to the sound process already in place for personal rights panel agents;
- further consult with the Ministry of the Attorney General on establishing a process whereby the tariff rates for panel lawyers would be the same as the rates paid by Legal Aid Ontario;
- assess whether alternatives may be available to retain appropriate lawyers for property rights work to enable at least some reduction in the current significant premium rates being paid for services billed directly to the estates/trusts or out of settlement funds belonging to the child;
- implement better systems and procedures for scrutinizing legal fees, such as post-payment examinations and assessing the reasonableness of invoices, and for paying them within targeted time periods; and
- in conjunction with its stakeholders, research and evaluate alternative methods of payment to its panel agents, such as block-fee payments, that would increase financial certainty in payments and reduce administrative processing requirements and costs for the Office.

**OFFICE RESPONSE**

The Office values the experience, knowledge, and commitment of its legal and clinical panel agents and is committed to providing high-quality services for children in a cost-effective manner. Accordingly:

- The Office will develop a fair and open process for the empanelment of qualified agents to provide representation for the Children’s Lawyer in property rights cases across the province, similar to the process already in place for personal rights panel agents.
PROGRAM COSTS
Cost Analysis and Forecasting

We found, as shown in Figure 4, that the Office’s expenditures had increased at a substantially higher rate than its underlying service volumes over the past 10 years and that the Office needed better management information to allow it to ensure and demonstrate the cost-effectiveness of its operations. For instance, over the 10-year period from the 2001/02 to the 2010/11 fiscal years, we noted the following:

- Overall program expenditures increased from $20.6 million to almost $32 million, or by 55%.
- Payments made to panel agents, which account for approximately 70% of the Office’s total budget, increased from about $13.6 million to $21.7 million, or by 60%.
- New cases accepted decreased by about 20%, and the Office’s overall active caseload did not change significantly.

Although some of these changes can be explained by three tariff-rate increases over this period, the Office had not conducted any formal analysis to identify the extent to which other factors—such as more complex and time-consuming cases or process inefficiencies—contributed to the disproportionate cost increases.

The Office will canvass other Ontario Public Service and broader-public-sector organizations and consult with stakeholders to assess whether there are suitable alternatives to the current retainer model that can be used in the small specialized portion of property rights cases where panel agents are retained. Such an approach must, however, maintain the high-quality legal representation that the Office currently provides to children.

The Office’s new case management system, Children Information and Legal Database (CHILD), scheduled for phase-one implementation in December 2011, will automate and improve the Office’s information technology systems, as well as its processes for acquiring, reimbursing, and managing its legal and clinical panel agents. The second phase of implementation of CHILD, scheduled for spring 2012, will allow for electronic billing and more timely and efficient invoice payments.

The Office will improve current auditing and assessment of agent bills-of-account for reasonableness and compliance with legal and clinical tariffs, as well as consider alternative methods of review and payment of its fee-for-service panel-agent invoices, such as post-payment examinations. It is anticipated that the portal component of the new system will significantly automate the submission and processing of agent payments, and reduce the Office’s administrative costs.

The Office will also examine alternative billing methods, such as block-fee payments, as part of the new systems evaluation.
We also found that the Office was not tracking and monitoring its case costs as fully as it could. For instance:

- The Office does not know the cost of handling a personal rights case from beginning to end. Instead, to determine its budget the Office calculates the average cost of all the ongoing personal rights cases in a particular year by totalling the amounts paid out that year divided by the total number of ongoing cases at the end of the year. The Office also uses averages to estimate case cost per agent in a given year, and has occasionally used this method to target agents for file audits on an ad hoc basis.

- The Office also does not determine the cost per property rights case. It informed us that, because the cost of using agents in property rights cases is relatively low, a lump-sum forecast of $400,000 for all cases is budgeted every year.

- The Office has no time-docketing system in place to track the amount of time in-house legal and clinical staff spend on each case. As a result, it cannot do a comparison of handling a case in-house versus with panel lawyers to determine what is more cost-effective and efficient for different types of cases. It could also only estimate the time personal rights staff spent on supervision and quality assurance activities for panel agents, which it estimated took 60% to 80% of staff’s time. The Office informed us that it was considering time-docketing for its new computerized case management system, CHILD, which is discussed later in this report, but this function was not part of the project at the time of our audit.

Co-operative Arrangements with Similar Organizations

The Office has not formally examined opportunities for sharing costs and resources and co-operating with organizations that provide similar legal or support services. For example, the Office of the Public Guardian and Trustee (OPGT) acts as Litigation Guardian for mentally incapable adults, and Legal Aid Ontario provides legal representation to adults, primarily using panel lawyers. Making use of such co-operative arrangements could help reduce overhead expenses and build capacity and might enable the Office to deliver its programs more cost-effectively. Approximately 25 of the Office’s 85 staff perform administrative duties, and legal and clinical staff conduct training, and hire and supervise panel agents, in addition to working on cases.

We identified opportunities for co-operative arrangements that include training of staff and panel agents, quality assurance programs for services provided, and the empanelment process used to select panel agents. We were informed that the Office has worked with Legal Aid Ontario in the past to offer training sessions to panel agents in conjunction with duty counsel. Also, OPGT and the Office provide similar services in property rights (for example, both may act as Litigation Guardian for adults and children, respectively), yet the Office has not explored opportunities to share resources with the OPGT. However, we did note that there is a protocol between the OPGT and the Office for cases where there may be potential duplication of services. For example, in an estate case where there is a child beneficiary and a mentally incapable adult beneficiary, and both the Office and the OPGT have taken the same position, only one office brings the case forward, so as to reduce duplication and costs.

RECOMMENDATION 4

To ensure that it has adequate management information on costs for services to enable it to more accurately assess the efficiency of both in-house staff and panel agents over time, the Office of the Children’s Lawyer should collect information on the actual costs of completing its different types of cases and other activities. It should also explore opportunities for reducing its costs or enhancing its administrative capacity by collaborating with Ontario Public Sector
In 2002, the Office developed and implemented a computerized case management system called Case Track for its personal and property rights cases. Management also relies on this system to provide timely, accurate, and relevant information for decision-making purposes.

In 2003, an internal audit followed by two subsequent systems evaluations raised serious concerns about Case Track’s viability. The 2003 internal audit report noted that the Office had no integrated case management system to effectively monitor and manage cases, nor were there sufficient access controls within Case Track to reduce the risk of unauthorized changes to case information, which may have been one of the reasons for unreliable and inconsistent data in the database. We found these issues still outstanding at the time of our audit. For example, Case Track was unable to track activity or status updates throughout a case and could capture information only at the opening and closing stages of a file. Statistics on cases sitting at the Intake and Accounts and Referrals units are gathered manually because it is not possible to record this information in Case Track. We also noted many instances of erroneous or missing data in Case Track, including almost 300 child protection cases, which are mandatory for the Office to accept, that were recorded incorrectly as having been refused.

A business technology solutions consultant the Office engaged to review its systems in 2007 reported that Case Track was meeting only 25% of the Office’s functional requirements and that the system’s design made subsequent maintenance or enhancements prohibitively expensive. The consultant recommended replacing the Case Track system even though it was only five years old at the time. In response to these findings, the Office has been working with the Ministry’s Justice Technology Services (JTS) to design and implement a new case management system called Children Information and Legal Database (CHILD) to address the current system’s deficiencies. The total cost for this project was budgeted at $3.8 million at the time of our audit, with approximately $1.4 million having already been spent. The Office informed us that it expected CHILD to become operational in November 2011. As of the end of our fieldwork, we found that the project was being managed according to the Management Board of Cabinet Information and Information Technology Directive and the OPS Integrated Project Management Framework and Methodology.
We understand that the system was designed in consultation with all of the Office’s departments to ensure that it meets key business and user needs. However, we were informed by the project’s team members that the new system will still meet only about 75% of the Office’s business requirements. There was no documentation to support this informal assessment or what requirements constituted the missing 25% but, for example, tracking the time Office staff spends on each case (time-docketing) was not within the scope of the new system’s design, although this was initially identified as a business need for approving the CHILD system and the absence of time-docketing functionality in the Office’s current system was noted as a deficiency in the 2007 business technology consultant’s report.

RECOMMENDATION 5

To ensure that the new case management information system—Children Information and Legal Database (CHILD)—being developed will resolve deficiencies in the system it is replacing and meet current business and user requirements, the Office of the Children’s Lawyer, in conjunction with Justice Technology Services (JTS) project managers, should prepare an interim report for senior management comparing the deficiencies of the existing system to the intended functionality of the new system and identify any expected gaps or limitations in CHILD’s design. The interim report should also address how the new system will improve safeguards for confidential information and improve data integrity and case file management and controls.

OFFICE RESPONSE

The Office’s new case management system, CHILD, has been designed to resolve many of the information technology, information management, and process deficiencies identified in this audit. The system has been developed to meet 100% of the documented business requirements signed off on by the Office–JTS Project Team and governance structure. The system has also been built using an iterative design methodology that will ensure that the application functionality aligns with business needs and process improvements. Important additional functionality, such as time-docketing, is planned as part of a future phase of the project.

The Office and JTS are preparing an interim report that includes a gap analysis to describe how the new application will address existing system deficiencies. The project and governance teams are confident that the new system will meet the required levels of confidentiality and provide for improved data integrity and systems controls.

TRANSITION TO ADULTHOOD

We noted that there is no formal protocol in place to assist children turning 18 who have been represented by the Office. Once a mentally competent child turns 18, the Office ends its involvement in any of his or her legal matters because it does not have the legal authority to act on behalf of adults. Children are notified in writing of the termination of the Office’s involvement and are advised to retain their own counsel if they wish to continue to pursue a legal matter, such as a pending civil lawsuit. Without continuity of service or any type of planned transition or offer of support services, there is a risk that a child’s interests will not be adequately protected after he or she turns 18. We acknowledge that there are legal limitations on the Office’s further involvement when the child turns 18 and is legally considered an adult capable of making informed decisions. However, the children to whom the Office provides property rights services typically may not have parental or other support or may have a legal conflict with family members, and may become responsible for complex estate
and injury cases involving significant financial matters. They also may not be able to afford further legal representation or qualify for Legal Aid Ontario support. In many cases, they may lack both the maturity and the experience to know what to do when they receive such a “now-in-your-hands” letter from the Office.

The Office advised us that it does have informal arrangements in place with the OPGT for the transition of minors who may be mentally incapable and are turning 18. The OPGT conducts an investigation when it receives information from the Office that a child turning 18 may be incapable and therefore at risk of suffering serious financial or personal harm and no alternative solution is available. This investigation may result in the OPGT asking the court for permission to make decisions on the person’s behalf. The Office informed us that it is currently working with the OPGT to develop a standard letter to be sent to the child and other affected parties in cases where a transition to the OPGT after the child turns 18 may be necessary.

**QUALITY ASSURANCE AND TRAINING PROGRAMS**

We found that the Office had established quality assurance processes and training programs to help ensure that legal and clinical investigative services were being consistently and competently delivered to children by qualified service providers.

**Performance Evaluations and File Reviews**

As previously mentioned, we were informed that personal rights staff lawyers and clinical investigators estimate that they spend from 60% to 80% of their time supervising panel agents to ensure that they provide timely and quality services. The rest of their time is spent working on cases of their own, participating in committees, and planning for agent training. The performance of new panel agents is reviewed 18 months into the three-year empanelment period to determine whether the agent should remain on the panel, remain empanelled on conditional status, or be removed from the panel. A similar review is conducted at the end of the empanelment period for those agents seeking re-empannelment. These reviews consist of an evaluation of an agent’s performance based on criteria such as legal or clinical skills, compliance with Office policies and procedures, case management, and general administrative skills.

The individual case files of all in-house staff and panel agents are also reviewed on a regular basis. Regional supervisors conduct these file reviews once every four months for new and conditional legal agents, once every six months for all other legal agents and in-house legal counsel, and quarterly for all clinical agents. Prior to the file review, the panel agent or in-house member of staff is required to submit a reporting letter or status review, which consists of a brief summary of the case, the work they have performed to date, and the work yet to be done. The supervisor then evaluates the quality of the agent’s work against various criteria, such as the number of times the agent met with the child,
whether the position taken was appropriate, and whether sufficient information was gathered from collateral sources to support the position. Clinical agents are also required to submit their completed Children’s Lawyer Report for approval by their supervisor and the Manager of Clinical Services before the final report is submitted to the court.

Any concerns identified with the work of a panel agent are discussed with the agent; if the work has been unsatisfactory, he or she may be put on a probation period or removed from the panel. The Case Track system includes a reminder system to help ensure that supervisors complete file reviews and monitor agents at the required intervals.

We reviewed adherence to the Office’s established quality assurance processes and generally found that staff were meeting set timelines for performance evaluation and file reviews and identifying significant areas of concern. As of February 2011, 17 of 345 panel lawyers had been placed on conditional status.

**Training**

Upon empanelment, new agents are required to attend a one-day orientation where they are trained in Office policies and procedures and learn generally how to conduct the various types of cases they will be assigned. In addition, the Office has training sessions in professional and administrative matters for legal and clinical agents twice a year. The Office decides on the type of training to be provided at these sessions through informal discussions with supervisors and senior management.

We noted that there was no documentation or formal training plans targeting specific competencies needed by lawyers and clinical investigators for the type of work they perform. As well, the Office did not consistently record which agents had taken which training courses. The Office also does not offer makeup sessions for agents who have missed a training session.

The most recent agreement, for the 2009–2012 empanelment period, requires clinical agents to provide proof that they have completed a minimum of 21 hours of continuing education per year. However, we learned in discussions with Office staff that they were not aware of this requirement. There was no documentation in any of the clinical agents’ personnel files we sampled to show that the agents had completed the minimum required 21 hours of continuing education per year or that this had been assessed in their most recent quality assurance reviews. In-house clinical investigators are also expected to maintain 21 professional development hours per year through reading and attendance at seminars and conferences. We noted that the Office keeps track of the seminars attended by each investigator per year, but does not note the number of hours they have completed.

**RECOMMENDATION 7**

To ensure that it is reaping the full benefits of in-house training and continuing education requirements for its panel agents and its own staff, the Office of the Children’s Lawyer should better document attendance at training and professional development activities so that such activities can be considered in its panel agents’ and staff performance evaluations.

**OFFICE RESPONSE**

The Office is committed to ensuring that it continues to provide opportunities for training and development to its staff and panel agents:

- The Office will more accurately document the attendance of panel agents at training sessions offered by the Office, and the time spent, and consider this in its agents’ performance reviews.
- The Office will more accurately document staff attendance and time spent at continuing education and professional development programs, and consider this information as part of performance management and learning development plans.
MEASURING PERFORMANCE
Performance Measures and Reporting

Over the last several years, the Office has established and used 12 performance measures to assess program performance. These include measures of the timeliness with which services were delivered and of the results achieved.

Three of the 12 measures are considered critical measures of success by the Office and are reported to the Ministry through the annual Results-based Planning process. These performance measures help report on the Office’s success in assisting in getting cases resolved or settled without going to trial, and are appropriately outcome-based. However, all involve the Office evaluating its own success. For example, the measure that reports the percentage of cases where the Office’s involvement assisted in resolving the matter is based on the legal agent’s or in-house counsel’s own assessment of his or her success in resolving the case, with no input from external stakeholders. Furthermore, there are no documented criteria against which this assessment is made. We also found that this measure needed to be more clearly defined, because it could be misleading—it claims to report on the Office’s achievement on all cases, but the information used pertains only to custody and access cases, which represent only 26% of the Office’s total cases.

Two measures pertain to the legislative requirement under the Courts of Justice Act that the Office serve and file a Children’s Lawyer Report to the court within 90 days of serving notice to the parties of an investigation: the number of reports that meet the 90-day requirement and the number of reports that were completed within 120 days. However, as mentioned earlier, in the last five years, fewer than 20% of the assigned reports were completed within the 90-day time frame.

During the 2010/11 fiscal year, more than 80% of all child protection cases received by the Office were handled outside of the Toronto area. Before April 2010, child protection cases outside of Toronto were assigned to the Office’s panel agents by Legal Aid Ontario. This arrangement has since ended, and the Office now assigns all child protection cases across the province. The Office has a performance measure in place that all child protection cases in Toronto are to be assigned within five working days, yet it imposed no similar measure for assignment of child protection cases outside of Toronto.

The Office prepares an annual review report for distribution to stakeholders such as Children’s Aid Societies, the Ontario Bar Association, the Ontario and Superior Court Justices, and Legal Aid Ontario. This annual review provides only background information on the Office, a breakdown of expenditures for the year by department, the number of cases assigned in the year, and information on the Office staff’s community involvement. In our view, the Office’s annual report would be more informative and relevant to its stakeholders if it contained more useful and objective information on the Office’s performance compared with its performance targets and if it were posted on the Ministry’s public website.

Consultation with Stakeholders

Although the Office consults with panel members on its policies and procedures, there are no formal consultation processes in place with other key stakeholders—such as the child clients, Children’s Aid Societies, and other parties to court proceedings—to regularly obtain feedback on the Office’s effectiveness and the degree to which it meets expectations.

We noted that in previous years the Office has asked its panel lawyers and clinical investigators about any concerns they might have regarding the Office’s practices, such as the level of supervision needed, timeliness of payments, training provided, and other administrative matters, and communicated the results to them. The Office conducted a consultation with panel lawyers in 2007, and most recently again in 2010. However, as of June 2011, it had not yet communicated the results of the 2010 discussions to them.
The Office also does not hold consultations with the children it serves to determine whether their needs have been met by the services that were provided. We noted a practice in Alberta where the Office of the Child and Youth Advocate initiated a client feedback process to hear about children's expectations of their legal representative and how their experiences compared to those expectations. Questions included:

- Did you understand your lawyer?
- Did your lawyer explain what was happening in court?
- Did your lawyer listen to you?
- Did your lawyer tell the court what you wanted?
- Did your lawyer answer your questions?
- Did your lawyer explain what the judge’s decision means?
- Were you happy with the legal services you received from your lawyer?

The Office informed us that the Children’s Lawyer performs outreach and establishes dialogue with organizations doing work for families and children, as well as with the judiciary. From time to time, the Office’s senior management also meet with provincial justices involved in family matters to discuss any concerns, but they did not have a record of the results of these meetings.

**RECOMMENDATION 8**

To help assess whether it is efficiently and effectively meeting the needs of its clients and stakeholders, the Office of the Children’s Lawyer should continue to develop and report key performance indicators that are clearly defined and objectively measured, establish realistic targets, and measure and report on its success in meeting such targets. It should also implement a more formal process of obtaining periodic feedback from stakeholders, such as its child clients and the judiciary.

**OFFICE RESPONSE**

The Office acknowledges the importance of continuing to develop its key performance indicators (KPIs) in support of its core mandate and of measuring the results of internal processes and services provided to children and key stakeholder groups.

The following key steps have been taken by the Office:

- The Office’s senior management team has already established a conceptual framework, based on best practices, and identified a robust set of KPIs to drive results in alignment with key operating goals and strategies. The Office’s new case management system will allow the Office to gather information about the services it provides in each region of the province.
- The Office will continue to engage in direct outreach to key stakeholders to improve the information exchange with the Office.
- The Office is developing a youth engagement strategy that will include dialogue with youth about the Office and its services.
- The Office is committed to communicating more regularly with the public about the Office and what it does for the children of Ontario.