

## 3.03–Family Responsibility Office

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### BACKGROUND

Under the authority of the *Family Responsibility and Support Arrears Enforcement Act, 1996*, the Family Responsibility Office (Office) administers and enforces all court-ordered child and spousal support in Ontario, as well as court-ordered support in many other jurisdictions where the payers are resident in Ontario. It also enforces private separation agreements that are voluntarily registered with a court and filed with the Office. At the time of our audit, the Office administered approximately 180,600 family-support cases. We understand that this number represented about half of all marriage breakups in Ontario. Other separation agreements are normally handled without the assistance of the Office.

Support orders and separation agreements may be voluntarily withdrawn from administration by the Office, as long as both parties involved agree to the withdrawal and complete the required forms. We noted that of the four other provinces whose family-support enforcement programs we contacted, three had an opt-in rather than a mandatory system, where all recipients had to voluntarily choose to have their support obligations enforced by the program.

During the 2002/03 fiscal year, the Office collected approximately \$561 million from support payers and forwarded a similar amount to support recipients (when we last audited the Office, in 1999, this amount was \$500 million). As at March 31, 2003, support payments in arrears totalled approximately \$1.3 billion, which represented an 8% increase since our 1999 audit. We also noted that approximately 23,000 support recipients, whose cases were in arrears totalling over \$200 million, were receiving provincial social assistance.

Responsibility for the Office was transferred from the Ministry of the Attorney General to the Ministry of Community, Family and Children's Services effective April 9, 2001. The Office has approximately 400 staff, all of whom are located in one central office in Toronto. In addition, the Office maintains a panel of approximately 100 private-sector lawyers to provide family-support litigation services across the province. The Office's operating expenditures for the 2002/03 fiscal year were \$28.3 million, of which \$19.8 million (70%) was for salaries, wages, and benefits.

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## AUDIT OBJECTIVES AND SCOPE

The objectives of our audit of the Family Responsibility Office were to assess whether adequate policies and procedures were in place to ensure that:

- support orders were enforced effectively and receipts were accurately accounted for and distributed to support recipients on a timely basis; and
- services were delivered with due regard to economy and efficiency and the effectiveness of the services provided was monitored and reported on.

Our audit included a review of the Office's administrative policies and procedures, interviews with appropriate staff, and an assessment of a sample of case files and pertinent summary information and statistics. Information was also obtained from external parties, such as the Office of the Ombudsman, and from family-support enforcement programs in other jurisdictions.

At the beginning of our audit, we identified the criteria that would be used to address our audit objectives. These criteria were reviewed and agreed to by senior Office management. Our audit work was primarily conducted during the period October 2002 to March 2003, with emphasis on program policies and procedures in place during the 2002/03 fiscal year.

Our audit was conducted in accordance with the standards for assurance engagements, encompassing value for money and compliance, established by the Canadian Institute of Chartered Accountants. Accordingly, it included such tests and other procedures that we considered necessary in the circumstances.

We did not rely on the Ministry's Comprehensive Audit and Investigations Branch (internal audit) to reduce the extent of our audit work because it had not conducted any audit work at the Office during the past two years.

## OVERALL AUDIT CONCLUSIONS

As was the case at the time of our last audit, in 1999, we concluded that the Family Responsibility Office did not have satisfactory systems and procedures in place for initiating contact and taking appropriate and timely enforcement action where payers were in arrears on their family-support obligations. In fact, it is our view that, unless the Office takes aggressive enforcement action, supported by effective case management and significantly improved information technology and communications systems, it is in grave danger of failing to meet its mandated responsibilities. We found that the Office's services were impaired, and we had the following concerns:

- Unlike most other provinces, which use a process of individual case management, Ontario does not assign each case to an individual caseworker. Therefore, no one individual has responsibility for or is held accountable for the administration of most

cases. In addition, although we were advised that in practice the Office has assigned cases with outstanding arrears greater than \$50,000 to caseworkers since 2001, approximately 1,500 such cases, with arrears totalling \$126.7 million, were not assigned at the time of our audit in November 2002 and were therefore not actively monitored or enforced.

- Since 1994, the number of caseworkers has declined by 20%, whereas the number of cases has increased from 126,000 to 180,600. As a result, the average number of cases per caseworker has steadily increased. For example, the number of cases with outstanding work items assigned to senior caseworkers now ranges from 600 to more than 1,300, averaging 890 per caseworker. By comparison, the average caseloads in Quebec and Alberta were 400 and 335, respectively. The Office has not established criteria or standards for determining a manageable workload. This may well have been a key factor as to why, since 1994, arrears have increased by \$600 million and cases with amounts in arrears have increased by 40,000.
- The Office's practice of commencing enforcement action only after being notified by recipients of non-payment resulted in unreasonable delays in enforcement. On average, seven months elapsed between the time support fell into arrears and the time the Office initiated the first enforcement action.
- More than half the cases in arrears we reviewed had inordinately long gaps, often as long as two years, between enforcement actions.

Staff efforts to enforce support obligations and to provide responsive services continue to be significantly hampered by the Office's inability to develop and implement the necessary improvements to the computer system. We recommended in our 1994 report that the Office improve its computer systems and ensure that the deficiencies identified were corrected. In response to our recommendation then, and again in our follow-up report in 1996, the Ministry stated that "the current computer system must be replaced." However, the same computer system continues to be used even though it cannot provide timely and appropriate information to facilitate client service or management of the program. If the Office successfully implements the improved integrated service-delivery model and the integrated information management system outlined in the business case recently submitted to the Minister, many of our concerns could be addressed.

We also found a lack of due regard for economy and efficiency inasmuch as:

- a number of cases with significant arrears were not assigned to caseworkers and therefore not actively enforced;
- arrears were not aged to determine how long amounts have been outstanding and to assess their collectibility; and
- almost 90% of telephone calls to the call centre made from outside Toronto were blocked and therefore not answered, and this required clients to call repeatedly in order to get through to have their questions answered.

Senior management of the Office was aware of a number of the needed improvements noted in this report and had prepared a business case outlining the current problems and proposed corrective actions. We understand that, at the end of our audit, the business case was being reviewed by the Minister of Community, Family and Children's Services.

In our review of the quarterly reports prepared for Management Board Secretariat and internal management of the Office, we found that they did not disclose information necessary to assess the efficiency and effectiveness of the Office.

Our review of a sample of new family-support orders and separation agreements received by the Office noted that these cases were registered and collection action initiated within the targeted 30-day time period. In the financial transactions we sampled, we also found that the accounting controls over support payments received and disbursed were satisfactory. In most cases, support payments received were generally disbursed within 48 hours of receipt.

#### ***Overall Office Response***

***The Office supports the Provincial Auditor's overall conclusions about the Family Responsibility Office and, as noted by the Provincial Auditor, has prepared a business case outlining many of the current problems and proposed corrective actions. However, the Office will be limited in its ability to address many of the specific audit recommendations with its current service-delivery model and limited supporting technology until a new service-delivery model with state-of-the-art supporting technology is implemented.***

***With an increase of 1,200 to 1,400 new cases every month, the Office cannot meet many of the audit recommendations without significant change to its business model and systems technology. From the huge number of calls that do not get through to the call centre to the lack of technology to support bring-forward actions, the Office is trying to manage the high volume of inquiries and resolve client complaints as best it can.***

***Should the Office receive approval from Cabinet to implement an improved service-delivery model and supporting technology, the Office should be able to realize significant improvements in both enforcement and customer service that will address many of the concerns outlined in the Provincial Auditor's Report.***

## **DETAILED AUDIT OBSERVATIONS**

Each year, the Family Responsibility Office registers approximately 18,000 new cases and closes about the same number of previously active cases. The Office's goal is to register new cases within 30 days of receipt of all the required documentation, at which time filing

information packages are sent to the support payer and recipient, and in most cases support deduction notices are sent to the payer's known income sources.

Although payers may make support payments directly to the Office, in most cases support payments are withheld by income sources and are remitted by them to the Office. Support payments received by the Office are to be forwarded to the recipient within 48 hours of their receipt by the Office. When a payer is in partial compliance or non-compliance with his or her support obligations, the Office may take a number of progressively aggressive enforcement actions on receiving initial notification of non-payment or partial payment by the support recipient.

At the time of our audit, approximately one-third of all payers were in full compliance with their support obligations, one-third were in partial compliance—defined as meeting at least 85% of their current monthly obligations—and one-third were in non-compliance. We note that the definition of partial compliance has changed since the time of our last audit; therefore, a comparison of compliance rates is not meaningful.

Detailed information about the status of their accounts with the Office is available to both support payers and recipients through the Office's toll-free call centre. Limited account information can be obtained from an automated telephone inquiry line, and general information about the Office can be obtained from the Office's Web site.

On April 1, 2000, the Office introduced a number of fees as shown in the following table.

**Administration Fees**

Type of Fee	Amount
Additional director's statement of arrears	\$25 per statement (after the first statement request)
Postdated cheque	\$10 per cheque
Adjustment to records after direct payment of support to recipient from payer	\$100
Confirmation letters re: real estate transactions	\$150
Aggressive enforcement process	No more than \$400 in a 9-month period

*Source of data: The Family Responsibility Office*

We noted that for the fiscal year ended March 31, 2003, the total administrative fees collected by the Office were \$744,366.

***ENFORCING SUPPORT OBLIGATIONS AND RELATED MATTERS***

Many of the following concerns were well known to senior management of the Office and a business case had been prepared outlining the current problems and proposed corrective

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actions. At the end of our audit, we understand that the Minister of Community, Family and Children's Services was reviewing the business case.

## Case Registration

Requests to register and enforce family-support orders and separation agreements are received in the Office's intake unit, where they are reviewed. If the information provided is complete and accurate, the Office's goal is to register the case and initiate enforcement action within 30 days of receipt of the information. Our review of a sample of case files registered during the 2002/03 fiscal year found that in approximately 90% of the cases the initial information received was complete and accurate. Generally, these cases were registered and enforcement was initiated within 30 days.

Support orders and separation agreements that are incomplete or that contain contradictory information cannot be registered and are instead returned to the sender for completion or clarification. However, the Office did not have adequate procedures in place to ensure that the required information or clarification was received back on a timely basis and to follow up when it was not. In these instances, registration and enforcement were delayed on average for about three-and-one-half months, and in some cases for as long as eight to ten months. Such situations can create serious financial hardship for the affected recipients who rely on the Office to ensure they receive their support payments.

### Recommendation

**To ensure the Office fulfills its responsibilities to collect and forward support payments to families, it should ensure that it receives all the required information for registering and enforcing support obligations on a timely basis and promptly initiate follow-up action when it does not.**

### Office Response

*In many cases, the Family Responsibility Office does not have full control over all the information it needs to register and enforce support obligations in a timely manner because it necessarily relies on others to provide it with the required information. However, the Office will continue to develop outreach plans to work with the appropriate stakeholders (e.g., courts, lawyers, and so on) who have responsibility for forwarding case registration information to the Office.*

*Currently, consistent and timely follow-up by the Office is still strongly hampered by the lack of technology that supports bring-forward notes and automatic reminders. Should the Office receive approval to implement the proposed new service-delivery model and supporting technology, it is expected that there will be significant improvement in case registration processes and in the ability to ensure prompt follow-up on any outstanding information that is required before the Office can take action.*

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*The Office will also undertake a review and redesign of its filing package to help clients better understand what information is required and to make it easier for them to fully complete the package.*

## Document Scanning

The Office's intake unit receives approximately 1,300 faxes and 2,300 pieces of mail relating to active cases per day. The Office requires that all these documents be scanned. Scanned documents are to be available electronically to all caseworkers for case administration purposes and for answering inquiries through the Office's call centre.

We found, however, that the document-scanning and retrieval process was not working as intended for the following reasons:

- In some cases, documents that should have been scanned were not.
- Some scanned documents were of such poor quality that they were unreadable.
- The Office's scanning equipment cannot scan blue ink, but the documents sent out by the Office for respondents to complete do not request that blue ink not be used.
- The computer system that provides caseworkers access to scanned documents is typically out of service for about one hour per day and this results in lack of access to required information when caseworkers answer client inquiries.

These document problems are particularly detrimental to the productivity and efficiency of staff assigned to the call centre.

### Recommendation

**In order for all necessary case documentation to be available on a timely basis for administering cases and for answering telephone inquiries, the Office should ensure that:**

- all necessary case documentation is scanned;
- scanned documents are of an acceptable quality; and
- system downtime is minimized.

### Office Response

*The Family Responsibility Office is aware that the current document-scanning and retrieval process is a problem. Last year, in order to address the issue, the Office undertook a rigorous review process for acquiring a new document-scanning system. Following Management Board of Cabinet guidelines, the Office made a recommendation for replacing the current system with a system that is much faster and more efficient and meets the business needs of the Office.*

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*A vendor has been chosen and the new document-scanning system should be in place in fall 2003. Successful implementation of the new system will include appropriate training, as well as ensuring that appropriate policies and procedures are in place and adhered to by staff.*

## Case Management Model

As it did at the time of our last audit, in 1999, the Office continues to manage its caseload on an “issue management” basis. In this method, any caseworker can answer inquiries with respect to a particular file and perform simple tasks—for example, processing an information update such as an address change. However, certain tasks that require in-depth knowledge of the case and potential follow-up at some future date can be performed only by senior caseworkers who temporarily assume exclusive jurisdiction over that case until the issue is resolved.

Although the issue management model has some obvious advantages, such as providing maximum flexibility in responding to case inquiries and processing the many routine information updates that are often necessary, our view continues to be that it has a number of significant shortcomings that include the following:

- Since the majority of cases are not assigned to caseworkers, no one individual has responsibility for administering them. In that regard, we note that, although we were advised that in practice the Office has assigned cases with outstanding arrears greater than \$50,000 to caseworkers since 2001, approximately 1,500 such cases, with arrears totalling \$126.7 million, were not assigned at the time of our audit in November 2002 and were therefore not actively monitored or enforced.
- Since a caseworker in effect voluntarily assumes responsibility for a case as a result of fielding an inquiry or complaint, assigned caseloads vary significantly. They range from about 600 cases to, in one instance, more than 1,700 cases per caseworker.
- Many caseworkers often worked on the same case over a period of time. For example, our review of a sample of case files found that on average seven different caseworkers worked on the same case over a period of five years. In one instance, 34 different caseworkers worked on the same file over the same five-year period.

We understand that Ontario is one of two provinces that have not adopted a case management service-delivery model where a specific caseworker is assigned to each case. The benefits of assigning a caseworker to each file are that the performance of all caseworkers in collecting arrears can be monitored and ongoing familiarity with the case details facilitates effective collection action.



**Recommendation**

To help ensure that effective and timely enforcement actions are taken, the Office should review its case management practices and consider assigning the responsibility for each case to an individual caseworker.

**Office Response**

*Since 1996, the Family Responsibility Office has operated under an “issue management” system, rather than a case management system. The Office recently completed a comprehensive feasibility study with an intensive review of alternative case management options. In particular, the case management systems of other enforcement jurisdictions were reviewed to determine if they would work here in Ontario.*

*As a result, the Office has developed a proposal to implement an Integrated Service Delivery Model—a comprehensive case management model—that includes integrated teams for providing client service. The Ministry is currently reviewing the proposal for this model, and it is hoped that the proposal will be approved by Cabinet shortly.*

**Caseloads**

A manageable caseload is a prerequisite for caseworkers to administer family-support cases adequately. At the time of our audit, the Office had approximately 160 staff who worked part-time on enforcement and case administration and part-time in the Office’s call centre. Specifically, 100 of these were senior staff members who were more experienced and answered calls for three hours per day and 60 were junior staff members who answered calls for four-and-one-half hours per day. The time not spent answering calls was used primarily for individual case administration and enforcement.

Even though high caseloads were a concern at the time of our 1999 audit, the average number of cases per caseworker has steadily increased over the years as detailed in the following table.

**Number of Cases per Caseworker, 1994–2003**

	March 2003	March 1999	March 1994
Total cases	180,600	170,000	126,000
Number of caseworkers	160	200	200
Cases per caseworker	1,129	850	630

*Source of data: The Family Responsibility Office*

In addition, the number of case files assigned to senior caseworkers with outstanding work items (see the next section on “Bring-forward Notes”), generally ranged from approximately 600 to more than 1,300, and averaged 890.

Although increased caseloads may be justifiable when there have been improvements in business processes or information technology support, this has not been the case in Ontario over that time. We also note that in comparison, similar family-support enforcement programs in Quebec and Alberta had an average caseload of 400 and 335 cases per caseworker, respectively.

### **Recommendation**

**To help improve the administration of family-support cases in a timely and effective manner, the Office should establish criteria and standards for manageable caseloads and staff accordingly to ensure that the standards are met.**

### ***Office Response***

***As previously noted, the Family Responsibility Office has reviewed alternative service-delivery models and recognizes that there must be a move towards a case management system with supporting technology (rather than an issue management system). This move is pending the Ministry’s decision on the options provided by the Office.***

***Under the proposed case management system, enforcement officers would have cases assigned to them and be directly responsible for those cases over the long term, rather than working in a call centre capacity as they do now. This would ensure that each case is followed through from beginning to end and that the appropriate follow-up is completed. The shift to a case management model would assist in ensuring manageable caseloads as enforcement officers would be able to spend their time focusing on enforcement and not on call centre shifts. A small call centre to handle general inquiries would still operate.***

***Should the Office receive approval from Cabinet to implement the proposed case management model and supporting technology, the Office will develop appropriate criteria and standards for manageable caseloads. With 1,200 to 1,400 new cases each month, the Office believes that the proposed system would help to realign resources and create more manageable caseloads.***

## **Bring-forward Notes**

As a result of either a client inquiry or enforcement action undertaken, caseworkers often enter a bring-forward note into the computerized case-file information system. The bring-forward note is an automatic reminder to a caseworker that the inquiry or enforcement action needs to be followed up on, usually within 30 days of placing the note on file.

Our review of outstanding bring-forward notes for a sample of caseworkers found that for many there was no follow-up on a timely basis. The number of bring-forward notes that were not followed up on within the required 30 days ranged from 46 to more than 800 per caseworker, and averaged more than 300. In addition, many of the outstanding bring-forward notes were more than a year old, indicating that required action had not been taken for a very long time.

**Recommendation**

To help ensure that client inquiries and enforcement actions are dealt with appropriately, the Office should ensure that all caseworkers conduct the necessary follow-up work on a timely basis.

**Office Response**

*The Family Responsibility Office is committed to ensuring timely follow-up of client inquiries and enforcement actions. Only when a new case management model with supporting technology is implemented will the appropriate tools (for example, bring-forward notes and automatic prompts) be in place to ensure timely follow-up for each case. The proposed technology will also provide better monitoring reports for management to use to ensure that caseworkers conduct the necessary follow-up work.*

## Support Enforcement Action

At the end of 2002, approximately 136,000 or three-quarters of all active cases registered with the Office were in arrears. Arrears totalled approximately \$1.3 billion, an 8% increase from the time of our 1999 audit. Since 1994, arrears have increased by \$600 million and cases with amounts in arrears have increased by 40,000. A breakdown of the amount in arrears by amounts outstanding for individual accounts is provided in the following table.

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**Total Cases with Amounts in Arrears as at December 31, 2002**

Amount in Arrears (\$)	Number of Cases	% of Total Cases	Arrears (\$ million)	% of Total Arrears
Less than 5,000	82,613	60	105.8	8
5,000–9,999	17,315	13	125.2	9
10,000–24,999	20,893	15	335.1	25
25,000–49,999	10,356	8	360.4	27
50,000–99,999	3,924	3	260.3	19
100,000+	999	1	161.4	12
<b>Total</b>	<b>136,100</b>	<b>100</b>	<b>1,348.2</b>	<b>100</b>

*Source of data: The Family Responsibility Office*

We note that although the Office did not track how long the amounts in arrears had been outstanding, either individually or in total, many were thought to be more than a year old.

Taking the appropriate enforcement action on a timely basis is essential if the Office is to effectively collect support payments in arrears. In conducting enforcement action, caseworkers are to follow a series of steps prescribed in the Office's "enforcement tree." The tree begins with a series of passive steps that escalate progressively to more aggressive steps as outlined below.

Initial passive enforcement steps include:

- permitting the payer to enter into a voluntary arrears payment schedule to pay off arrears owing;
- obtaining federal garnishment of 100% of the payer's income tax refund;
- obtaining a writ of seizure and sale to secure any proceeds in the event of a disposal of assets by the payer;
- intercepting lottery winnings; and
- reporting the payer to the credit bureaus.

More aggressive enforcement steps include:

- garnisheeing the payer's bank account;
- suspending the payer's driver's licence;
- suspending federal licences and passports;
- taking the payer to court for a default hearing; and
- transferring the debt to a private collection agency.

Based on the timelines established for each step in the process, we estimated that from beginning to end, enforcement action ought to be completed in approximately one-and-one-quarter years.

However, our review of a sample of case files for which enforcement actions were taken found that the steps were often neither timely nor effective. For example:

- The Office's practice of commencing enforcement action only after being notified by recipients of non-payment resulted in unreasonable delays in enforcement. On average, seven months elapsed between the time support fell into arrears and the time the Office initiated the first enforcement action. In one case, enforcement action was initiated 18 months after the case first went into arrears.
- More than half the cases we reviewed had inordinately long time gaps between enforcement steps. Time gaps of two years were common.
- On average, it took the Office three-and-one-half years to complete the entire enforcement cycle, and in one case it took eleven-and-one-half years.

These delays in enforcement actions often made it difficult to locate the payer and collect the amounts owed to the support recipients. In addition, there was no evidence that supervisory staff reviewed the case files or were even aware of the time delays in conducting the required enforcement measure.

### **Recommendation**

**To help ensure the effectiveness of its enforcement actions in collecting support arrears, the Office should:**

- **identify accounts in arrears on a more timely basis and initiate contact with the defaulting payer as soon as possible;**
- **adhere to the established timetable for the prescribed enforcement steps in a timely manner; and**
- **ensure supervisory staff monitor case files for compliance with the prescribed steps and established timetable and where necessary take corrective action.**

### ***Office Response***

***The Family Responsibility Office has in place policies and procedures to ensure the effectiveness of its enforcement actions. However, consistent and timely follow-up of enforcement and compliance is hampered by the current issue management business model and lack of appropriate supporting technology.***

***The Office has implemented a strategy to increase aggressive enforcement action. Currently, all arrears over \$50,000 are assigned to individual client-***

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*services associates until the cases are in compliance. Supervisors regularly monitor and act on these cases to ensure timely enforcement.*

*The Enhanced Collection Agency Project is another initiative, in which the age of arrears is used to determine which cases will be referred to the project.*

## Enhanced Collection Agency Project

In October 2001, the Office entered into a three-year agreement with four private collection agencies to pursue collection efforts in up to 40,000 cases where support payments were not received in over six months and all of the Office's prescribed efforts to enforce payment were ultimately not successful.

Under the terms of the agreement, the agencies are paid a commission based on funds collected in excess of the payer's ongoing monthly support obligations. In all cases, the applicable commission is added to the payer's outstanding arrears balance.

At the end of January 2003, about 18,750 cases with arrears totalling \$290 million had been transferred to the collection agencies. Approximately \$2 million net of commissions of about \$400,000 has been collected by these agencies and transferred to the Office.

In our review of a sample of files transferred to the collection agencies, we found that they all met the criteria for transfer. We also noted that agency commissions were correctly determined.

## Payment Processing

For the 2002/03 fiscal year, the Office processed on average 7,600 transactions totalling approximately \$2.4 million daily. About 60% of all payments received by the Office were made through manually prepared remittances, usually cheques, and about 40% were remitted electronically. More than 80% of all disbursements were issued through direct deposit to the recipient's bank account. The Office's targeted turnaround time from the time the payment is received to the time of disbursement is 48 hours.

In our review of a sample of financial transactions, we found that the accounting controls over support payments received and disbursed were satisfactory. In most cases, support payments received were disbursed within 48 hours of receipt.

### **IDENTIFIED SUSPENSE ACCOUNT**

When the recipient is known, there are two primary reasons why some receipts may not be disbursed within 48 hours. Financial reasons, such as the need to pro-rate a receipt between two related accounts or the need to wait for a payer's cheque to clear the bank, and enforcement reasons, such as the need to wait for a varied court order, may delay payment to recipients. Such receipts are temporarily held in the identified suspense account.

At the end of January 2003, the balance in this account was \$1.7 million. Office policy requires that finance staff clear and disburse most receipts held for financial reasons within 24 to 48 hours (10 days for payments awaiting a cheque's bank clearance). For amounts held for enforcement reasons, caseworkers are to resolve and transfer amounts held within 90 days. Receipts that cannot be transferred within 90 days need to be reviewed again within every 90 days thereafter.

In our review of a sample of items in this account, we found that:

- almost half the receipts held for enforcement reasons were not cleared within 90 days and were held on average for about three years—in one case, a receipt had been held for almost 10 years; and
- half the receipts held for financial reasons were not released within the required 48-hour time frame; in fact, on average, these receipts were held for five months.

### ***UNIDENTIFIED SUSPENSE ACCOUNT***

Receipts that cannot be readily attributed to a specific case are temporarily held in the unidentified suspense account for further investigation. Funds are held in the suspense account until such time that they can be disbursed to the appropriate recipient.

At the end of January 2003, the balance in this account was \$1.75 million. Office policy requires that finance staff initiate an investigation within 48 hours of receiving funds for which the intended recipient is not clear, so that this recipient can be identified and the money forwarded. This may involve searching the office database or contacting the person or institution remitting the funds. There is no specific requirement to follow up on items that cannot be resolved by this first investigation, and these receipts are held in the account until the necessary information is received.

We reviewed a sample of items in this account and found that in most cases unidentified receipts were investigated, identified, and forwarded to the intended recipient within 48 hours. However, documentation supporting the identification of the intended recipient was often lacking and there was no evidence of management approval of the release of funds. Given the need for very strong internal controls over this area, we believe these weaknesses represent a high-risk area for the Office. It is therefore essential that subsequent disbursements need to be well controlled.

We also noted that an aging of the remaining items in the account found that approximately \$1 million (58%) of the balance was over one year old.

#### **Recommendation**

**To ensure that internal controls are strengthened and that all support payments received are forwarded to the intended recipient on a timely basis, the Office should:**

- follow up on and resolve all items in both the identified and unidentified suspense accounts on a timely basis;
- adequately document the basis on which initially unidentified receipts were identified and management approval of the release of such funds.

### **Office Response**

*The Family Responsibility Office processes over 95% of payments received within 48 hours. Only 0.3% of the total payments received in a year represents items in both the identified and unidentified suspense accounts. Monies are usually diverted into suspense accounts for reasons beyond the Office's control (for example, the need to wait for a decision of the courts, correspondence from lawyers or response from an income source that indicates some sort of change, no case identification, and so on). The funds are released as quickly as possible from the suspense accounts after required information is returned to the Office. The Office continues to ensure that payments in suspense accounts are processed as quickly as is practical.*

*As the Provincial Auditor indicates, the majority of the unidentified funds received by the Office are adequately researched and validated, according to the Office's existing policies and procedures, before the funds are released. The Office will commit to regular management control checks to ensure that the policies are being adhered to.*

## **Interest on Arrears**

Both our 1994 and 1999 audit reports noted that the Office did not calculate and pursue interest on support arrears provided for under the terms of many support orders, even though the Office is legally responsible for enforcing all aspects of a support order.

In response to our 1999 recommendation that the Office calculate and pursue interest on all arrears where interest is required under the applicable court order, the Office indicated that its computer system was unable to calculate and accrue interest owing and that it was not efficient or economical for caseworkers to calculate manually the amount of interest owing. It is still the Office's view that this continues to be the case, although we understand that recipients are now encouraged to file annual statements for interest owing on arrears.

As a result, interest on arrears continues to be pursued only if the recipient calculates the amount of interest owing and provides the amount owing to the Office in a sworn statement.



### Recommendation

To help ensure compliance with support orders and to encourage prompt payment from payers, the Office should compute and charge interest on arrears for those cases where the court orders stipulate that interest is applicable.

### Office Response

*This is not a new recommendation for the Family Responsibility Office, and it continues to be the Office's view that, until the Office has new supporting technology, it is not practical to calculate interest on arrears.*

*Thus, the responsibility for calculating the interest rests with the recipients, who have the information concerning when payments were due, the dates payments were made, and any resulting interest accrued.*

## Customer Service

Prior to December 1996, the Office operated out of eight regional offices and each office provided customer services, including counter service, to area clients. Effective December 1996, the Office closed its regional offices and consolidated all its operations into one centralized office in Toronto.

Since that time, the Office has operated a toll-free call centre that is the primary means for clients to communicate with the Office, in addition to written correspondence. The call centre's hours of operation are Monday to Thursday from 8 a.m. to 7 p.m. and Friday from 8 a.m. to 5 p.m. There are separate telephone numbers for calls originating within and outside the Toronto calling area. We understand that Ontario's call centre is open for more hours than call centres in other provinces.

Although the Office monitors some information with respect to the call centre—the number of calls answered, average waiting times for answered calls, and the average length of each call—it does not regularly monitor the number of calls blocked (that is, calls receiving a busy signal). A one-time study of blocked calls for the three months March to May 2001 inclusive found that the number of calls blocked were substantial as shown in the following table.

### Number of Telephone Calls, March–May, 2001

Origin	Blocked Calls	Answered Calls	Total Calls	% Blocked
<b>Outside the Greater Toronto Area</b>				
• # of calls	860,604	106,261	966,865	89
• per day	13,660	1,687	15,347	
<b>Within the Greater Toronto Area</b>				
• # of calls	27,818	47,536	75,354	37
• per day	442	755	1,196	

*Source of data: The Family Responsibility Office*

Approximately 130 caseworkers answer calls for an average of about four hours per day. Each caseworker is expected to answer six calls per hour. As a result, the call centre ought to be able to answer about 3,000 calls per day, substantially fewer than the 16,500 calls that are attempted. The Office's telephone system allows up to 66 calls to be placed in a queue to await the next available caseworker. Any additional calls receive a busy signal and are in effect blocked.

Even though repeat calls accounted for some of the calls blocked, there is no question that the call centre is not adequately resourced to answer all calls within a reasonable time. As well, fewer calls were answered than expected because on average:

- about 14% of the caseworkers were not available for answering calls because of medical-related reasons, such as stress or illness;
- caseworkers who staffed the call centre did so for on average a half-hour less per day than they should have; and
- caseworkers in fact answered 3.6 calls per hour, significantly fewer than the expected six calls per hour, so that rather than the targeted 3,000 calls per day being answered, only 1,900 calls on average are answered.

In contrast, we placed calls to the call centres for several other provincial family-support programs and found that on average our calls were answered within five minutes. Similarly, we noted that the Australian family-support enforcement program implemented a service standard requiring that 90% of incoming calls be answered within two minutes. According to a recent audit report of the Australian program, this standard is consistently met.

#### **Recommendation**

**Since the call centre is the primary means whereby clients communicate with the Office, the Office should review its call centre operations and take the steps necessary to ensure that all calls are answered or responded to within a reasonable period of time.**

### **Office Response**

*The Family Responsibility Office acknowledges that there is a large number of calls that do not get through. However, it should be noted that the Office has taken a number of steps to foster improvements in this area. These include:*

- *hiring a call centre co-ordinator;*
- *introducing a call monitoring process, along with monitoring and coaching workshops;*
- *preparing a “monthly snapshot” report combined with more frequent performance meetings; and*
- *introducing a complaint and compliment tracking form.*

*However, the Office is limited in its ability to improve the number of clients gaining access to the call centre, particularly because of the increasing caseload each year. Should the Office receive approval to implement a new service-delivery model and supporting technology, clients will have direct access to assigned caseworkers, reducing call centre backlogs and increasing client satisfaction.*

## **Call Centre Alternatives**

Clients of the Office can also access very limited information about their accounts through the Office’s automated telephone system, or they can obtain general program information and download various program forms from the Office’s Web site. The automated telephone line and the Web site operate seven days per week, 24 hours per day. We noted that from April to December 2002 inclusive, on average about 400,000 calls were made each month to the automated telephone line.

However, the automated telephone line and the Web site are limited in their usefulness because they are not interactive. For example, clients cannot request account statements or report information changes related to their cases. They also cannot communicate with caseworkers about any aspect of their accounts, which would reduce the number of calls to the call centre.

Our research of a number of jurisdictions in Canada found that two provinces (Alberta and British Columbia) had interactive Web sites that enabled clients to report changes in their personal information or access a wide range of information about their account.

### **Recommendation**

**To help alleviate the demand for information and services through the Office’s call centre, the Office should consider expanding access to detailed account information and the range of services available through the automated telephone line and Web site.**

### **Office Response**

***The Family Responsibility Office is implementing a Personal Identification Number (PIN) project to provide more information and protected access for its clients who call the automated-voice information line.***

***The PIN project was a recommendation of the Office of the Information and Privacy Commissioner (IPC), and has been undertaken with the support of that office. As the PIN project is implemented, the Family Responsibility Office will continue to work with the IPC.***

***The recommended approach is a phased implementation of the PIN initiative. Phase 1, the first of three phases, will provide access to the automated-voice information line, where callers who have been assigned PINs (specifically, support recipients and support payers) can obtain more personal information than what is currently provided. Phase 1 will also provide the foundation for future phases (2 and 3), in which agents will be able to verify callers' identity using their PIN and which will see the expanded information from the automated-voice line also made available on the Internet using PIN access. Full implementation of the PIN initiative will be a component of the new Integrated Service Delivery Model.***

## **Computer System**

The Office's current computerized information system was initially developed in the mid-1980s primarily for registering cases and as a bookkeeping system to track receipts from payers and disbursements to recipients. The system, known as Maintenance Enforcement Computerized Accounting (MECA), was developed in COBOL using an IBM database at a time when the caseload was about 53,000 (it is currently about 180,000). In 1989, the system was enhanced to include certain case management information and reporting modules that are still used.

By the 1990s, limitations in the computer system posed considerable problems in the Office's consolidation and transition to a call centre-based business model. As a result, the Office added a front-end interface to the computer system—Family Responsibility Office New Technology (FRONT)—whose primary purpose was to retrieve the most frequently sought information from the existing computer system and post it onto more user-friendly screens so that client inquiries through the call centre could be dealt with more efficiently. However, because FRONT is still dependent on MECA, which is now almost 20 years old, many of the primary computer system's performance problems remained. Many of these have been known for a long time and include:

- Programming enhancements take considerable time and are expensive, partly because of poor or missing system documentation. In fact, in many cases the Office is reluctant to program system changes for fear of making the whole system unstable.

- Since only limited information is available in FRONT, caseworkers often still have to undergo a cumbersome and time-consuming process to obtain desired case information from MECA.
- Management is not provided with the necessary information for monitoring and assessing whether the program is delivered efficiently or effectively. For example, required information about the many aspects of case administration by caseworker or aging of amounts of support in arrears simply isn't readily available.

Nine years ago, we recommended in our 1994 report that the Office improve its computer systems and ensure that the deficiencies identified were corrected. In response to our recommendation then, and again in our follow-up report in 1996, the Ministry of the Attorney General stated that "the current computer system must be replaced."

In response to our recommendations in 1999, the Ministry of the Attorney General stated that the Office would address the performance of the computer system by:

- doing an architectural review of the MECA system once the Y2K freeze was over;
- hiring a consultant to do an availability and reliability audit of the whole system, and make recommendations; and
- upgrading the document-imaging software and database server in order to handle the higher volume of users.

At the time of our audit, there had been no substantial changes made to the computer system. As noted earlier, the Office is well aware of the computer system's limitations and has submitted a business case for acquiring a new computerized integrated information system in conjunction with a new service-delivery model.

#### **Recommendation**

**We urge that the process of implementing the needed computer support for the Office's operations be significantly accelerated.**

#### ***Office Response***

***The Family Responsibility Office has made improvements in the performance of its current computer system but needs to replace the system in order to keep up with the demands of Office operations. A new service-delivery model to meet the Office's business needs, supported by new technology, is needed.***

***The Office undertook a business planning review and feasibility study of systems requirements and prepared recommendations for a new case management model with supporting technology. This submission is currently under review for approval and funding.***

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## **PERFORMANCE MEASUREMENT**

### **Reporting Program Effectiveness**

The mandate of the Office is to ensure compliance with all registered family-support obligations and where necessary take appropriate enforcement action while treating both payers and recipients fairly. By assessing and reporting on the achievement of this mandate, the Office can demonstrate its effectiveness and can identify areas that need improvement.

The Office prepares monthly and quarterly internal management reports, as well as a quarterly report that is submitted to Management Board Secretariat. Although the Office does not prepare a report specifically for the Ministry of Community, Family and Children's Services, we understand that the Ministry is provided with a draft copy of the report prepared for Management Board.

The reports generally provide statistical indicators for the following:

- the number of cases under administration;
- the total amount of support payments collected and in arrears, as well as the compliance rate;
- the number of telephone calls answered;
- the type and number of enforcement actions taken; and
- the number of cases assigned to the Ministry.

The preceding information gives the reader a general sense of the type and volume of activity undertaken by the Office; however, it does not provide the data necessary to assess the effectiveness of the Office and to identify areas in need of improvement. Examples of required information for these purposes include:

- the number of cases with significant arrears not assigned to a caseworker and therefore not subject to enforcement action;
- the timeliness of enforcement actions taken on assigned accounts;
- the number of telephone calls to the call centre that were blocked and therefore not answered;
- the aging of support arrears and an assessment of their collectibility; and
- the nature and number of complaints received from all sources.

We also note that the only publicly disclosed performance measure is the number of accounts in full or partial compliance with their support obligations. For both the 2000/01 and the 2001/02 fiscal years, the actual compliance rate of 67% was slightly below the targeted rate of 71%.

## Recommendation

To help ensure and be able to assess whether family-support obligations are effectively enforced and that areas in need of improvement are identified, the Office should measure and report on additional results indicators, such as:

- the number of cases with significant arrears not assigned to a caseworker and therefore not actively enforced;
- the timeliness of enforcement actions taken on assigned accounts;
- the number of telephone calls to the call centre that were blocked and therefore not answered;
- the aging of support arrears and an assessment of their collectibility; and
- the nature and number of complaints received.

## Office Response

*The Family Responsibility Office agrees with this recommendation but is limited in its ability to address these issues with the current system and information technology. Should the Office receive approval to implement a new service-delivery model and supporting technology, the new system will generate a number of relevant management reports that will facilitate timely responses.*

*Over the past few years, the Office has worked with all the other jurisdictions throughout Canada that enforce family-support obligations to develop an “Operational Policies and Goals” document. All have signed and committed to this document, which will provide for standardized communications processes and co-operative principles across jurisdictions as related to enforcement guidelines and actions. Currently, the jurisdictions are setting out baseline data to identify performance measures so that guidelines and standards can be developed.*

## Assessment of Client Satisfaction

Complaints and client surveys are two important tools to determine client satisfaction and to assess the effectiveness of the program. We reviewed the processes surrounding both. Based on our review, we concluded that the Office was not assessing and monitoring client satisfaction to identify required service improvements.

### **COMPLAINTS**

Complaints received directly by the Office were entered into individual case-file notes; however, the total number and the nature of the complaints received were not separately logged and tracked.

For the fiscal year 2001/02, there were 17,000 complaints received via other sources, such as the offices of the Minister and Deputy Minister of the Ministry of Community, Family and Children's Services (1,874), the local MPP offices (14,000), and the Office of the Ombudsman (1,126).

Different response time guidelines exist for complaints depending on their source. Written complaints received directly by the Executive Director in the Family Responsibility Office must be addressed and responded to within 15 days. Written complaints received through the Minister's office must be responded to within 30 days. Referrals from the local MPP offices and the Office of the Ombudsman must be responded to within five days.

Based on our review of a sample of complaints and the related process, we found that complaints were generally responded to within the required time frames. However, we also found that the Office did not summarize and analyze the complaints received by the nature of the complaint with a view to identifying areas in need of improvement. In that regard, we contacted the Office of the Ombudsman and were advised that many of the complaints were concerning delays in case administration and inappropriate enforcement of support orders.

#### **Recommendation**

**To help increase client satisfaction and the effectiveness of services provided, the Office should:**

- **log complaints from all sources to ensure that all complaints are addressed; and**
- **categorize and analyze the complaints received from all sources to identify areas most in need of improvement.**

#### ***Office Response***

***The Family Responsibility Office is reviewing its process for addressing complaints. Although all complaints are logged, the Office is presently limited in its ability to categorize and analyze all types of complaints, as current technology does not facilitate comparison and analysis. Should the Office receive approval to implement a new service-delivery model and supporting technology, the new system technology will generate the reports needed to monitor complaints and identify areas for improvement.***

### **CLIENT SATISFACTION SURVEYS**

According to the government's common service standards, customer feedback should be collected regularly to improve services and increase clients' satisfaction. One method of obtaining feedback is through a client satisfaction survey.



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The last client satisfaction survey conducted by the Office was in the spring of 1999. Our review of this survey showed that many of the concerns identified then, such as long call-centre wait times and the need for proactive case monitoring and improved enforcement, have not been resolved, as noted in our current observations. No other client survey or customer feedback has been collected since 1999.

**Recommendation**

**To aid in the assessment of both customer satisfaction and effectiveness of services provided, the Office should regularly conduct client satisfaction surveys that identify areas that are working well and those in need of improvement.**

***Office Response***

***The Family Responsibility Office is committed to conducting a client service survey in fall 2003 and using the results as a benchmark for future-year reporting on improvements to client satisfaction with service. The first survey will be conducted prior to the implementation of the new case management model in order to set baseline data. The Office will continue to collect customer feedback on a regular basis via client satisfaction surveys as a part of the business plan to improve services and increase client satisfaction.***