

Legal Services Society

Annual Service

Plan Report

2013/14



Legal
Services
Society
British Columbia
www.legalaid.bc.ca

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The *Annual Service Plan Report 2013/14* is a publication of the Legal Services Society (LSS), an independent organization that provides legal aid to British Columbians. LSS is funded primarily by the provincial government and also receives grants from the Law Foundation and the Notary Foundation.

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The report is also available to read on the LSS website at **www.legalaid.bc.ca**.

Contents

- 1 Message from the chair**
- 3 Organization overview**
- 10 Report on performance**
- 24 Government's letter of expectations**
- 26 Financial report**
- 33 Financial statements**
- 48 Appendix 1**
- 54 Appendix 2**
- 56 Glossary**



Message

from the chair

Honourable Suzanne Anton, QC
Attorney General and Minister of Justice

Dear Madam Attorney,

On behalf of the board and staff of the Legal Services Society, I am pleased to present our 2013/14 annual service plan report.

This past year has been a particularly challenging one for the society. The Provincial Court's progress in reducing the time to trial in criminal matters resulted in many criminal tariff accounts being payable earlier than anticipated based on historic patterns. We also experienced a significant increase in the cost of providing services to parents involved in child protection matters, in many cases due to increased use of mediation. These are positive developments for the justice system as a whole, but have unintended budget consequences for the society and placed significant pressure on our resources.

As noted in the financial statements, the society addressed the budget shortfall through a \$1 million funding increase from the ministry along with deficit authorization allowing us to use \$0.5 million from our accumulated surplus, and by reallocating \$1.2 million from operations to client representation services.

With the additional funding and deficit authorization, the society's total revenue from government in 2013/14 was \$75.2 million. This is \$3.2 million less than the previous year mainly due to the lower cost of large criminal cases. Non-government revenue amounted to \$4.9 million. Total expenditures were \$80.6 million, leaving the society with an approved deficit of \$0.5 million.

Performance highlights

The reallocation of operational budgets to client services prevented the society from carrying out some critical functions, including a triennial service evaluation that was intended to be a performance measure for this annual report. This evaluation is critical to the ongoing improvement of legal aid services and is included in a future planning cycle to ensure we meet our clients' needs as efficiently and effectively as possible.

Notwithstanding these challenges, LSS provided legal representation to 26,459 people with serious family, immigration, and criminal problems. Duty counsel gave advice on more than 109,298 occasions. We responded to 23,830 calls through our Family LawLINE and Brydges telephone advice services, received 1,185,689 visits to our self-help websites, and had 8,216 client assists by our legal information outreach workers (LIOWs). We also distributed 221,097 public legal education and information publications.

LSS also took steps to address the concerns identified in its 2013/14 service plan. Those activities included restructuring its budget to include service priorities and mitigation strategies should it be necessary to reallocate funding or reduce services to balance the budget in response to increased demand or costs. It also included reporting government and non-government revenue separately in anticipation of an 18 percent reduction in revenue from our primary non-government funder, the Law Foundation, in 2015/16.

Looking forward

LSS will continue the work it began in 2012 with its recommendations to the Attorney General on justice reform that were outlined in its report *Making Justice Work: Improving Access and Outcomes for British Columbians*. Based on those recommendations, the provincial government is providing the Legal Services Society with an additional \$2 million to develop innovative client services that will contribute to broader justice system efficiency. This funding is not available to address existing cost pressures, but the new services will inform future budgets as the society seeks to achieve the best outcomes for the people we assist.

Other priorities for 2014/15 include completion of the society's new case management system and development of a new online resource for public legal information in collaboration with various stakeholders, which will be known as MyLawBC.

As stated in the 2014/15 service plan, this is a critical time for justice reform. LSS is a keen participant, and we believe that reform of the system as a whole has great potential to achieve better outcomes for the people we assist every day. The board believes that an adequately funded legal aid system will support a more effective justice system and improve client outcomes.

I would like to acknowledge the society's board and staff for their dedication and commitment during a very difficult year. Addressing the criminal tariff budget pressures required many people to devote considerable time to the issue, in addition to their regular duties. I would also like to acknowledge the lawyers who continue to accept legal aid referrals. Legal representation for many of British Columbia's most marginalized citizens has become dependent on the willingness of an ever-decreasing number of lawyers who are prepared to accept referrals at tariff rates that are a fraction of what a private client would be charged. Without them, legal aid in this province would not be possible.



Tom Christensen
Chair, LSS Board of Directors
May 15, 2014

Accountability statement

The *Legal Services Society Annual Service Plan Report 2013/14* was prepared under the board's direction in accordance with the Legal Services Society Act, Budget Transparency and Accountability Act, and the BC Reporting Principles. The board is accountable for the contents of the report, including what has been included in the report and how it has been reported.

The information presented reflects the actual performance of the Legal Services Society for the 12 months ended March 31, 2014, in relation to the revised service plan published in June 2013.

The LSS board is responsible for ensuring internal controls are in place to ensure information is measured and reported accurately and in a timely fashion.

All significant assumptions, policy decisions, events, and identified risks as of March 31, 2014, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, strategies, measures, or targets made since the 2013/14 – 2015/16 service plan was released and any significant limitations in reliability of data are identified in the report.

Organization

overview

The Legal Services Society (LSS) provides legal aid in British Columbia. Created by the Legal Services Society Act (LSS Act) in 1979, LSS is a non-profit organization, independent of government. Our priority is to serve the interests of people with low incomes. LSS is funded primarily by the provincial government and receives grants from the Law Foundation and Notary Foundation.

Our **vision** is a British Columbia where all people are able to find timely and lasting solutions to their legal issues that improve their quality of life.

Our **mandate**

The society's mandate, outlined in the LSS Act, seeks to:

- help people solve their legal problems and to facilitate access to justice,
- establish and administer an effective and efficient system for providing legal aid to people in BC, and
- provide advice to the Attorney General about legal aid and access to justice for people in BC.

Our **mission**

Our mission is to provide innovative and integrated services that enable clients to effectively address their legal issues in a broad social context.

Our **values**

making a positive difference in our clients' lives through legal aid services;

engaging clients in finding solutions that meet their legal needs;

recognizing diverse cultures and perspectives;

compassion, integrity, and respect in our relationships with clients, staff, and stakeholders;

collaboration with service partners and stakeholders;

innovative approaches to solving problems;

excellence and continuous improvement; and

accountability and openness.

Memorandum of Understanding

The LSS Act also outlines the range of services LSS will provide within the framework of a Memorandum of Understanding (MOU) negotiated with the Attorney General and Minister of Justice every three years. The MOU:

- sets out the roles and responsibilities of both parties,
- outlines anticipated provincial government funding for legal aid and the priorities for allocating that funding,
- acknowledges that LSS receives funding from sources other than the government and can apply that funding in any manner that is appropriate to fulfilling its mandate, and
- establishes the foundation for the society’s budget and planning process.

For more information about the mandate or MOU, see www.legalaid.bc.ca.

Core services

LSS’s core legal aid services consist of legal representation, legal advice, and legal information.

Legal representation services are available for people with serious family, child protection, criminal law, or immigration problems, who qualify financially. Legal representation is also available for people who face a Mental Health Review Panel or BC Review Board hearing, or who have a prison issue for which the Charter of Rights and Freedoms establishes a right to counsel.

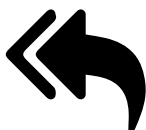
Legal advice services are provided through criminal and family duty counsel in and out of courthouses across BC; through immigration duty counsel for people in detention at the Canada Border Services Agency’s enforcement centre; through the Family LawLINE; and through the Brydges Line telephone service for people who have been or may be arrested. LSS also provides family advice lawyers at eight locations throughout the province.

Legal information services are delivered by front-line staff, including Aboriginal community legal workers (ACLWs), legal information outreach workers (LIOWs), local agents, and through publications and websites. Other information services include training and support for community workers and advocates who assist LSS clients. LSS collaborates with a wide range of community and government agencies to ensure people with low incomes have access to the services they need to solve their legal issues. We also contract with our community partners to improve access to legal aid and other services in rural, remote, and Aboriginal communities.

Services at a glance

2013/14

LSS provided **168,000+** direct legal representation, advice, and information services to clients in 2013/14.



26,000+

referrals for legal representation



133,000+

legal advice interactions



745

Aboriginal community legal worker interactions



8,216

legal information outreach worker interactions



1 million+

website visits



221,000+

publications distributed



10

training events for intermediaries

For more information on these services, please see Appendix 1.

Service **delivery model**

LSS delivers legal aid intake services in person at LSS offices in Vancouver and Terrace, and through local agents in communities across the province.

The society works to ensure legal aid services are accessible to all communities. For example, LSS provides the call centre for people who cannot apply for legal aid in person, as well as interpreters for call centre clients as needed. The society also pays for interpreters for clients working with legal aid lawyers and produces legal information publications in a variety of languages.

LSS’s stakeholders, in addition to the Ministry of Justice and our clients, include our non-government funders the Law Foundation and the Notary Foundation; our local agents (in 30 offices across BC); our 21 community partners; the lawyers who deliver legal aid services and the organizations that represent them, such as the Canadian Bar Association (BC Branch) and the Trial Lawyers Association of BC; and the judiciary. Other important stakeholders include public legal education and information service providers, social service agencies, community agencies, and advocates who provide support to our clients.

Legal aid locations



For a list of locations, see www.legalaid.bc.ca
 (click Legal aid → Legal aid locations)

Service providers

2013/14



992
 Lawyers who accepted referrals



23
 Local agents across BC

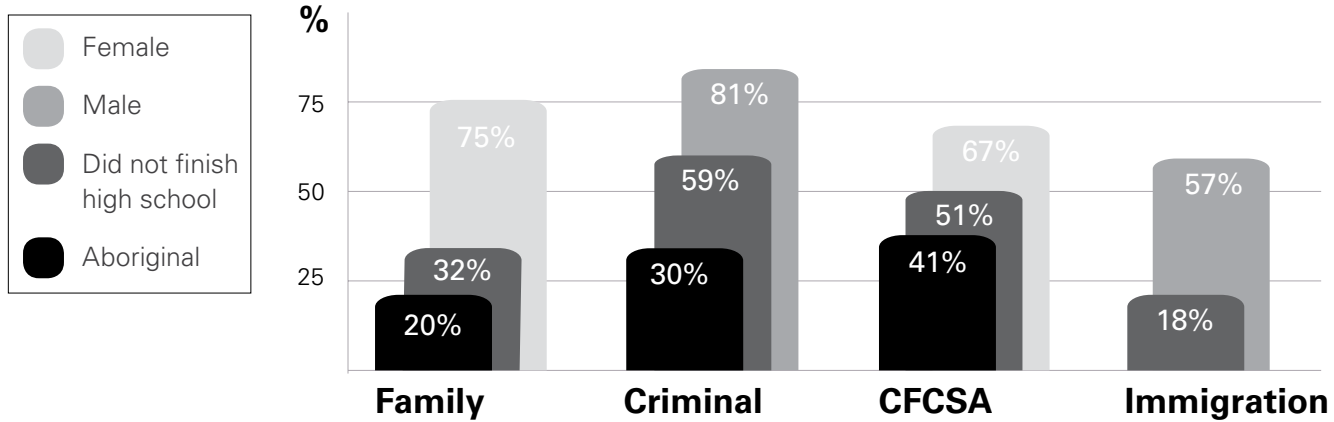


21
 Community partners across BC

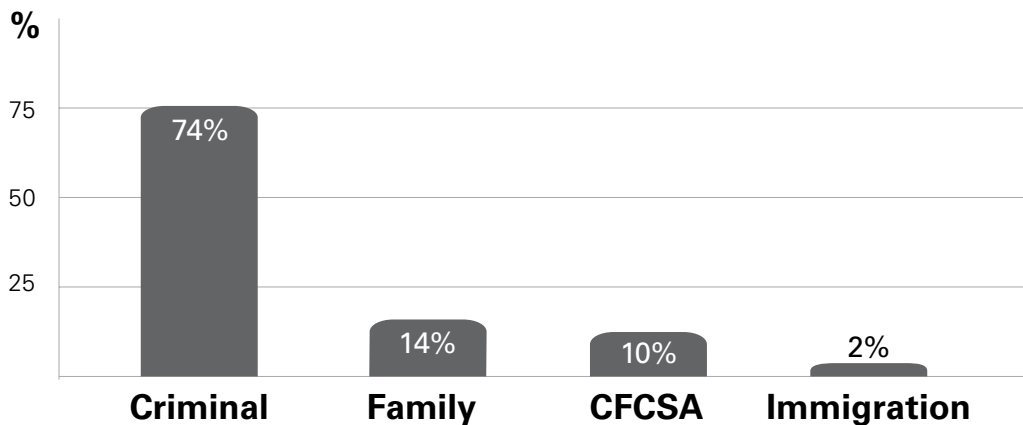
Clients

Legal aid clients are among the province’s most vulnerable and marginalized citizens. LSS clients do not have the financial resources — or frequently the educational, social, or health resources — to effectively access the justice system when their families, freedom, or safety are at risk. LSS strives to engage clients in finding solutions to their legal problems. By taking an integrated approach, legal aid services can help clients prevent future legal issues and increase their ability to positively contribute to society.

Representation client* demographics



Representation client* legal issues



*Clients who received a referral for legal representation by a legal aid lawyer

Governance

LSS is committed to strong corporate governance practices that enable public accountability and transparency.

Board of directors

The society is governed by a nine-member board of directors. The LSS board appoints a chief executive officer to administer the business of the society. The LSS board is committed to using best practices to govern the society. Of our nine board members:

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

The LSS Act outlines the need for the board to have a range of knowledge, skills, and experience in areas such as business management of public and private sector organizations, the legal system (including legal aid), BC's cultural and geographic diversity, and the circumstances associated with the legal needs of people with low incomes.

Board governance framework

LSS meets or exceeds best practices in public sector governance. The LSS Board of Directors recognizes that by ensuring that our governance is founded upon best practices we will be better able to provide the leadership that the society needs to realize its mission.

In the business of providing legal aid, it is particularly important that LSS be seen to be independent of government. Traditionally, this independence ensures government is not linked to funding decisions for legal aid representation in a particular case. The other rationale for independence is that an organization dedicated to meeting the legal needs of people with low incomes is more likely to achieve that goal efficiently and effectively than a large bureaucracy balancing competing interests and objectives.

The LSS governance policy specifies that the society's independence can be measured by the degree to which it makes choices about how it will pursue its statutory objects, the primary one being "to assist individuals with low incomes to resolve their legal problems and to facilitate their access to justice."

The LSS board has the primary responsibility for nurturing and asserting the society's independence while maintaining its own independence from management. The board's governance policy recognizes that independence will be better ensured by directors who understand that their fiduciary obligation is to pursue the interests of the society, not the interests of their appointing bodies, and a board that:

- sets clear direction for the society,
- ensures that a chief executive officer is in place who will implement its service plan and effectively administer the society,
- monitors the society's performance,
- manages the risks of the society, and
- communicates effectively with government, the legal profession, the public, and other stakeholders.

In the pursuit of good governance, LSS developed and keeps updated a set of bylaws and policies to reflect current best practices in governance. While the society maintains a detailed conflict of interest bylaw, the focus of the bylaws is on role clarity among the chair, the board, the executive committee, and the chief executive officer. The bylaws are designed to help the board provide leadership and direction through strategic and service planning. The bylaws articulate the following key areas of responsibility and focus for the board:

- Strategic direction
- Risk management
- Advising the chief executive officer
- External communications
- Board performance
- Employer of the chief executive officer

In addition to the formal bylaw descriptions, the board has a set of policies that supports each function.

Board objectives and performance assessment

Each year, the board adopts its objectives and performance evaluation process. These are designed to enhance the board's ability to provide leadership and direction to the organization. In addition, board members assess their own performance and that of each other on the board. The board chair uses this information in an annual meeting with each member of the board.

The evaluation process consists of specific indicators for each objective and a self-assessment questionnaire. The summary of results and comments are distributed as a reference point for discussion at the board's May/June planning meeting. The process is intended to:

- clarify individual and collective roles and responsibilities,
- improve working relationships among board members and between the board and management,
- identify strengths in board practices, and
- determine areas for board improvement.

The society adheres to and is in full compliance with the governance principles established by the Board Resourcing and Development Office (BRDO). LSS reviews its governance framework regularly to ensure it meets the society's ongoing business needs.

Information about the board's governance policy and bylaws, performance objectives, performance evaluation, competency matrix, and individual and peer evaluations can be found on our website at www.legalaid.bc.ca (click About us → Governance → Board's governance framework). Specific inquiries can be directed to the assistant corporate secretary at corporate.governance@lss.bc.ca.

Board committees

At the beginning of each fiscal year, the directors elect a board chair and an executive committee. The Executive Committee is headed by the board chair and generally has authority on behalf of the board. The board also establishes two committees to help it carry out its responsibilities:

- the Finance Committee, which makes recommendations on the society's finances, funding, fiscal allocations, and risk management; and
- the Stakeholder Engagement Committee, which recommends ways to strengthen the society's relationships with key stakeholders.

The chair, in consultation with the society's chief executive officer, appoints the members of these committees, unless the board directs otherwise.

Board March 2014

Tom Christensen, lawyer (Vernon)
Chair, LSS Board of Directors
(September 2013 – present)
Chair, Executive Committee

David Crossin, QC (Vancouver)
Former Chair, LSS Board of Directors
(May 2011 – September 2013)
Former Chair, Executive Committee

Suzette Narbonne, lawyer (Sechelt)
Vice-Chair, LSS Board of Directors
Member, Executive Committee
Member, Stakeholder Engagement Committee

Barbara Brink, CM, OBC (Vancouver)
Member, Finance Committee
Member, Stakeholder Engagement Committee
Lead Board Member, Governance

Sheryl N. Lee, CPA, CA (Vancouver)
Chair, Finance Committee
Member, Executive Committee

Deanna Ludowicz, QC (Grand Forks)
Chair, Stakeholder Engagement Committee
Member, Executive Committee
Lead Board Member, Strategic Planning Session

Alison MacPhail, lawyer (Victoria)
Member, LSS Board of Directors

Annita L. McPhee (Dease Lake/Terrace)
Member, Stakeholder Engagement Committee

Puneet P. K. Sandhar, lawyer (Surrey)
Member, Finance Committee

Darrell J. Wickstrom, lawyer (Vancouver)
Member, Finance Committee

Directors March 2014

Mark Benton, QC
Chief Executive Officer

Harold V. J. Clark, CHRP
Strategic Planning, Policy,
and Human Resources

Sherry MacLennan, lawyer
Public Legal Information
and Applications

Heidi Mason, lawyer
Legal Advice and Representation

Doug Wong, CPA, CA
Finance and Corporate Services

Senior managers March 2014

Brad Daisley, lawyer
Communications and General Counsel

David Griffiths, lawyer
Legal Services

Tamara Ilersich, CHRP
Human Resources and
Organizational Development

Carol Jung, CIA
Audit and Investigation

Trish Kumpf, lawyer
Aboriginal Services

Branka Matijasic
Intake and Referral Services

John Simpson, lawyer
Community and Publishing Services

Kathryn Spracklin
Strategic Planning and Policy

Janice Staryk
Lawyer Services

Mihai Strusievici
Information Technology

Eugene Wandell, CPA, CMA
Finance and Administration

Senior management

The board of directors appoints a chief executive officer to administer the business of the society. The society has two main committees to oversee its operations:

- the Executive Management Committee (EMC), which consists of the chief executive officer, as chair, and LSS's four directors. EMC provides LSS with overall strategic direction, policy, and planning.
- the Operations, Planning, and Policy Committee (OPP), which is chaired by the director of Strategic Planning, Policy, and Human Resources. OPP advises EMC on interdivisional policy, strategic planning, operational issues, and policies for coverage, eligibility, and tariffs.

Report

on performance

The following report on performance outlines LSS's progress this year on advancing our five strategic goals. Performance results and highlights are described under each goal.

This year, LSS dedicated significant time and resources to respond to tariff budget pressures while maintaining services for clients. LSS worked closely with the Ministry of Justice to reach a resolution to the budget pressures, which included LSS reallocating funds from operations to client representation services and putting some projects on hold. This reallocation affected our ability to report on our performance, as it included the delay of our triennial client services survey from 2013/14 to 2014/15.

At the same time, LSS made significant progress on building the foundation of two new major projects. The first, the Justice Innovation-Transformation Initiatives, will pilot innovative criminal, family, and child protection legal aid services using a new \$2 million fund from the provincial government. LSS will evaluate the pilot initiatives to provide evidence to the justice system community on the effectiveness of these outcomes-focused initiatives.

The second major project is the collaborative creation of MyLawBC, an interactive and consolidated online guide to legal information to help people solve their legal problems. In 2013/14, LSS developed the vision for this project and began the early planning steps.

Operationally, LSS continued working on a multi-year project to replace our outdated business technology with a more efficient and cost-effective system that will support service delivery over the long term. We also introduced various employee engagement initiatives and conducted the triennial Work Environment Survey.

Performance management and reporting system

Our performance measures track progress in achieving our service plan goals. LSS assesses its performance through data collected from key stakeholders as well as from internal operational and financial information sources.

We survey our key stakeholders by conducting three major triennial surveys of clients, lawyers, and staff as well as conducting an annual public opinion poll. LSS develops the survey questions and methodology, and independent research organizations carry out data collection and analysis to ensure that the data is accurate and reliable.

These measures track intended outcomes for clients as well as our success in engaging the support of private lawyers, who are our primary service partners; our employees, who are critical to service quality; and the public, to whom we are ultimately accountable. Increasing levels of client and lawyer satisfaction, employee engagement, and public support will demonstrate that we are meeting these stakeholders' needs.

LSS uses budget-to-actual expenditure variance as a measure of financial performance. We also measure the number of new lawyers taking three or more referrals in their first six months to assess how well new-to-LSS lawyers are integrating into our referral process.

LSS benchmarks its performance against like organizations where possible. By using the Common Measurement Tool, an independent client satisfaction benchmarking tool provided by the Institute of Customer-Centred Service, the society is able to compare client survey results against government agencies providing similar services. We benchmark our employee engagement score against the BC Public Service. Though legal aid plans across Canada have not yet developed a common method of measuring performance, LSS regularly shares performance and outcome information.

LSS sets targets by considering benchmark data and evaluating the level of improvement possible given the strategies in place and activities planned in the coming period.

Key risks affecting performance

LSS identified key strategic issues that presented the primary risks to the society's performance in our service plan for 2013/14. Table 1 below outlines LSS's response to the risks that the society faced this year.

Table 1 **Key strategic risks**

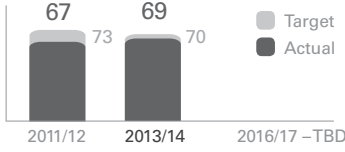
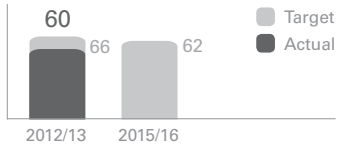
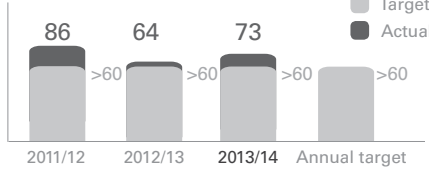
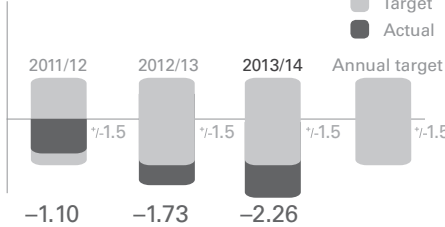
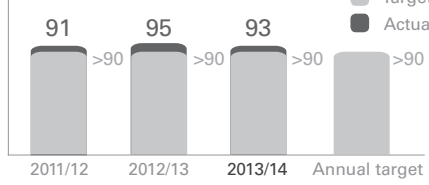
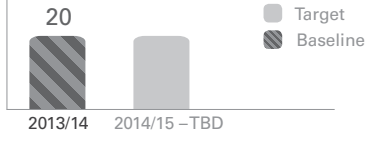
	Issue	Response
Justice reform	The justice system faces challenges, including procedural complexity, cost of access, and changes in trial time.	LSS continued to promote the ideas within its report <i>Making Justice Work</i> – an exploration of alternative service delivery models to generate justice system cost savings while improving client outcomes (see Goal 5). LSS worked with the provincial government to resolve budget pressures resulting from reduced time to trial for criminal cases (see the Response to Financial resources risk below).
	An absence of systems-thinking impedes justice transformation.	LSS actively participated in various justice system stakeholder groups to ensure a more complete picture of the potential and consequences of justice transformation activities (see Goal 5).
	Clients are unable to resolve their legal and related issues in a timely way, resulting in more problems.	LSS began planning legal aid pilot initiatives based on a commitment from the provincial government to provide \$2 million in justice transformation funds (see Goal 5).
Financial resources	LSS has inadequate core funding to support mandated services.	LSS requested additional funds from the provincial government and permission to access our accumulated surplus. LSS developed new tools for budgeting and analyzing costs so that budget pressures and reasons for them can be identified at an earlier stage.
	LSS has inadequate funds to pursue strategic initiatives.	LSS received \$2 million in funds from the provincial government to undertake Justice Innovation-Transformation Initiatives (see Goal 5). LSS also pursued alternative revenue sources, including applying for Law Foundation grants for delivery of public legal education and information (PLEI) services.
Delivering quality service	LSS is not able to meet its business needs due to an inflexible IT system with high maintenance costs.	LSS continued a three-year project to develop a new and flexible case management system to replace outdated business technology (see Goal 4).
	Employee engagement impacts LSS's ability to deliver quality services.	LSS introduced several employee engagement initiatives (see Goal 4). LSS conducted its triennial Work Environment Survey, a critical performance measure recognizing employees as our most valuable resource (see Goal 4).

Goals and performance 2013/14

Table 2 below summarizes our goals, strategies, measures, and performance results for 2013/14. Measures based on triennial surveys show past results and future targets on their respective three-year cycle.

Table 2 **Goals, strategies, measures, and performance**

	Strategy	Measure	Results									
Goal 1 People with low incomes who have legal issues use LSS services	1.1 Make it easier for clients to access legal aid services 1.2 Partner with Aboriginal and other underserved communities to deliver services that support positive client outcomes 1.3 Support service partners and front-line workers to deliver effective and efficient services	Percent of clients satisfied with the accessibility of LSS services (triennial survey) ¹	<table border="1"> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> <tr> <td>2010/11</td> <td>69</td> <td>70</td> </tr> <tr> <td>2014/15</td> <td>73</td> <td>73</td> </tr> </table>	Year	Actual	Target	2010/11	69	70	2014/15	73	73
		Year	Actual	Target								
		2010/11	69	70								
2014/15	73	73										
Percent of clients satisfied with the helpfulness of LSS services (triennial survey) ¹	<table border="1"> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> <tr> <td>2010/11</td> <td>62</td> <td>69</td> </tr> <tr> <td>2014/15</td> <td>66</td> <td>66</td> </tr> </table>	Year	Actual	Target	2010/11	62	69	2014/15	66	66		
Year	Actual	Target										
2010/11	62	69										
2014/15	66	66										
Percent of clients satisfied overall with LSS services (triennial survey) ¹	<table border="1"> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> <tr> <td>2010/11</td> <td>62</td> <td>68</td> </tr> <tr> <td>2014/15</td> <td>66</td> <td>66</td> </tr> </table>	Year	Actual	Target	2010/11	62	68	2014/15	66	66		
Year	Actual	Target										
2010/11	62	68										
2014/15	66	66										
Goal 2 People with low incomes participate in solving and preventing legal problems	2.1 Support service partners to inform clients about legal aid services and their rights 2.2 Support front-line workers to inform clients about legal aid services and their rights	Percent of clients satisfied with LSS support to help them participate in resolving their legal issues (triennial survey) ¹	<table border="1"> <tr> <th>Year</th> <th>Baseline</th> <th>Target</th> </tr> <tr> <td>2010/11</td> <td>59</td> <td>63</td> </tr> <tr> <td>2014/15</td> <td>63</td> <td>63</td> </tr> </table>	Year	Baseline	Target	2010/11	59	63	2014/15	63	63
		Year	Baseline	Target								
2010/11	59	63										
2014/15	63	63										
Percent of lawyers satisfied with LSS support to increase their ability to engage clients in solving their legal issues (triennial survey) ²	<table border="1"> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> <tr> <td>2012/13</td> <td>44</td> <td>46</td> </tr> <tr> <td>2015/16</td> <td>46</td> <td>46</td> </tr> </table>	Year	Actual	Target	2012/13	44	46	2015/16	46	46		
Year	Actual	Target										
2012/13	44	46										
2015/16	46	46										
Goal 3 People with low incomes get help with related legal issues so they can solve and prevent legal problems	3.1 Collaborate with service partners to assess and refer clients to services for their related issues 3.2 Support front-line workers to assess and refer clients to services for their related issues	Percent of clients satisfied with the level of support LSS gave them to address their related legal issues (triennial survey) ¹	<table border="1"> <tr> <th>Year</th> <th>Baseline</th> <th>Target</th> </tr> <tr> <td>2010/11</td> <td>48</td> <td>52</td> </tr> <tr> <td>2014/15</td> <td>52</td> <td>52</td> </tr> </table>	Year	Baseline	Target	2010/11	48	52	2014/15	52	52
		Year	Baseline	Target								
		2010/11	48	52								
2014/15	52	52										
Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues (triennial survey) ²	<table border="1"> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> <tr> <td>2012/13</td> <td>33</td> <td>26</td> </tr> <tr> <td>2015/16</td> <td>35</td> <td>35</td> </tr> </table>	Year	Actual	Target	2012/13	33	26	2015/16	35	35		
Year	Actual	Target										
2012/13	33	26										
2015/16	35	35										
Percent of lawyers who support the integrated approach to providing legal aid services (triennial survey) ²	<table border="1"> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> <tr> <td>2012/13</td> <td>67</td> <td>75</td> </tr> <tr> <td>2015/16</td> <td>69</td> <td>69</td> </tr> </table>	Year	Actual	Target	2012/13	67	75	2015/16	69	69		
Year	Actual	Target										
2012/13	67	75										
2015/16	69	69										

	Strategy	Measure	Results
<p>Goal 4 LSS manages resources soundly</p>	<p>4.1 Manage internal communications</p> <p>4.2 Develop and implement lawyer engagement initiatives</p> <p>4.3 Introduce employee engagement initiatives</p> <p>4.4 Improve information systems to respond to a changing environment</p>	<p>Overall average employee engagement score (triennial survey)</p>  <p>Percent of lawyers satisfied with the overall support provided by LSS (triennial survey)²</p>  <p>New lawyers taking more than three referrals in the first six months (annual measure)</p>  <p>Budget-to-actual expenditure variance (annual measure)</p>  <p>Percent of the public that supports the provision of legal aid services. (annual survey)</p> 	
<p>Goal 5 LSS takes a leadership role in justice reform</p>	<p>5.1 Promote outcomes-based justice reform initiatives</p> <p>5.2 Pilot evidence-based legal aid initiatives to improve access and outcomes</p> <p>5.3 Communicate LSS's strategic direction to stakeholders</p>	<p>Volume of references to LSS and justice innovation in academic literature, stakeholder reports, and media (annual measure)</p> 	

1 The client services survey was not conducted in 2013/14 as planned due to financial reallocations from operations to client representation services in response to budget pressures. The provincial government approved deferring the survey until 2014/15.

2 The tariff lawyer satisfaction survey was not conducted in 2013/14. This survey will next be conducted in 2015/16.

1 Use

People with low incomes who have legal issues use LSS services

LSS needs to ensure its services are accessible, that they address the needs of clients, that they are culturally appropriate, and that the public is aware that these services are available.

Performance measures

Percent of clients satisfied with the accessibility of LSS services

Percent of clients satisfied with the helpfulness of LSS services

Percent of clients satisfied overall with LSS services

Results

LSS conducts a client services survey every three years. The client services survey was not conducted in 2013/14 as planned due to financial reallocations from operations to client representation services in response to budget pressures. The provincial government approved deferring the survey until 2014/15.

For information on past results and methods, see Appendix 2.

Performance highlights

1.1 Make it easier for clients to access legal aid services

In 2012, LSS received recommendations from an external assessment and an internal review on the usability and accessibility of its intake services and PLEI materials. Since then, we have continued to review and update existing resources to ensure they are appropriate for our clients (e.g., language, literacy level, cultural background).

We continued to enhance our accessibility online by strengthening our social media presence, supporting a mobile website, making website enhancements, and running an online Live Help service. Live Help is an instant messaging service that is available on the Family Law in BC website. It allows visitors to ask questions and receive legal information and guidance on how to access information from volunteers who have some legal training.

To increase access to legal aid services in Aboriginal communities, LSS continued funding the expanded intake program, initiated in July 2011. This program supports intake staff and local agents in five different regions to provide intake and outreach services within remote and rural Aboriginal communities. This year, we began an evaluation to assess the program's reach and impact.

LSS continued its community partner (CP) program, which allows us to reach clients through community organizations located in areas that are more difficult to serve (see 3.1 for more information).

1.2 Partner with Aboriginal and other underserved communities to deliver services that support positive client outcomes

Through the funding and coordination of Gladue reports for LSS clients, the society has taken a leadership role in addressing barriers to Aboriginal people's access to justice in British Columbia. Gladue reports provide the court with comprehensive information on the Aboriginal offender and their community, and create a plan that looks at realistic and viable alternatives to prison. This project represents one of the first substantial efforts to implement Gladue principles in BC.

In 2013/14, with the continued aim of stabilizing the program for long-term sustainability, we identified program needs regarding policy, resources, and potential efficiencies. New efficiencies implemented include the elimination of unnecessary processes in report preparation. We also started collecting information for an online resource guide for lawyers and report writers to assist with Gladue submissions.

We continued a community-based family advice clinic for the Seabird Island Aboriginal band in Agassiz. We also maintained our partnership with the Houston Friendship Centre in the Bulkley Valley to provide a monthly advice service for remote Aboriginal communities.

LSS continued to support First Nations Courts by providing LIOW services, Aboriginal community legal worker services, duty counsel services, and financial support to Aboriginal elders at the courts.

1.3 Support service partners and front-line workers to deliver effective and efficient services

LSS delivered training to front-line workers on issues such as community outreach, mediation, creating cultural safety, diffusing hostility, and self-care. The society also supports front-line workers through regular updates on the law and legal aid coverage policy (including updates on the new Family Law Act and coverage for family and CFCSA problems).

We developed a new reporting tool for use by our outreach and publishing teams, community partners, and local agents. We incorporated this tool into CommunityConnectBC, a new secure website that includes an online forum, resources, event listings, and statistics for and by local agents, community partners, and other agencies. The site also includes a centralized dashboard for intake, publishing, and outreach activity performance, including statistics on in-person services, online resource use, publications, and social media use.

Future opportunities

LSS is exploring alternative ways to deliver the Gladue report-writing program to ensure its long term sustainability. LSS also plans on creating an online resource guide for lawyers and report writers to assist with Gladue submissions.

We will complete our evaluation of the expanded intake program, to better understand the nature, successes, challenges, and reach of the program and to better serve clients in rural and remote communities.

We began the preliminary work this year of developing a framework and drafting a Request for Proposals (RFP) to conduct a large-scale evaluation of child protection services. The evaluation itself will take place in 2014/15.

2 Participate

People with low incomes participate in solving and preventing legal issues

Clients who are actively involved in resolving their legal issues tend to find more positive and lasting solutions

Performance measures

Percent of clients satisfied with LSS support to help them participate in resolving their legal issues

Percent of lawyers satisfied with LSS support to increase their ability to engage clients in solving their legal issues

Results

LSS surveys clients and lawyers every three years. The client services survey was not conducted in 2013/14 as planned due to financial reallocations from operations to client representation services in response to budget pressures. The provincial government approved deferring the survey until 2014/15. LSS will next administer the tariff lawyer satisfaction survey in 2015/16.

For information on past results and methods, see Appendix 2.

Performance highlights

2.1 Support service partners to inform clients about legal aid services and their rights

Due to the March 2013 Family Law Act (FLA) changes, the Community and Publishing Services (CPS) Department created new publications, such as the *Family Law in BC: Quick Reference Tool*, and revised many existing publications so that clients would have the resources to deal with their family legal issues. In 2013/14, the demand for up-to-date information on the FLA resulted in exceptionally high publication distribution numbers for LSS. Many service partners relied on our publications to communicate the FLA changes to clients.

Another new resource, the family referral wallet card, was created to support lawyers in helping clients understand what to expect from a family referral. Cards were given to clients at the time of their referral by staff at LSS intake offices and local agent locations throughout the province. The card includes space for the lawyer's name and contact information, the number of general preparation hours available, and the web address for LSS's Family Law Retainer Agreement.

2.2 Support front-line workers to inform clients about legal aid services and their rights

LSS delivered training to front-line workers on issues such as community outreach, mediation, creating cultural safety, diffusing hostility, and self-care. Front-line workers were also supported in receiving up-to-date legal and coverage information.

LSS continued to support clients with services provided by legal information outreach workers (LIOWs). Three LIOWs in Vancouver, one in Terrace, and one in Prince Rupert help people find information and self-help resources, and refer them to other services such as family duty counsel and community services. LIOWs provide legal information to clients in the Downtown Community Court and First Nations Courts, on the call centre, in-person at regional centres, and at community workshops. They also visit community groups to talk about LSS services and to collect feedback from community workers and the public about LSS programs. LIOWs provide a link between clients and our CPS Department, allowing client feedback on publications and resources to flow back to LSS.

Future opportunities

In 2014/15, we will be creating MyLawBC, a comprehensive online legal resource that front-line workers, service providers, and intermediaries will be able to use and offer as a tool for clients. This client-focused resource will actively guide users to a resolution of their legal problems, and offer information to prevent legal problems. An interactive platform will use guided pathways to provide options and integrate available personal assistance, over the phone and online.

3 Collaborate

People with low incomes get help with related legal issues so they can solve and prevent legal problems

Clients' legal problems often arise from or lead to other problems such as health, housing, and debt issues. By working with other service providers to help clients get support for these issues, LSS can improve client outcomes as well as reduce clients' use of justice, health, and social services over the long term.

Performance measures

Percent of clients satisfied with the level of support LSS gave them to address their related legal issues

Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues

Percent of lawyers who support the integrated approach to providing legal aid services

Results

LSS surveys clients and lawyers every three years. The client services survey was not conducted in 2013/14 as planned due to financial reallocations from operations to client representation services in response to budget pressures. The provincial government approved deferring the survey until 2014/15. LSS will next administer the tariff lawyer satisfaction survey in 2015/16.

For information on past results and methods, see Appendix 2.

Performance highlights

3.1 Collaborate with service partners to assess and refer clients to services for their related issues

LSS continues to collaborate with partner agencies to help improve client outcomes in their legal and related issues. We maintained our community partners (CP) program, launched in 2010, to fill service gaps in rural, remote, and Aboriginal communities. The society provided 21 organizations with small annual grants to deliver public legal education and information services, assist people applying for legal aid, and promote legal aid awareness. CPs are strategically placed in locations where accessibility is a barrier to obtaining legal services, with some CPs more than 100 kilometres from the nearest local agent office or courthouse.

LSS continued participating in the RICHER (Responsive Intersectoral Children's Health, Education, and Research) Medical Legal Community Partnership, a coalition of community groups and service agencies to facilitate information sharing among medical and legal practitioners working in the Downtown Eastside. Project partners discussed the intersection of legal and medical issues among vulnerable people living in the community, as well as potential solutions to these issues.

3.2 Support front-line workers to assess and refer clients to services for their related issues

LSS conducted various outreach activities to service partners to improve knowledge sharing and increase referrals across agencies. Two legal information outreach workers, based out of the Terrace Regional Centre, made regular visits to social service agencies to inform front-line staff of the legal information services available to clients. Vancouver Regional Centre staff visited three First Nations communities (Nadleh Whut'en, Saik'uz, and Stelat'en) to consult with community members on challenges and opportunities in accessing legal services, as well as to provide legal information and resources. Based on this visit, we are looking to establish CP contracts in these areas to better serve clients.

Future opportunities

LSS is exploring expanding the CP program to include up to seven more contracts in 2014/15. LSS will also be implementing Justice Innovation-Transformation Initiatives in 2014/15, which will involve collaboration with justice system stakeholders to support improved outcomes for clients.

4 Manage

LSS manages resources soundly

LSS must manage resources effectively and efficiently to ensure it is achieving the optimum benefit for the society's clients with available funding.

Performance measures

Overall average employee engagement score

Percent of lawyers satisfied with the overall support provided by LSS

New lawyers taking more than three referrals in the first six months

Budget-to-actual expenditure variance

Percent of the public that supports the provision of legal aid services

Results

LSS surveys employees every three years and tracks other performance measures annually. For 2013/14 results on employee and lawyer engagement, expenditure management, and public support for legal aid, see pages 20 – 21.

Performance highlights

4.1 Manage internal communications

LSS is committed to open, honest, and ongoing communication with staff and stakeholders. Effective internal communication enhances employee engagement, leads to better management, and strengthens a unified organizational culture. In 2013/14, LSS continued the work outlined in its internal communications plan. This included ongoing enhancements to the employee intranet site to improve information sharing at all levels of the organization. It also involved the launch of the communication ambassadors team, a tool for identifying communication challenges and opportunities. Finally, a strategic writing course was delivered to staff.

4.2 Develop and implement lawyer engagement initiatives

Lawyer engagement remains an important priority for LSS as lawyers are key service providers for our clients. In 2013/14, LSS provided free continuing professional development sessions on the topic of criminal case management (CCM). These sessions covered the history and purpose of case management, LSS's new CCM policy and CCM questionnaire, and the future of case management. These sessions also included a look at our new large case management software, which will eventually be used to manage all significant criminal cases.

LSS also hosted a session for immigration lawyers to discuss best practices for legal-aid-funded cases, including refugee claims, appeals, submissions to the minister, and immigration duty counsel. Over the course of the year, LSS offered 48 bursaries for tariff lawyers to attend criminal and family professional development conferences.

4.3 Introduce employee engagement initiatives

Engaged employees are critical to managing resources soundly and are fundamental in the society's efforts to deliver effective and efficient services. As part of this strategy, LSS developed a simpler and more employee-driven performance development plan (PDP) process. The PDP shifts the focus of performance reviews from documentation toward meaningful dialogue and feedback between employees and supervisors. The completion rate for the new PDP process in 2013/14 was 100%.

To improve supervisory and management skills, LSS initiated the Leadership Coaching Project, which involved managers and supervisors participating in one-on-one phone calls, small group sessions, and class modules with a professional coach. Overall, 70% of participants were fully engaged with the project, taking advantage of all program elements from start to finish. Participants provided positive feedback on the coaching project.

Other employee engagement initiatives included improvements to the employee recognition program, improving communication of executive-level decisions with staff, and the introduction of online forms.

The average overall LSS absentee rate has been relatively stable the last three years, coming in at 8.22 days in 2013/14, compared with 8.44 days in 2012/13 and 8.29 days in 2011/12.

4.4 Improve information systems to respond to a changing environment

We continued our project to replace our outdated client management software with a more efficient and cost-effective system that will support service delivery over the long term.

When completed in 2015, the new system will support critical business processes and increase the society's flexibility to adapt to legislative, policy, and service changes.

Future opportunities

We will strengthen our focus on employee engagement through the development and implementation of an action plan in response to the 2014 Work Environment Survey. Cross-departmental focus groups will determine the most effective ways to respond to concerns and opportunities raised in the survey. In addition, the society will continue to support the lawyers who provide legal aid services and its staff to ensure clients receive the services they need to resolve their legal problems.

Results

Importance of measure

Methodology

Findings

Employee engagement

Overall average employee engagement score

69

This measure is a composite rating that includes employee commitment, job satisfaction, and organization satisfaction. It measures the society's performance in providing employees with the resources necessary to perform their duties, to develop their skills, and to contribute to the society's goals.

Research indicates that a high level of employee engagement is related to improved service for clients and increased employee retention. Increasing the engagement score over time will show that we are enhancing our ability to retain highly skilled employees and, in turn, to provide quality legal aid services efficiently.

LSS uses data gathered from a triennial online Work Environment Survey conducted by BC Stats for this measure. LSS benchmarks its employee engagement score against the BC Public Service. The work environment at LSS, as a Crown agency, shares important characteristics with the work environment experienced by the BC Public Service, making the comparison relevant. The society's overall engagement score of 69 in 2013/14 exceeds the 2013 BC Stats score of 64.

LSS received an overall average engagement score of 69 in 2013/14, below the target of 70 but above the result of 67 in 2011/12. 82% of LSS employees participated in the 2014 survey.

The survey results showed improvements in management communication and effectiveness (identified as an area to address in the last survey) and in empowerment.

Results also highlighted the society's strengths such as a respectful environment within work units, job suitability, and positive working relationships and communication among colleagues. The results also identified areas for LSS to address, including employee recognition and organizational confidence in the executive.

Budget variance

Budget-to-actual expenditure variance

-2.26%

This measure shows how well LSS is managing its expenditures. A low budget-to-actual expenditure variance will demonstrate that LSS is managing expenditures effectively and that the society is making timely use of available funds for client services.

To determine our budget-to-actual variance, we use the following calculation: $\text{Variance} = 1 - (\text{actual}/\text{budget})$. LSS has no comparable data from other legal aid plans. Data is gathered from the LSS financial system and is reviewed by external auditors.

In 2013/14, our budget-to-actual expenditure variance was -2.26%, which was over our target of +/- 1.5% variance. This performance demonstrates the particular financial challenges LSS faced this year and the difficulty of managing costs in a period of uncertainty.

Budget-to-actual expenditure variance calculation 2013/14

Actual total expenditures per Statement of Operations (see page 37)		\$	80,557,862
Less	Criminal Category B cases		2,158,373
	Immigration		1,440,060
	Major cases		4,246,367
	Law Foundation-funded projects		50,000
		\$	72,663,062
Approved expenditure budget		\$	77,221,000
Less	Criminal Category B cases		1,813,000
	Immigration		1,500,000
	Major cases		2,855,000
		\$	71,053,000
Variance = 1 - (actual/budget)			-2.26%

	Importance of measure	Methodology	Findings
<p>Public support</p> <p>Percent of the public that supports the provision of legal aid services</p> <p>93%</p>	<p>This measure shows the proportion of BC residents who say they support providing legal information, advice, and representation services to people with low incomes.</p> <p>The level of public support for legal aid is a primary indicator of the value BC residents place on legal aid services and the contribution of these services to a fair and efficient justice system. This measure is linked to public awareness of legal aid services and helps demonstrate the importance of legal aid in ensuring access to justice for the people of BC.</p>	<p>Public opinion data is gathered from an annual telephone survey conducted by an independent survey organization. For this year's survey, LSS also commissioned an online poll (612 respondents) to assess the impact of moving to an online-only polling methodology. Overall, the results of the online and telephone surveys were quite consistent.</p> <p>Interviewers asked 600 people from across BC a series of questions about legal aid. The margin of error is +/- 6% at the 95% confidence level. The most recent comparable data comes from public opinion polls conducted in 2006 by Legal Aid Ontario and Legal Aid Alberta, which were based largely on the questions developed by LSS for its poll.</p> <p>At 93% in 2014, the level of public support in BC remains higher than the Ontario level of 85% (2006) and is comparable to the Alberta result of 96% (2006). When comparing to 2012/13 findings, a maximum difference of +/- 7% is necessary to be considered significant at the 95% confidence level.</p>	<p>There continues to be high awareness (81%) of legal aid among BC residents (down 5% from 2013).</p> <p>The vast majority (93%) of respondents continues to support providing legal aid services for those with low incomes (a decrease of 2% from 2013) — this includes 64% who are strongly in support.</p> <p>80% of BC residents maintain that the government should give funding for legal aid the same priority it gives to funding for other social services.</p> <p>77% of respondents are in favour of having LSS help clients address other problems related to their legal issues such as housing, debt, and health problems (down from 81% in 2013).</p> <p>A large majority of the public (90%) continues to feel legal aid services are important to ensure fairness in the justice system. Providing legal aid in family court received the highest priority.</p>
<p>New lawyers</p> <p>New lawyers taking more than three referrals in the first six months</p> <p>73</p>	<p>This measure shows the number of lawyers who accepted three or more legal aid referrals in the first six months of getting approval to provide legal aid services. It tracks the society's success not only in recruiting lawyers but also in supporting their commitment to legal aid.</p>	<p>Data comes from LSS's case management system database. LSS does not benchmark this measure.</p>	<p>This annual measure, developed in 2010/11, allows LSS to track engagement of new lawyers with LSS, and provides an early indication of their long-term commitment to legal aid.</p> <p>Results show that 73 new lawyers took on three or more referrals within their first six months, a 14% increase over the last year and above the target of 60.</p>

5 Leadership

LSS takes a leadership role in justice reform

LSS believes that innovation is needed to bring about the fundamental justice system changes required for clients to achieve timely and lasting resolutions to their legal issues.

Performance **measure**

Volume of references to LSS and justice innovation in academic literature, stakeholder reports, and media

Results

LSS developed this measure and established its baseline in 2013/14. For initial results, see page 23.

Performance **highlights**

5.1 Promote outcomes-based justice reform initiatives

LSS continued to make an impact with *Making Justice Work*, our report exploring alternative service delivery models to generate justice system cost savings while improving client outcomes. Other justice transformation work referenced LSS's proposals.

We promoted outcomes-based justice reform initiatives through our involvement in various committees and working groups (e.g., Criminal Justice Summit, Large Case Management Executive Group, National Action Committee on Access to Justice, Ministry of Children and Family Affairs meetings working group).

5.2 Pilot evidence-based legal aid initiatives to improve access and outcomes

LSS began planning legal aid pilot initiatives based on a commitment from the provincial government to provide \$2 million in justice transformation funds. Through meetings with government and justice system stakeholders, LSS developed a short list of projects to improve access to justice and outcomes for clients facing child protection, family, and criminal law problems. These will be implemented in 2014/15.

5.3 Communicate LSS's strategic direction to stakeholders

We continued to communicate our strategic direction through meetings, collaborations, and information sharing with key stakeholders in the justice system. In addition to our participation in groups mentioned in 5.1, LSS board members and senior staff held regular meetings with justice system stakeholders, including the Law Society, Canadian Bar Association, Law Foundation, Trial Lawyers Association, the judiciary, social service and advocacy groups (e.g., West Coast LEAF), and members of the legal aid bar through the tariff advisory committees.

Future **opportunities**

In 2014/15, LSS will have the opportunity to implement a number of pilot initiatives aimed at positive changes for client outcomes and/or justice system savings. Designing, implementing, managing, and evaluating these pilot initiatives will be a considerable amount of work for the society, and the outcomes of these initiatives will inform other justice system transformation efforts. We will need to balance the exciting opportunity to translate our ideas for justice innovation with the existing capacity constraints of running a legal aid plan with limited resources.

Results

Importance of measure

Methodology

Findings

Volume of references

Volume of references to LSS and justice innovation in academic literature, stakeholder reports, and media

20

A high volume of references to LSS's justice innovation proposals in academic literature, stakeholder reports, and the media indicates that LSS's ideas are being reviewed and considered by key justice system decision makers and opinion makers.

2013/14 is the first year that LSS is reporting out on this new goal. We will set a baseline this year; therefore, there is no target.

Our methodology included tracking references to LSS in relation to its justice innovation ideas and projects through Google Scholar (Google's academic search engine), Canadian Newsstand Major Dailies (media database), HeinOnline (law journal database), and stakeholder websites (e.g., BC Ministry of Justice). The search was limited to a specific set of search terms and was conducted manually.

Our research found that there were 20 references to LSS and justice innovation in the media, academic journals, and stakeholder websites in 2013/14. Some of the references specifically supported the ideas we outlined in our report *Making Justice Work* (e.g., CBA's *Future Directions for Legal Aid Delivery* report discussed our proposals, and our focus on client outcomes as a measure for successful justice innovation).

Other references were to our innovative services, projects, or publications (e.g., LSS changes in managing large cases, pilot project to fund Gladue report writers, new uses of technology to bridge service gaps after LSS funding cuts, etc.).

Government's

letter of expectations

LSS and the Ministry of Justice jointly approve a government's letter of expectations (GLE) from the ministry to the society each year.

The government uses GLEs to communicate its priorities, mandate direction, and key performance objectives to each Crown agency for the coming year. This supplements the LSS Act and the three-year Memorandum of Understanding (MOU) between LSS and the ministry. LSS actions to address the GLE for 2013/14 are outlined in the table below.

For more information, see www.legalaid.bc.ca (click About us → What we do → Obligations).

	Financial performance	Support policy, planning, and program coordination
Expectation	Meet periodically to consider the budget development cycle; the financial position of LSS; the establishment of LSS's strategic priorities to ensure alignment with the government's strategic priorities; and issues relating to LSS's objects that might affect government's responsibility for legal aid and access to justice.	Meet periodically to consider coordination of policy and program development. Share information and consult with the government to support policy, planning, and program coordination by ensuring service delivery aligns with the government's strategic priorities, policy objectives, and fiscal plan; collaborate with government on issues such as large cases and justice reform; collaborate with government and other justice participants on justice reform initiatives that promote early resolution; promote early, collaborative dispute resolution in child protection and family law cases; liaise with the government in relation to each area of law; and participate in the coordination of services among LSS, government, and other justice system participants to achieve efficiencies in the delivery of legal aid services.
LSS action	LSS met regularly with the Ministry of Justice, provided monthly reports, and provided various other reports on exceptional matters.	LSS collaborated with key stakeholders in the justice system to enhance large case management and justice reform. LSS supported early, consensual dispute resolution in family and CFCSA cases through the simplified tariff as revenue allowed. LSS communicated with the Ministry of Justice on government and society priorities and the LSS service plan throughout the annual planning process. LSS met and worked with the Ministry of Justice to develop the Justice Innovation-Transformation Initiatives work plan to expand criminal and family legal aid services using \$2 million from a government budget increase.

Legislative framework

Conduct operations and financial activities consistent with the legislative and policy framework established by government.

LSS remained in compliance with the LSS Act and the MOU.

LSS provided financial, statistical, and other information about legal aid services to the Attorney General and Minister of Justice.

Communication

Maintain a working group to meet on a monthly basis as required.

LSS participated in working group meetings to review and coordinate budget development, strategic priorities, policy and program development, issues related to legal aid and access to justice, and other issues as they arose.

Reporting

Meet performance reporting requirements as set out in the Budget Transparency and Accountability Act, the Financial Administration Act, and the Financial Information Act.

LSS met all reporting requirements.

Climate change

Comply with government requirements to make the public sector carbon neutral.

LSS continues to implement an environmental policy that engages staff in efforts to reduce greenhouse gas emissions.

LSS developed print and copy monitoring solutions to reduce paper usage, completed conversion to recycled paper, minimized business travel, and continued to renovate its premises to sustainability standards (Leadership in Energy and Environmental Design).

LSS filed carbon-neutral action reports as required.

Financial

report

The 2013/14 fiscal year started with concerns regarding increased costs in all tariffs. Early in the year, we projected that the increased tariff costs would result in a \$3.0 million deficit if corrective action was not taken. We determined that the cause of these higher costs was an increase in application volumes in child protection cases and a decrease in the time between issuing criminal referrals and lawyers invoicing the society.

To resolve the projected deficit, the society and the Ministry of Justice worked together to develop a savings plan that would minimize any impact on our clients. This plan included limiting family referrals, reducing or eliminating discretionary expenditures, deferring capital expenditures, generating savings from vacant positions, deferring some costs to future years, and eliminating contingency spending. In addition, the board sought and received approval from the Treasury Board and the ministry to incur a deficit of up to \$0.5 million for the fiscal year by accessing a portion of the accumulated surplus. Further to this, the ministry agreed to provide funds for any additional deficit of up to \$1.4 million if needed. The savings plan enabled the ministry's contribution to be limited to \$1.0 million. As a result of these efforts and the decreased cost of Category C cases, the provincial government's contribution to the society decreased by \$3.2 million.

During the year, the society continued its work on the ISIS project, a replacement for our current case management system (CMS). This computer system is used to accept applications, make referrals to the private bar, manage the cost of the cases, and authorize payments to the private bar. Currently, it is estimated that the development process will take close to two years to complete. At the end of the 2013/14 fiscal year, the project was approximately 50% complete, projected to be on budget, and scheduled to be operational in late 2014/15.

The following discussion of the society's financial condition for the year ending March 31, 2014, should be read in conjunction with the society's audited financial statements. The financial statements have been prepared in accordance with generally accepted accounting principles for provincial reporting entities established by the Canadian Public Sector Accounting Board. LSS is accountable for how it uses all its funding under the Budget Transparency and Accountability Act.

Management discussion and analysis

Accumulated surplus

At March 31, 2014, the society's total accumulated surplus was \$5.5 million, of which \$4.3 million was restricted by the board for the ISIS project. As part of the savings plan for 2013/14, LSS sought and received permission to use up to \$0.5 million from the accumulated surplus. The balance of \$1.2 million is restricted and not available for other purposes without approval by the board of directors.

Budget allocations

LSS allocated \$54.8 million or 71% of its budget to contracted representation services this year. Salaries and benefits comprised the next largest budget item at \$10.9 million, or 14.1% of the budget. Budget for building leases and amortization amounted to \$2.7 million or 3.5%. The budget for all other costs totalled \$8.8 million or 11.4% (see table 4, page 30).

Revenue

The society's revenues were \$80.1 million this year (see table 3, page 29). Although the province provided \$1.0 million in additional funding, revenues decreased by \$3.5 million from 2012/13. The decrease was a result of lower costs and revenue for funded cases. Low interest rates continue to impact the society. Funding from the Notary Foundation and investment income remain at 10-year lows.

Provincial funding

The provincial government provides the largest portion of the society's revenue. This funding is subject to a three-year Memorandum of Understanding (MOU) between LSS and the Ministry of Justice. The MOU expired on March 31, 2014, and is currently being renegotiated.

The MOU outlines the anticipated funding for each year and the priorities for its use. It also defines how criminal cases are to be categorized and funded. There are three criminal categories:

- **Category A:** The first \$75,000 of non-court-ordered cases paid at the standard rates. These cases are funded from the base criminal tariff budget.
- **Category B:** All costs greater than \$75,000 and up to \$175,000 of non-court-ordered cases paid at standard rates, and all costs of court-ordered cases up to \$175,000 paid at standard rates. These cases are funded by a restricted contribution and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, the society must first apply any eligible base criminal tariff surplus to the shortfall. Any remaining shortfall is then applied to deferred contributions.
- **Category C:** All costs greater than \$175,000 or all costs where the hourly rate paid is greater than the standard rate. These cases are funded through a special funding agreement with the ministry.

The MOU allocates specific amounts for representation in each area of law, public legal education and information services, and strategic initiatives. It also sets out priorities for reallocating surpluses to shortfalls among budget categories during the year. The society's obligation to provide services is limited to the funding allocated in the MOU for each specific area.

In addition to MOU funding, the provincial government provided specific funding for all Criminal Category C cases during the fiscal year. The total funding for these cases was \$4.7 million, compared to \$8.4 million in 2012/13.

Federal funding

The federal government contributes to the province up to \$900,000 each year for immigration tariff expenditures in excess of \$800,000. These funds are transferred from the federal government to the province and then to LSS, and are included as revenue as part of core provincial government funding.

Foundation grants

Both the Law Foundation and the Notary Foundation provide annual grants to LSS with revenue earned on trust funds held by their members. Since these funds are not included in the MOU, the society can allocate them at its discretion, based on LSS board priorities and service plan goals.

The Notaries Act requires the Notary Foundation to contribute 55% of their interest revenue to the society. The foundation provided \$486,872 to LSS in 2013/14, a decrease from \$510,127 provided in 2012/13.

The Law Foundation provided the society with an operating grant of \$3.6 million in 2013/14, unchanged from 2012/13. An additional \$50,000 of funding for projects was provided.

Investments

The majority of the society's available cash is invested under the LSS board's investment policy, which permits the society to invest in low-risk investments. The total revenue for 2013/14 was \$397,847, compared to \$578,358 in 2012/13.

Expenses

The society's expenses decreased to \$80.6 million this year, compared to \$83.9 million in 2012/13. Of this, \$59.9 million was for contracted representation, \$10.9 million for salaries and benefits, \$2.3 million for building and amortization, and \$7.4 million for other costs. Table 4 on page 30 shows LSS expenses for 2013/14. Tables 6 through 12 on pages 30 – 32 summarize the society's expenses for the past four years.

Tariff program expenses

The financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), and expenses are consolidated and reported as programs. The tariff expenses reported in the financial statements include payments to the private bar, any direct service contracts, and an allocation for both public services (formerly application processing) and tariff administration costs (formerly tariff processing).

Tables 7 through 10 provide details of the costs included in the tariff expenses. Total expenditures for tariff programs were \$70.6 million or 87.6% of total spending in 2013/14 compared to \$73.3 million or 87.4% in 2012/13. The largest change was in the criminal tariff, which decreased \$2.6 million due to a significantly reduced cost for Category C cases but an increased cost in Criminal Category A cases. The family tariff decreased by \$1.1 million due to a decrease in referral approval rates, and the child protection tariff increased \$0.8 million due to more referrals as a result of increased demand for the service.

The total cost of Criminal Category B cases for the year was \$2.2 million, or \$0.3 million greater than budgeted. This deficit was covered by transferring \$0.3 million from deferred contributions, leaving \$0.6 million in this fund at the end of the year. This amount is available for use in future years.

To determine the costs for tariff and duty counsel, the society estimates the liability for services provided by the private bar. To arrive at this figure, LSS uses an actuarial model that includes actual costs based on invoices received and estimated costs for work performed on all unbilled referrals made during the fiscal year. The calculation is 90% accurate, 19 times out of 20. The estimated tariff liability at the end of 2013/14 is \$10.9 million. The actuarial model was last reviewed in 2012/13.

Salaries and benefits

Salary and benefit costs are subject to negotiated collective agreements and terms and conditions of employment. These agreements are approved by the society and the provincial government. The current BCGEU agreement will expire on March 31, 2015, and the PEA agreement will expire on September 30, 2014.

Risks

During the prior fiscal year, legislative changes were enacted that directly impacted LSS. The changes affected the criminal, family, and immigration tariffs. We may not be able to see and understand the impacts of these changes for up to three years. LSS will continue its practice of monitoring all tariff costs on a monthly basis and reporting any cost increases as they occur. At this time, no additional funding has been provided to offset any cost increases as a result of legislative changes.

Increasing case costs and service demands will continue to be a risk that the society must manage. Success in analysis and forecasting tariff costs during the 2012/13 and 2013/14 fiscal years provided the information needed to work with the ministry to secure additional funding and approval to incur a deficit. The ability to manage demand continued to be critical to meeting budget targets.

The MOU created three categories for criminal cases and set limits on the amount the society can spend on a case before having to obtain special funding agreements. This has the effect of limiting the society's exposure to the ever-expanding costs of large criminal cases.

Long-term funding for immigration and refugee legal aid remained a concern for the society as immigration volume pressures continued to fluctuate. Federal and provincial funding of \$1.7 million was available in 2013/14 and these funds will also be available in 2014/15. The federal and provincial funding agreement expired March 31, 2013, and a new four-year agreement was signed, which ends March 31, 2017, but does not contain any funding commitment beyond March 31, 2014, for immigration and refugee legal aid.

The society began the process for replacing its case management system in 2012/13. In December 2012, the board committed \$4.3 million for this project. Development work has started, and we plan to launch the new system in late 2014/15. In the future, any major delays or increases in projected costs of development and implementation could have a negative financial impact on the society.

For three of the past four years, the society has restricted capital spending in order to minimize deficits. Currently, after adjusting for the CMS replacement, the society's capital asset book value represents 18.5% of their original cost. This is an indication that a majority of the assets are beyond their estimated useful life. Future maintenance costs are likely to increase if assets are not replaced.

Future outlook

The provincial government has approved the society's 2014/15 budget. The budget included an additional \$2 million for Justice Innovation-Transformation Initiatives but did not include any additional funding for legislative changes noted above. Table 5 on page 30 shows the projected financial outlook for 2014/15.

However, increasing applications in family and child protection and fluctuations in criminal invoicing patterns will create challenges for LSS, and will require the society to monitor and report any changes throughout the year.

The trend to lower non-government revenues over the past six years is expected to continue. The amount of cash the society has to invest has declined over the past two years due to deficits and investment in ISIS, the new computer system, and will result in lower investment revenues. The Law Foundation has advised the society that their grant will be reduced by 18% or \$645,000 per year, starting in the 2015/16 fiscal year. Should interest rates increase in the future, it is unlikely that the non-government revenue will return to 2013/14 levels.

Deferred contribution of Criminal Category B cases has been eroded by 67% over the past two years and is now at a 10-year low. The ability of the society to fund these cases may be limited in the near future if costs continue to be in excess of the annual funding provided by the province.

Service cost increases resulting from legislative and policy changes and government-initiated projects also pose a financial risk for LSS in 2014/15.

Table 3 **Revenue** 2013/14

Revenue	2011 ¹	2012	2013	2014	
				Actual	Budget
Government of BC	\$ 67,984,592	67,181,942	70,014,671	70,466,457	69,671,000
Funded cases ²	4,118,076	8,433,593	8,399,263	4,727,367	2,855,000
Law Foundation grant	3,735,309	3,883,232	3,807,162	3,718,793	3,650,000
Notary Foundation grant	469,618	539,236	510,127	486,872	400,000
Investments	528,243	562,981	578,358	397,847	530,000
Miscellaneous ³	38,669	112,137	233,094	260,526	115,000
Total	\$ \$76,874,507	\$80,713,121	\$83,542,675	80,057,862	77,221,000

1 Restated to conform to Canadian PSAS.

2 Funded by provincial government (Criminal Category C)

3 Includes publishing revenue, administrative fees, etc.

Table 4 Expenses 2013/14

Expenses		2011 ¹	2012	2013	2014	
					Actual	Budget
Contracted representation services	\$	56,131,297	60,408,642	62,672,601	59,920,894 ²	54,830,570
Salaries and benefits		10,371,239	10,445,526	10,884,792	10,929,548	10,946,140
Building and amortization		2,397,197	2,398,456	2,473,854	2,329,381	2,686,990
Other		8,100,034	7,536,415	7,909,161	7,378,039	8,757,300
Total	\$	76,999,767	80,789,039	83,940,408	80,557,862	77,221,000

1 Restated to conform to Canadian PSAS.

2 This figure is the sum of tariff, duty counsel, and transcripts from Note 10 of the 2013/14 financial statements.

Table 5 Financial outlook

		2013/14 Actual	2014/15 Projected
Revenue (all sources)	\$	80,057,862	79,091,000
Expenses			
Contracted representation services and support (tariff support, etc.)		80,557,862	77,091,000
Justice innovation-transformation initiatives		—	2,000,000
Total expenses	\$	80,557,862	79,091,000
Surplus/(deficit)		(500,000)	—

Table 6 History of revenue and expenses

		2011 ¹	2012	2013	2014	
					Actual	Budget
Revenue	\$	76,874,507	80,713,121	83,542,675	80,057,862	77,221,000
Expenses		76,999,767	80,789,039	83,940,408	80,557,862	77,221,000
Excess/(deficiency) revenue over expenses		(125,260)	(75,918)	(397,733)	(500,000)	—
Accumulated surplus	\$	6,431,455	6,355,537	5,957,804	5,457,804	5,957,804

1 Restated to conform to Canadian PSAS.

Table 7 **Criminal services***

		2011 ¹	2012	2013	2014	
					Actual	Budget
Tariff payments to lawyers	\$	24,786,061	24,396,385	25,470,509	26,817,715	24,487,000
Large cases		4,118,076	8,322,653	8,399,263	4,246,367	2,374,000
Duty counsel		6,060,959	5,751,224	5,790,691	5,966,578	5,869,000
Contracted representation services ²		1,945,171	1,961,514	1,896,235	1,904,501	2,023,000
Public services (formerly application processing)		3,443,324	3,603,453	3,718,181	3,618,554	3,592,000
Tariff administration (formerly tariff processing)		1,883,571	1,886,183	2,001,160	2,085,283	2,276,000
Total criminal services	\$	42,237,162	45,921,412	47,276,039	44,638,998	40,621,000

1 Restated to conform to Canadian PSAS.

2 Includes Community Legal Assistance Society, West Coast Prison Justice Society, Downtown Community Court.

Table 8 **Family services***

		2011 ¹	2012	2013	2014	
					Actual	Budget
Tariff payments to lawyers	\$	10,423,072	10,885,862	11,476,619	10,382,476	11,211,000
Duty counsel ²		2,783,137	3,248,341	3,501,466	3,531,770	3,469,613
Public services (formerly application processing)		992,074	1,069,940	1,089,487	1,134,019	1,459,232
Tariff administration (formerly tariff processing)		1,032,376	730,504	752,424	714,076	821,655
Total family services	\$	15,230,659	15,934,647	16,819,996	15,762,341	16,961,500

1 Restated to conform to Canadian PSAS.

2 Includes Family LawLINE, established November 2010.

Table 9 **Child protection (CFCSA) services***

		2011 ¹	2012	2013	2014	
					Actual	Budget
Tariff payments to lawyers	\$	5,276,977	6,135,280	6,755,412	7,418,229	6,413,000
Public services (formerly application processing)		314,630	333,547	347,567	434,132	392,870
Tariff administration (formerly tariff processing)		296,211	296,541	304,328	357,068	303,430
Total CFCSA services	\$	5,887,818	6,765,368	7,407,307	8,209,429	7,109,300

1 Restated to conform to Canadian PSAS.

* 2011 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

Table 10 Immigration services*

		2011 ¹	2012	2013	2014	
					Actual	Budget
Tariff payments to lawyers	\$	1,750,614	1,372,918	1,141,615	1,302,061	1,350,000
Duty counsel		765,035	144,682	137,025	137,999	150,000
Public services (formerly application processing)		709,914	518,356	412,230	457,182	168,372
Tariff administration (formerly tariff processing)		122,589	71,377	56,727	68,263	70,928
Total immigration services	\$	3,348,152	2,107,333	1,747,597	1,965,505	1,739,300

1 Restated to conform to Canadian PSAS.

Table 11 Other programs

		2011 ¹	2012	2013	2014	
					Actual	Budget
Publishing	\$	1,383,574	1,425,538	1,521,279	1,539,942	1,345,700
Community engagement and support		447,877	798,316	873,834	823,771	870,300
Aboriginal Services		487,000	516,700	586,470	465,952	557,500
Total other programs	\$	2,318,451	2,740,554	2,981,583	2,829,665	2,773,500

1 Restated to conform to Canadian PSAS.

Table 12 Administration*

		2011 ¹	2012	2013	2014	
					Actual	Budget
Executive Office	\$	1,039,470	965,588	1,149,881	1,053,756	1,301,827
Strategic Planning, Policy, and Human Resources		2,138,713	1,846,834	1,948,674	1,741,110	1,961,219
IT Services		2,156,943	1,970,098	2,182,246	2,183,639	2,250,745
Finance and Administration		2,642,399	2,537,205	2,427,085	2,173,419	2,502,609
Total administration	\$	7,977,525	7,319,725	7,707,886	7,151,924	8,016,400

1 Restated to conform to Canadian PSAS.

* 2011 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

Legal Services Society

Financial statements

2013/14

Legal Services Society management's responsibility for the financial statements

Management is responsible for the preparation of the society's financial statements. This responsibility includes maintaining the integrity and objectivity of the society's financial records, and presenting the society's financial statements in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Management maintains a system of internal controls that ensures all material agreements and transactions of the society are properly recorded. The society's financial statements for the year ended March 31, 2014, have been examined by PricewaterhouseCoopers LLP. Their examination was made in accordance with Canadian generally accepted auditing standards, and included obtaining a sufficient understanding of the society's internal controls to plan the audit.

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



Mark Benton, QC
Chief Executive Officer



Doug Wong, CPA, CA
Director, Finance and Corporate Services



May 15, 2014

Independent Auditor's Report

To the Board of the Legal Services Society and to the Minister of Justice and Attorney General, Province of British Columbia

We have audited the accompanying financial statements of the Legal Services Society, which comprise the statement of financial position as at March 31, 2014 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2014 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

In our opinion, the financial statements which comprise the statement of financial position as at March 31, 2014, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2014, and the related notes, are prepared, in all material respects, in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw your attention to note 3 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 17 to the financial statements disclose the impact of these differences.

PricewaterhouseCoopers LLP

Chartered Accountants

Legal Services Society

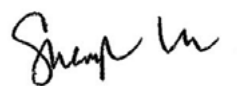
Statement of financial position as at March 31, 2014

	2014	2013
Financial assets		
Current assets		
Cash (note 16)	\$ 3,035,056	\$ 2,602,953
Investments (notes 4 and 16)	12,974,300	15,642,803
Accounts receivable		
Government of British Columbia	932,800	1,042,756
Government of Canada	615,284	2,028,704
Other (note 16)	520,130	629,782
Total financial assets	18,077,570	21,946,998
Liabilities		
Accounts payable and accrued liabilities		
General (note 5a)	2,207,831	1,499,477
Tariff (note 5b)	12,829,725	15,463,248
Employee future benefits (note 6b)	252,000	235,000
Deferred contributions (note 7)	630,553	1,044,970
Long-term liabilities (note 8)	565,200	546,756
Total liabilities	16,485,309	18,789,451
Net financial assets	1,592,261	3,157,547
Non-financial assets		
Tangible capital assets (schedule 1)	3,472,119	2,284,300
Prepaid expenses	393,424	515,957
Total non-financial assets	3,865,543	2,800,257
Accumulated surplus (note 9)	\$ 5,457,804	\$ 5,957,804
Contractual obligations (note 12)		
Contingent liabilities (note 15)		

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



Tom Christensen
Chair of the Board of Directors



Sheryl N. Lee, CPA, CA
Chair of the Finance Committee

Legal Services Society

Statement of operations and accumulated surplus for the year ended March 31, 2014

	Budget (note 11)	2014	2013
Revenue			
Government of British Columbia (note 13)	\$ 72,526,000	\$ 75,193,824	\$ 78,413,934
Law Foundation	3,650,000	3,718,793	3,807,162
Notary Foundation	400,000	486,872	510,127
Investment income	530,000	397,847	578,358
Miscellaneous	115,000	260,526	233,094
Total revenue	77,221,000	80,057,862	83,542,675
Expenses (note 10)			
Criminal tariff	40,621,000	44,638,998	47,276,039
Family tariff	16,961,500	15,762,341	16,819,996
Child protection tariff	7,109,300	8,209,429	7,407,307
Immigration tariff	1,739,300	1,965,505	1,747,597
Publishing	1,345,700	1,539,942	1,521,279
Community engagement	870,300	823,771	873,834
Aboriginal services	557,500	465,952	586,470
Administration	8,016,400	7,151,924	7,707,886
Total expenses	77,221,000	80,557,862	83,940,408
Annual deficit	—	(500,000)	(397,733)
Accumulated surplus at beginning of year	6,355,537	5,957,804	6,355,537
Accumulated surplus at end of year (note 9)	\$ 6,355,537	\$ 5,457,804	\$ 5,957,804

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

Legal Services Society

Statement of changes in net financial assets for the year ended March 31, 2014

	Budget (note 11)	2014	2013
Annual operating deficit	\$ —	\$ (500,000)	\$ (397,733)
Acquisition of tangible capital assets	(2,790,000)	(1,795,001)	(551,489)
Amortization	723,215	607,182	731,246
	(2,066,785)	(1,187,819)	179,757
Acquisition of prepaid expenses	—	(393,424)	(515,957)
Use of prepaid expenses	—	515,957	269,418
	—	122,533	(246,539)
Decrease in net financial assets	(2,066,785)	(1,565,286)	(464,515)
Net financial assets at beginning of year	3,157,547	3,157,547	3,622,062
Net financial assets at end of year	\$ 1,090,762	\$ 1,592,261	\$ 3,157,547

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

Legal Services Society

Statement of cash flows for the year ended March 31, 2014

	2014	2013
Operating transactions		
Cash received		
Transfers from Government of British Columbia	\$ 74,958,407	\$ 78,164,235
Grants received	4,125,795	4,186,785
Interest	397,847	578,358
HST recovered	1,413,420	—
Other	381,005	139,718
	81,276,474	83,069,096
Cash paid		
Legal aid tariff	62,554,417	61,152,666
Salaries and benefits	10,930,942	10,828,903
Rent	1,722,199	1,742,608
Services	2,396,501	2,388,235
HST paid	—	509,920
All other	4,113,814	5,764,372
	81,717,873	82,386,704
	(441,399)	682,392
Capital transactions		
Cash used to acquire tangible capital assets	(1,795,001)	(551,490)
Investing transactions		
Investments purchased	(5,000,000)	(10,500,000)
Investments redeemed	7,668,503	11,458,148
	2,668,503	958,148
Increase in cash	432,103	1,089,050
Cash and cash equivalents at beginning of year	2,602,953	1,513,903
Cash and cash equivalents at end of year	\$ 3,035,056	\$ 2,602,953

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

Notes to the Financial Statements

for the year ended March 31, 2014

1. Overview

The Legal Services Society (the society) was established under the Legal Services Society Act on October 1, 1979 (as revised on May 31, 2007). The society is governed by a board of directors, of which five are appointed by the Province of British Columbia (the province) and four are appointed by the Law Society. The purpose of the society is to:

- assist individuals to resolve their legal problems and facilitate access to justice,
- establish and administer an effective and efficient system for providing legal aid to individuals in British Columbia, and
- provide advice to the Minister of Justice and Attorney General respecting legal aid and access to justice for individuals in British Columbia.

The society is not subject to income taxes.

2. Basis of presentation

These financial statements are prepared by management in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This section requires that financial statements be prepared in accordance with Canadian public sector accounting standards (PSAS), except in regard to government transfers as described in notes 3(a) and 17.

3. Significant accounting policies

(a) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that give rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Restricted contributions received or receivable are deferred and amortized into revenue as the related expenses are incurred. This approach complies with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. However, this accounting treatment is different from the requirements of the Canadian PSAS, which require that government contributions be recognized as revenue when approved by the transferor and eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability. In this case, the transfer is recognized as revenue over the period that the liability is extinguished. See note 17 for the impact of this policy on the financial statements.

(b) Expenses

Expenses are reported on an accrual basis. The cost of services incurred during the year is expensed.

(c) Tariff expenses

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

(d) Employee future benefits

- The society's employees belong to the Municipal Pension Plan, which is a multi-employer contributory pension plan. The cost of the defined benefit contributions is recognized as an expense during the year, and is based on the contributions required to be made during each period.
- The cost of non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates, and discount rates.

(e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the asset.

Tangible capital assets are amortized on a straight-line basis:

Assets	Per Year
Furniture	10 – 20%
Equipment	20%
Computer equipment	25 – 33%
Computer software	20 – 33%
Case Management System	10%
Leasehold improvements	Lower of lease term and useful life

Tangible capital assets are written down when conditions indicate that they no longer contribute to the society's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net writedowns (if any) are accounted for as expenses in the statement of operations.

(f) Asset retirement obligation

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

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

(g) Prepaid expenses

Prepaid expenses include memberships, computer software licences, and deposits. These items are charged to expense over the periods expected to benefit from them.

(h) Financial instruments

The society adopted PS 3450 – Financial Instruments, effective April 1, 2012. Other than increased disclosures, the new standard did not materially impact the society's financial statements.

The society's financial instruments consist of investments, accounts receivable, and accounts payable and accrued liabilities. Cash, accounts receivable, and accounts payable and accrued liabilities are measured at cost. Investments, which comprise Guaranteed Investment Certificates, Provincial Bonds, Corporate Bonds, and Structured Bank Notes, are measured at amortized cost. The effective interest method is used to determine income.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A writedown of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

The fair values of the society's cash, accounts receivable, and accounts payable and accrued liabilities generally approximate their carrying amounts due to their short term to maturity. The fair values of the society's investments are disclosed in note 4. The fair value of the society's tariff accounts payable and accrued liabilities is not readily determinable.

(i) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial statements include the tariff liabilities and expenses (note 18). Other areas where estimates are made include the valuation of accounts receivable, amortization of tangible capital assets, asset retirement obligation, non-vesting sick leave benefits, and contingent liabilities.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

4. Investments

The carrying value of the society's investments is \$12,974,300 (2013 — \$15,642,803). Included in investments is \$189,301 for accrued interest (2013 — \$291,395). Investments have maturities ranging from April 2014 to May 2017 and rates of return ranging from 1.64% to 3.1%.

The investments have a market value at March 31, 2014, of \$12,966,315 (2013 — \$15,645,713). Investments are recorded at amortized cost less any writedowns associated with a loss in value that is other than a temporary decline.

5. Accounts payable and accrued liabilities

(a) General

	2014		2013	
Trade payables	\$	1,550,356	\$	840,608
Payroll payables		657,475		658,869
Total	\$	2,207,831	\$	\$1,499,477

(b) Tariff

	2014		2013	
Submittals approved, not paid	\$	858,390	\$	1,949,598
Submittals not approved		1,087,335		2,479,650
Accrual		10,884,000		11,034,000
Total	\$	12,829,725	\$	15,463,248

The society uses an actuarial model to estimate legal services performed but not yet billed to the society. Management estimated the liability to be approximately \$10,884,000 (2013 — \$11,034,000). This estimate included in the above table incorporates average case costs and service billings for similar cases, based on historical experience over a two-year period. Actual costs could differ from this estimate (notes 3(i) and 18).

7. Deferred contributions

	Balance, beginning of year	Restricted contributions	Amortized to operations	Balance, end of year
Government of British Columbia Criminal Category B	975,926	1,813,000	2,158,373	630,553
Other	69,044	—	69,044	—
Total	\$ 1,044,970	\$ 1,813,000	\$ 2,227,417	\$ 630,553

The society's Memorandum of Understanding (MOU) with the Minister of Justice and Attorney General of British Columbia provides for restricted funding for exceptional matters, commencing with the 2003 fiscal year. Effective April 1, 2010, the MOU was revised to provide clarification on criminal case classification and funding of these cases.

6. Employee future benefits

(a) Pension plan

The society and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 134 contributors from the society.

The most recent actuarial valuation as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to individual employers participating in the plan.

The society paid \$722,856 for employer contributions to the plan in fiscal 2014 (2013 — \$683,980).

(b) Non-vested sick leave

Employees are credited days per year, ranging from six to 10 days, for use as paid absences in the year due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit cost and liabilities related to the plan are included in the financial statements.

There are now three categories:

- **Category A:** The first \$75,000 of non-court-ordered cases paid at the standard rates. These cases are funded from the base criminal tariff budget.
- **Category B:** All costs greater than \$75,000 and up to \$175,000 of non-court-ordered cases paid at standard rates, and all costs of court-ordered cases up to \$175,000 paid at standard rates. These cases are funded by a restricted contribution, and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, the society must first apply any eligible base criminal tariff surplus to the shortfall. Any remaining shortfall is then applied to deferred contributions.
- **Category C:** All costs greater than \$175,000, or all costs where the hourly rate paid is greater than the standard rate. These cases are funded through a special funding agreement with the Ministry of Justice.

8. Long-term liabilities

	2014	2013
Asset retirement obligation (a)	\$ 565,200	\$ 537,000
Leasehold inducements	—	9,756
Total	\$ 565,200	\$ 546,756

(a) Asset retirement obligation

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

	2014	2013
Balance, beginning of year	\$ 537,000	\$ 502,000
Accretion expense	28,200	35,000
Balance, end of year	\$ 565,200	\$ 537,000

The accretion expense is included in the premises expense. The undiscounted estimated cash flows required to settle the obligations ongoing to 2019 are \$784,000. The cash flows are discounted using a credit-adjusted, risk-free rate of 5% (2013 — 5%).

9. Accumulated surplus

	2014	2013
Internally restricted for ISIS project	\$ 4,300,000	\$ 4,300,000
Internally restricted for strategic initiatives	1,157,804	1,657,804
Total	\$ 5,457,804	\$ 5,957,804

The board of directors has authorized the following restrictions on the accumulated surplus:

- In fiscal 2013, the board of directors restricted the entire accumulated surplus to be used for board-directed strategic initiatives and allocated \$4.3 million of those funds for the ISIS project (to replace the Case Management System), of which approximately \$3.1 million has been committed to date and \$1.9 million has been paid.
- The accumulated surplus will be drawn down as the cost of the ISIS project is amortized over the anticipated useful life of the asset.
- In fiscal 2014, the board of directors sought and received approval from the Treasury Board to use up to \$0.5 million of accumulated surplus to offset the current year tariff cost pressures.
- These funds are not available for other purposes without the board of directors' approval.

10. Expenses by object

The following is a summary of expenses by object:

	2014 Budget	2014 Actual	2013 Actual
Tariff	\$ 44,835,000	\$ 49,557,303	\$ 51,975,454
Salaries and benefits	10,946,140	10,929,548	10,884,792
Duty counsel	8,995,570	9,468,955	9,429,182
Grants and contracted services	4,421,450	3,504,899	3,863,221
Premises	1,947,710	1,722,199	1,742,608
Local agents	1,700,560	1,675,555	1,637,388
Computers	952,450	1,052,957	1,138,657
Transcripts	1,000,000	894,636	1,267,965
Office	768,770	632,113	726,700
Amortization	739,280	607,182	731,246
Miscellaneous	570,670	250,941	272,933
Board expenses	218,600	172,427	171,951
Travel	124,800	89,147	98,311
Total	\$ 77,221,000	\$ 80,557,862	\$ 83,940,408

11. Budgeted figures

The operating budgeted figures, presented on a basis consistent with that used for actual results, were approved by the board of directors on February 15, 2013, and submitted to the Ministry of Justice. The minister approved the budget on March 21, 2013.

12. Contractual obligations

The society has the following contractual obligations for long-term leases of its office premises, and other contractual obligations:

Year	
2015	\$ 2,017,458
2016	827,221
2017	873,825
2018	920,429
2019	961,208
Thereafter	734,013
Total	\$ 6,334,154

At year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which the society is currently committed, is estimated by management to be approximately \$24.1 million. This estimate uses the same methodology as described in note 5 for tariff payables.

13. Related parties

The society is related to the Province of British Columbia and its ministries, agencies, and Crown corporations. In this relationship, the province provided funding in the amount of \$75,193,824 (2013 — \$78,413,934) and the society is responsible for providing legal aid to individuals throughout BC. At year-end, the province owed the society \$932,800 (2013 — \$1,042,756).

Certain members of the board of directors provide tariff services to the society. These services are provided in the regular course of business under the same terms and conditions as other lawyers. The total amount paid for their services during the year was \$66,363 (2013 — \$37,727). All payments to board members are reviewed by the finance committee on a quarterly basis.

14. Economic dependence

In 2013, the society received 94% (2013 — 94%) of its operating revenue from the province, and 5% (2013 — 5%) from the Law Foundation of British Columbia. The society depends on funding from these sources for the continuance of its operations.

15. Contingent liabilities

The nature of the society's activities is such that there is usually pending or prospective litigation at any time against the society. With respect to claims at March 31, 2014, management believes the society has valid defences and appropriate insurance coverage in place. Accordingly, no provision has been made in these financial statements for any liability that may result. In the event that any of these claims are successful, management believes they will not have a material effect on the society's financial position.

16. Risk management

Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. The society's accounts receivable are due primarily from government organizations and reputable organizations. The society's cash and investments are held at Canadian chartered banks, and Canadian financial institutions, respectively. The society is not exposed to significant credit risk.

At March 31, 2014, the following accounts receivable were past due but not impaired:

Accounts receivable	
Current	\$ 330,415
30 days	8,561
60 days	16,323
90 days	80,060
Over 120 days	84,771
Total	\$ 520,130

Liquidity risk

Liquidity risk is the risk that the society will not be able to meet its financial obligations as they fall due. The society's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flow to fund operations and settle liabilities when due.

Financial assets	On demand	Up to 1 year	1 to 3 years	Over 3 years	Total
Cash	\$ 3,035,056	—	—	—	\$ 3,035,056
Investments	—	7,235,314	4,736,626	1,002,360	12,974,300
Accounts receivable	—	2,068,214	—	—	2,068,214
Total financial assets	\$ 3,035,056	9,303,528	4,736,626	1,002,360	\$ 18,077,570
Financial liabilities					
Accounts payable and accrued liabilities	\$ —	4,153,556	—	—	\$ 4,153,556
Tariff accrual	—	10,884,000	—	—	10,884,000
Total financial liabilities	\$ —	15,037,556	—	—	\$ 15,037,556

Market risk

Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The society is not exposed to significant currency risk.

b) Interest rate risk

Interest rate risk is the risk that the society's investments will change in fair value due to future fluctuations in market interest rates. The fair value of the investments, and the income they generate, varies as market interest rates vary. All other financial instruments are non-interest bearing. The society mitigates this risk by monitoring interest rates.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The society is not exposed to significant other price risk.

17. Impact of accounting for government contributions

in accordance with section 23.1 of the Budget Transparency and Accountability Act

As disclosed in note 3(a), section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and its related regulations require the society to recognize restricted contributions into revenue as the related expenses are incurred. As these contributions do not contain stipulations that create a liability for the society, PSAS would require these contributions be recognized as revenue in the period when authorized and all eligibility criteria are met. The impact of this accounting policy difference on these financial statements is as follows:

Date	Impact		Amount
March 31, 2012	Increase in accumulated surplus and decrease in deferred contributions	\$	2,146,034
Year ended March 31, 2013	Increase in annual deficit	\$	1,101,064
March 31, 2013	Increase in accumulated surplus and decrease in deferred contributions	\$	1,044,970
Year ended March 31, 2014	Increase in annual deficit	\$	414,417
March 31, 2014	Increase in accumulated surplus and decrease in deferred contributions	\$	630,553

18. Measurement uncertainty

Program area		Amount reported	Measurement uncertainty	Range
Tariff accrual (note 5b)	Min	\$ 10,884,000	\$ (1,088,400)	\$ 9,795,600
	Max	\$ 10,884,000	\$ 1,088,400	\$ 11,972,400
Tariff expenses (note 10)	Min	\$ 49,557,303	\$ (1,088,400)	\$ 48,468,903
	Max	\$ 49,557,303	\$ 1,088,400	\$ 50,645,703

Variability in the tariff accrual arises from the rate at which cases proceed and changes in the average cost per case. In management's opinion, the tariff accrual and corresponding tariff expenses could change within a range of +/- 10%.

During the year ended March 31, 2013, the society engaged an independent actuarial firm to review the tariff accrual model. The review concluded that, in the aggregate, the tariff model remains appropriate for determining the amount to be accrued.

19. Corresponding figures

Certain corresponding figures have been reclassified to conform to the current year's presentation.

Schedule 1

Tangible capital assets

Cost

	Balance, beginning of year		Additions		Disposals		Balance, end of year	
Furniture	\$	1,207,017	\$	—	(99,188)	\$	1,107,829	
Equipment		524,800		—	—		524,800	
Computer equipment		929,567		27,406	—		956,973	
Computer software		2,400,698			(263,463)		2,137,235	
ISIS computer system		139,240		1,767,595	—		1,906,835	
Case Management System		1,126,527		—	—		1,126,527	
Leasehold improvements		2,613,401		—	—		2,613,401	
Total	\$	8,941,250	\$	1,795,001	(362,651)	\$	10,373,600	

Accumulated amortization

	Balance, beginning of year		Additions		Disposals		Balance, end of year	
Furniture	\$	(808,113)	\$	(113,304)	99,188	\$	(822,229)	
Equipment		(499,168)		(7,371)	—		(506,539)	
Computer equipment		(750,210)		(73,506)	—		(823,716)	
Computer software		(2,043,374)		(222,492)	263,463		(2,002,403)	
ISIS computer system		—		—	—		—	
Case Management System		(1,126,527)		—	—		(1,126,527)	
Leasehold improvements		(1,429,558)		(190,509)	—		(1,620,067)	
Total	\$	(6,656,950)	\$	(607,182)	362,651	\$	(6,901,481)	

Net book value

	2014		2013	
Furniture	\$	285,600	\$	398,904
Equipment		18,261		25,632
Computer equipment		133,257		179,357
Computer software		134,832		496,564
ISIS computer system		1,906,835		—
Case Management System		—		—
Leasehold improvements		993,334		1,183,843
Total	\$	3,472,119	\$	2,284,300

1 Appendix

Operating data

These tables provide a detailed breakdown of the number of clients who used LSS services over the past three years. Data is provided on applications and referrals for legal representation, advice, and information services, and policy compliance processes. For more information on our services, see www.legalaid.bc.ca.

Legal representation

LSS provides legal representation in criminal, family, child protection, and immigration law. Table 13 summarizes applications and referrals for legal representation by area of law for the past three years. For information on the reliability of this data, see page 53.

Overall, applications were down 1% this year. Criminal application volumes were stable, with a 1.7% decrease consistent with the general decline in the crime rate and Crown charge approval. CFCSA applications grew by 15% over last year, due in part to an increase in applicants contacting

LSS before their children are removed by the Ministry of Children and Family Development.

Overall referral volumes were down by 2.4%. The largest percentage changes in referral volumes came from immigration cases (-25.6%), family cases (-14.5%), and CFCSA cases (+10.9%). Immigration application and referral volumes dropped further this year, reflecting the dramatic decline in the number of people making refugee claims in Canada. To manage financial pressures on the tariffs, LSS reduced family referrals by only approving cases that met non-discretionary financial and coverage guidelines.

Table 13 Applications and referrals for legal representation — All areas of law

Type of legal problem	2013/14		2012/13		2011/12	
	Applications	Referrals	Applications	Referrals	Applications	Referrals
Criminal	25,214	19,569	25,662	19,636	26,594	20,117
Family	9,364	3,708	9,451	4,337	9,332	4,086
CFCSA	3,262	2,544	2,836	2,294	2,721	2,174
Immigration	865	638	1,186	857	1,653	1,056
Total	38,705	26,459	39,135	27,124	40,300	27,433

Legal advice

LSS legal advice services provide essential legal assistance to people with low incomes who are not eligible for legal representation. Criminal duty counsel volumes are comparable to last year. The 12% decline in immigration duty counsel reflects the decline in demand for refugee services. Family duty counsel volumes are consistent with last year. There was a 19.7% drop in the number of Brydges Line calls handled. This decline can be attributed to fewer impaired driving calls relative to prior years due to

legislative changes, as well as a general decline in the crime rate. The Family LawLINE saw a further increase in calls from the previous year (+4%), but not as dramatic an increase as the previous year when additional service hours were added.

Table 14 **Legal advice interactions**

	2013/14	2012/13	2011/12
Criminal duty counsel client visits ¹	69,596	68,770 ²	74,724
Immigration duty counsel client visits	1,153	1,308	1,196
Family duty counsel and advice lawyer client visits ³	37,794	36,733	36,473
Brydges Line calls handled	18,834	23,450	26,016 ⁴
Aboriginal advice service client visits ⁵	755	494 ⁶	319
Family LawLINE calls handled	4,996	4,806	2,675
Total	133,128	135,561	141,403

1 Includes duty counsel at circuit courts. In 2013/14, circuit court accounted for 1,147 client visits.

2 This number has been restated from 68,906 in the previous annual report as it included Aboriginal criminal advice services, which has now been moved to the Aboriginal advice service client visits line.

3 This includes advice services provided by family advice lawyers (2,365), at Sheway/Fir Square (210), and in family circuit court (327).

4 This number has been restated from 23,887 to 26,016 due to a reporting error.

5 Includes advice services provided to Aboriginal communities through First Nations Court and expanded duty counsel in Williams Lake and Port Hardy.

6 This number has been restated from 361 to 494 as it did not previously include Aboriginal criminal advice services.

Legal education and information

LSS offers a range of information services that can help people with low incomes solve their legal problems on their own or with help from intermediaries. Table 15 demonstrates the steady growth in the volume of legal information services provided to clients over the past three years. This year, the number of PLEI publications distributed grew by 10%, after a 44% rise last year. The continual efforts to engage community partners and reach out to public libraries are reflected in our publications orders.

The Family Law Act (FLA) changes on March 18, 2013, resulted in the need for us to create new publications as well as revise many existing publications. This past year, as a result, we have fewer revised and new materials but higher distribution numbers as people look to LSS to get information in print on the new FLA, through publications such as the popular *Family Law in BC: Quick Reference Tool* and *Living Together or Living Apart*, among others.

LSS produced a large number of translations this year. We translated seven of the *Live Safe — End Abuse* fact sheets into six languages other than English. We also provided 16 online-only publications in French, thanks to the support of a grant from the Francophone Affairs Program.

LSS coordinates and hosts workshops and conferences designed for community workers in order to reach out to intermediaries who will pass the information on to their clients. We hold workshops and multi-day conferences on legal aid services and resources for community workers throughout the province. This year, we hosted six family law workshops across BC, a provincial advocates training conference in partnership with the Law Foundation, a provincial training event in partnership with Ending Violence Association, a provincial legal education event in partnership with Decoda Literacy Solutions, and a training conference for our intake staff. In total, we reached 846 people through these educational events.

Table 15 Legal education and information services

	2013/14	2012/13	2011/12
LSS website visits per month ¹	33,160	28,577	26,346
Family Law in BC website visits per month ¹	65,648	32,570	31,355
PLEI materials produced (new and revised) ²	14	70	23
PLEI publications distributed	221,097	199,479	138,286
Legal aid awareness materials distributed ³	35,157	35,338	36,924
Publications ordered by community partners	20,127	23,534	18,792
People referred to legal aid services by community partners	3,636	N/A ⁴	N/A ⁴
Workshops and outreach events hosted or attended by community partners	274	N/A ⁴	N/A ⁴
Participants reached by community partners at outreach events or workshops	7,478 ⁵	N/A ⁴	N/A ⁴
Legal information outreach workers (LHOWs) client interactions ⁶	8,216	8,935	8,463
Aboriginal community legal worker (ACLW) clients served ⁷	745	1,051	1,520

1 Visits are the average number of times the site is accessed over a month (if the same person returns to the site after one hour, that person is counted again).

2 Data excludes brochures and other materials about legal aid services as well as corporate materials such as reports and evaluations. It also excludes translated and reprinted publications.

3 This includes brochures, posters, advertisements, bookmarks, and other materials.

4 Data is not available for previous years.

5 This is an estimate based on the average number of attendees at events and workshops. A new reporting system for community partners in 2014/15 will facilitate more precise numbers.

6 This data includes clients who are assisted by LHOWs, including through the LSS Call Centre, Downtown Community Court, and in person at the Vancouver Regional Centre and the Terrace Regional Centre. Data is collected through staff records, which are manually entered and may not reflect all of the clients assisted.

7 ACLWs provide limited advice services. In 2013/14, we had one ACLW who provided services in Duncan and Nanaimo (a second ACLW position was eliminated in 2012/13).

Table 16 Workshops and training events summary

Event	Participants	#Participants	Issues covered
Family law workshops			
100 Mile House	Community services, social workers, health workers, MCFD, RCMP, schools, public library	34	Overview of Family Law Act (FLA) and domestic violence, child protection law, overview of LSS intake and services, CFCSA updates
Campbell River	Community agencies, immigration services, Aboriginal bands, MCFD, RCMP, schools, settlement services	50	New FLA, family violence and protection orders, working with LSS intake and resources, child protection law, restorative justice, overview of Aboriginal Services, Gladue, child protection law and updates
Clearwater	Community groups, RCMP victim services, schools, Aboriginal liaison, health	22	Overview of LSS and resources, FLA update, FLA and protection orders, updates to changes in welfare law and residential tenancy issues
Dawson Creek	Community agencies, MCFD, RCMP, legal representatives, schools, Aboriginal bands, MCFD, settlement services	48	Updates to FLA and protection orders, updates to child protection law, child protection mediation, Gladue and restorative justice, CFCSA updates
Grand Forks	Intermediaries from community organizations, schools, health workers, MCFD, legal advocates	36	Overview of LSS and other legal resources, updates to FLA and protection orders, Gladue and restorative justice, CFCSA updates
Hope	Community agencies, Aboriginal bands, health agencies, MCFD, settlement services	38	Family and child protection law, Aboriginal services, civil law issues (housing and welfare)
Provincial advocates training conference in partnership with the Law Foundation (Richmond)	Community partners, community groups, senior advocates, Ministry of Justice, transition houses, family support and liaison workers, Aboriginal liaison workers, counsellors	103	FLA update; PovNet; residential tenancy update; CPP disability appeals; welfare; civil resolution tribunal; wills and estate legislation update; administrative issues with MSDSI, MCFD, and Aboriginal clients; child protection; advocacy skills training
Provincial training event in partnership with Ending Violence Association (Richmond)	Community organizations, RCMP victim services, transition houses, community-based victim services, police, Crown, Stopping the Violence (STV) counsellors, family support workers	250	FLA update, family violence and new FLA, child protection and Aboriginal communities, immigrant women and sponsorship breakdown, child protection and Aboriginal communities, family law and mobility issues, role of parenting coordinators and guardianship
Provincial legal education event in partnership with Decoda Literacy Solutions (Richmond)	Literacy coordinators (province wide)	180	Literacy, collaborating on community literacy, literacy coordinators, libraries
LSS intake conference (Vancouver)	Local agent assistants, local agents, intake legal assistants, legal information outreach workers, other LSS staff	85	ISIS, community outreach training, FLA update, mediation, cultural safety (Aboriginal focus), LSS updates, training on CMS, defusing hostility, self-care
Total participants		846	

Eligibility for representation

Staff at regional centres, local agent offices, and the LSS Call Centre do not provide legal representation if they believe an applicant:

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

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

- reviewing refusals for legal representation upon request, unless legal representation is not available for the issue (requests must be submitted within 30 days of the applicant's application being denied), and
- investigating all complaints received by anyone who alleges someone is improperly receiving legal representation.

Table 17 below shows the volumes and results of eligibility reviews for the past three years. The volume of applications that led to eligibility reviews is consistent with last year, and is less than 2% of all applications for the year. Coverage reviews determine whether an applicant was appropriately denied a referral based on the current coverage guidelines. Financial reviews determine whether an applicant was appropriately denied a referral based on the current financial guidelines.

Table 17 **Eligibility reviews**¹

Reviews	2013/14	2012/13	2011/12
Granted	62	135	89
Denied Coverage reasons	197	105	134
Denied Financial reasons	129	94	99
Other ²	14	4	10
Total	402	338	332

1 Eligibility reviews are handled by our Intake and Referral Services department. A small number of reviews conducted by other staff are not included in this table.

2 "Other" means the matter was denied for reasons other than coverage or financial, abandoned by the applicant, returned to the referring office to consider additional information or issues, resolved by other means, or still open at the end of the previous year.

Reliability of data

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

Legal representation (table 13)

When annual report numbers are generated for any fiscal year, a few applications may not have been processed yet or were initiated in error and not yet corrected. As a result, the final numbers for a given year may differ slightly from those in the annual report. The 2013/14 application data in table 13 is expected to be accurate to within 99% or better.

Before a referral is issued, the client's income must be verified, his or her legal situation must be assessed, and a lawyer has to be found to take the case. Although more than 90% of first referrals are approved and issued within 30 days of an application, some take longer to process. Accordingly, when the annual report data is generated, decisions are pending on some applications.

Legal advice (table 14)

Duty counsel data in table 14 is compiled from data submitted by lawyers providing this service. Duty counsel can submit their bills and information on the number of clients assisted within two months of the service date. Accordingly, not all information is available when data for the annual report is generated.

Brydges Line data in table 14 is provided by the contracted service provider.

Family LawLINE calls, reported in table 14, are calculated from reports submitted by lawyers providing the service.

Legal information (tables 15 and 16)

The publications data in table 15 is drawn from a database maintained by LSS staff. Legal information outreach worker (LLOW) data in table 15 is automatically tracked by the phone system, and also drawn from a database that is manually updated by staff. The website data in table 15 shows public use of the society's websites. Statistics for the society's websites are captured and analyzed by computer. Data shows activity by internal (staff) as well as external users, but does not include users accessing the LSS website for electronic billing. Community partner information is derived from monthly reports submitted by our community partners. Workshop and training event information in table 16 is derived from internal data tracking.

Eligibility for representation

(table 17)

Reviews of refusals based on coverage and financial eligibility are conducted by Intake and Referral Services at the Vancouver Regional Centre and recorded in a database. This table does not include a small number of reviews conducted by other departments.

2 Appendix

Additional performance measures

The information below describes performance measures without results for 2013/14. We survey our stakeholders (clients, lawyers, and staff) every three years to measure our performance. This frequency allows time for our strategies to have a measurable impact on our performance; however, it means that LSS does not have new results for all performance measures each year.

The client services survey was not conducted in 2013/14 as planned due to financial reallocations from operations to client representation services in response to budget pressures. The provincial government approved deferring the survey until 2014/15. The tariff lawyer satisfaction survey will next be conducted in 2015/16, as scheduled.

	Performance measure	Past result	Future target	Importance of measure
Goal 1 People with low incomes who have legal issues use LSS services	Percent of clients satisfied with the accessibility of LSS services	69% 2010/11	73% 2014/15	These measures are tracked through a triennial client services survey, which assesses overall client satisfaction with LSS services as well as the accessibility and helpfulness of those services. They demonstrate whether the society is providing appropriate services when and where clients need them, thus fulfilling its mandate to help people solve their legal problems and to facilitate access to justice.
	Percent of clients satisfied with the helpfulness of LSS services	62% 2010/11	66% 2014/15	LSS partnered with the Institute for Customer-Centered Services (ICCS) to benchmark its performance on satisfaction and accessibility against comparable organizations. LSS's performance on satisfaction (3.7/5.0) is in line with the average rating (4.0/5.0) for Canadian public sector organizations who provide data to ICCS. The society's accessibility rating (4.0/5.0) is also in line with the benchmark group (4.1/5.0). The society's helpfulness rating cannot be benchmarked to "like" organizations as the information is not available through ICCS. In 2011, Synovate, an independent survey organization, interviewed 1,201 legal aid clients by telephone about their experiences with the legal aid services they received. The margin of error at the 95% confidence level ranges from +/-3% to 5%. The full survey report is available at www.legalaid.bc.ca .
	Percent of clients satisfied overall with LSS services	62% 2010/11	66% 2014/15	
Goal 2 People with low incomes participate in solving and preventing legal problems	Percent of clients satisfied with LSS support to help them participate in resolving their legal issues	59% 2010/11	63% 2014/15	This measure assesses the effectiveness of the support provided by LSS to clients to help them participate in resolving their issues. Clients who participate in finding solutions to their legal problems are more likely to achieve positive, lasting outcomes. LSS is not aware of any relevant benchmarks for this measure. In 2011, Synovate, an independent survey organization, interviewed 1,201 legal aid clients by telephone about their experiences with the legal aid services they received. The margin of error at the 95% confidence level ranges from +/-3% for all clients and varies from +/-3% to 5% for specific client groups. The full survey report is available at www.legalaid.bc.ca .
	Percent of lawyers satisfied with LSS support to increase their ability to engage clients in solving their legal problems	44% 2012/13	46% 2015/16	This measure shows the degree to which lawyers taking legal aid referrals are satisfied with how LSS supports them in providing services to legal aid clients. Improving lawyer satisfaction should reduce the risk that LSS will be unable to find skilled lawyers to take referrals for eligible clients. LSS contracts an independent research organization to conduct an online tariff lawyer satisfaction survey every three years. This data is from the February 2013 survey to which 373 lawyers responded. Survey results have a margin of error of +/- 5% at the 95% confidence level. LSS benchmarks lawyer satisfaction results against Legal Aid Ontario's most recent lawyer satisfaction survey, which was conducted in 2012. In that survey, 40% of lawyers were satisfied with Legal Aid Ontario's services. The full survey report is available at www.legalaid.bc.ca .

	Performance measure	Past result	Future target	Importance of measure
Goal 3 People with low incomes get help with related legal issues so they can solve and prevent legal issues	Percent of clients satisfied with the level of support LSS gave them to address their related legal issues	48% 2010/11	52% 2014/15	This measure tracks the effectiveness of LSS's efforts to provide clients with information about services for related legal issues. Clients who get help for their related issues are more likely to achieve positive, lasting outcomes. LSS is not aware of any relevant benchmarks for this measure. In 2011, Synovate, an independent survey organization, interviewed 1,201 legal aid clients by telephone about their experiences with the legal aid services they received. The margin of error at the 95% confidence level ranges from +/-3% for all clients and varies from +/-3% to 5% for specific client groups. The full survey report is available at www.legalaid.bc.ca .
	Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues	33% 2012/13	35% 2015/16	These measures show LSS's progress on supporting lawyers with tools to deliver an integrated approach to legal aid services. Improvements on these performance measures will demonstrate that LSS is working effectively with lawyers to provide services that help clients find positive and lasting solutions to their legal issues. LSS contracts an independent research organization to conduct an online tariff lawyer satisfaction survey every three years. This data is from the February 2013 survey to which 373 lawyers responded. Survey results have a margin of error of +/- 5% at the 95% confidence level. LSS is not aware of any relevant benchmarks for this measure. The full survey report is available at www.legalaid.bc.ca .
	Percent of lawyers who support the integrated approach to providing legal aid services	67% 2012/13	69% 2015/16	
Goal 4 LSS manages resources soundly	Percent of lawyers satisfied with the overall support provided by LSS	60% 2012/13	62% 2015/16	This measure shows the degree to which lawyers taking legal aid referrals are satisfied with how LSS supports them in providing services to legal aid clients. Improving lawyer satisfaction should reduce the risk that LSS will be unable to find skilled lawyers to take referrals for eligible clients. LSS contracts an independent research organization to conduct an online tariff lawyer satisfaction survey every three years. This data is from the February 2013 survey to which 373 lawyers responded. Survey results have a margin of error of +/- 5% at the 95% confidence level. LSS benchmarks lawyer satisfaction results against Legal Aid Ontario's most recent lawyer satisfaction survey, which was conducted in 2012. In that survey, 40% of lawyers were satisfied with Legal Aid Ontario's services. The full survey report is available at www.legalaid.bc.ca .

Glossary

Acronyms

ACLW	Aboriginal community legal worker
BCGEU	B.C. Government and Service Employees' Union
CFCSA	Child, Family & Community Service Act
CP	Community partner
CPS	Community and Publishing Services
DCC	Downtown Community Court
FLA	Family Law Act
HAN	Healthy Aboriginal Network
LCM	Large case management
LIOW	Legal information outreach worker
PEA	Professional Employees Association
PLEI	Public Legal Education and Information

Terms

Aboriginal community legal workers	ACLWs provide legal information and summary advice about family and child protection law, and issues such as residential schools, housing, and wills and estates.
Brydges Line	An LSS toll-free telephone service available 24 hours a day to assist people who are arrested and/or detained and need legal advice.
Community partners	Service providers located throughout BC, contracted by LSS, to help people in their communities access legal aid services.
Duty counsel	LSS contracts with private lawyers to provide legal advice (but not representation) at courthouses around BC.
Family LawLINE	An LSS toll-free telephone service that provides free legal advice about family law issues to people with low incomes.
First Nations Court	A court that focuses on community and healing, and takes a holistic and restorative approach to sentencing.
Front-line workers	LSS staff and service partners who work directly with legal aid clients.
Gladue report	A report that provides background information on the accused, the historical circumstances of his or her Aboriginal community, and available options other than jail, such as restorative justice and community sentencing, enabling the judge to make an informed decision when setting bail or deciding a sentence.
Legal information outreach workers	LIOWs help people with low incomes find legal information and understand court forms, and provide referrals to other resources. They also give presentations at Aboriginal, women's, immigration, social service, and other community agencies.
Live Help	An online service where law students, supported by LIOWs and a supervising lawyer, assist the public to find information on the Family Law in BC website.
Representation client	A client who received a referral for legal representation by a lawyer paid for by LSS.
Service partners	Agents or agencies LSS collaborates with to provide services, including local agents, tariff lawyers, and community agencies.

Contact

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