

Legislative
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STANDING COMMITTEE ON PUBLIC ACCOUNTS

FAMILY RESPONSIBILITY OFFICE

(Section 3.03, 2010 Annual Report of the Auditor General of Ontario)

2nd Session, 39th Parliament
60 Elizabeth II

Library and Archives Canada Cataloguing in Publication Data

Ontario. Legislative Assembly. Standing Committee on Public Accounts
Family Responsibility Office (Section 3.03, 2010 Annual report of the Auditor General of
Ontario) [electronic resource]

Issued also in French under title: Bureau des obligations familiales (Rapport annuel 2010 du
vérificateur général de l'Ontario, section 3.03)

Includes bibliographical references.

Electronic monograph in PDF format.

Issued also in printed form.

ISBN 978-1-4435-6064-1

1. Ontario. Family Responsibility Office—Auditing. 2. Support (Domestic relations)—
Ontario. I. Title. II. Title: Bureau des obligations familiales (Rapport annuel 2010 du
vérificateur général de l'Ontario, section 3.03)

KEO225 A23 P82 2011

353.53*3124309713

C2011-964022-8

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The Honourable Steve Peters, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.

Norman W. Sterling, MPP
Chair

Queen's Park
May 2011

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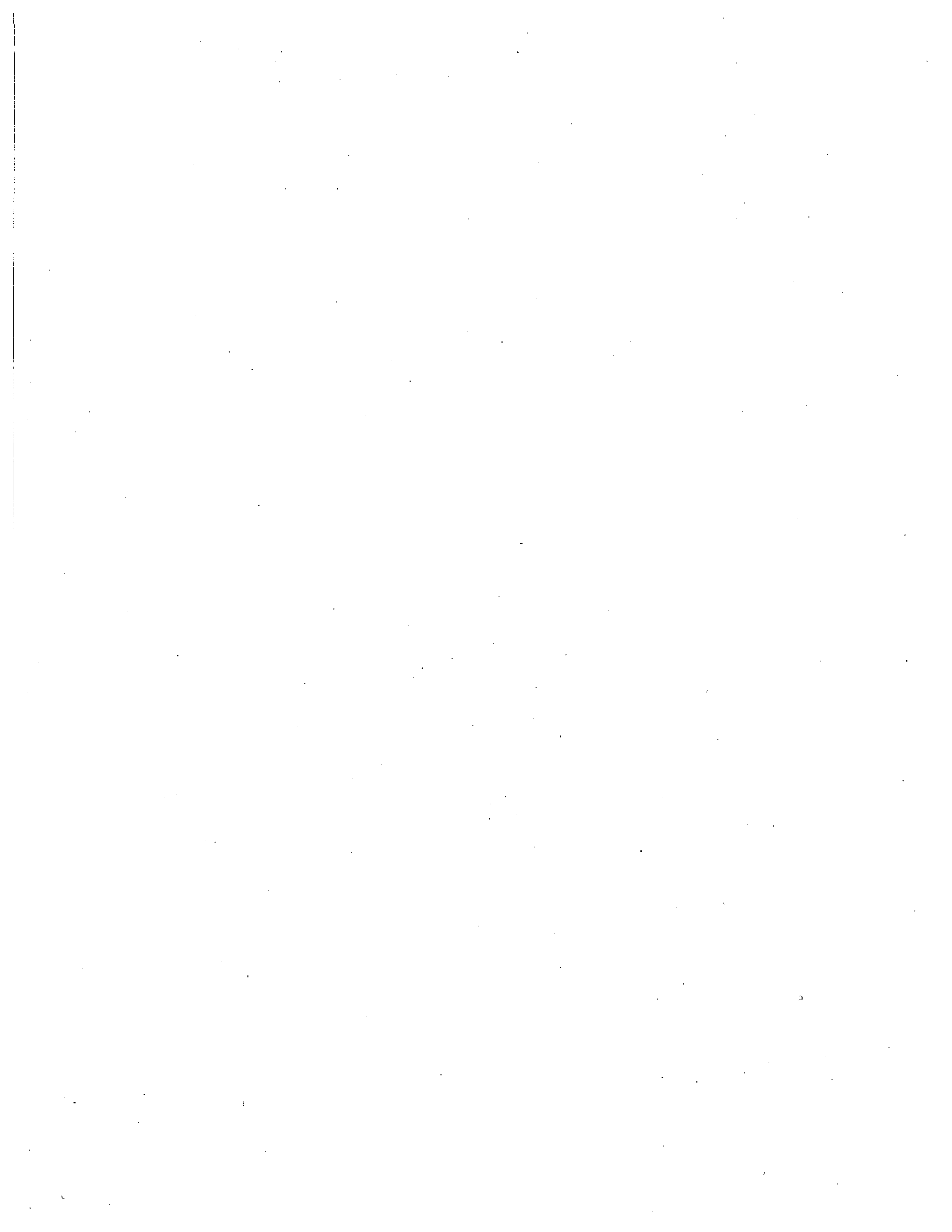
DAVID RAMSAY

LIZ SANDALS

DAVID ZIMMER

Trevor Day
Clerk of the Committee

Lorraine Luski
Research Officer



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LIST OF SELECTED ABBREVIATIONS

BFN	Bring Forward Notes
ESO	Enforcement Services Officer
FCMS	Family Responsibility Office Case Management System
FRO	Family Responsibility Office
ISDM	Integrated Service Delivery Model
IT	Information Technology
IVR	Interactive Voice Response
MAG	Ministry of the Attorney General
MECA	Managing Enforcement with Computerized Assistance
MOHLTC	Ministry of Health and Long-Term Care
MPP	Member (of) Provincial Parliament
OHIP	Ontario Health Insurance Plan
PIN	Personal Identification Number



PREAMBLE

In March 2011 the Standing Committee on Public Accounts held public hearings on the Family Responsibility Office (Office or FRO), the subject of an audit by the Auditor General in 2010.¹ Witnesses appearing before the Committee included the Deputy Minister of the Ministry of Community and Social Services (Ministry), the Assistant Deputy Minister responsible for the Family Responsibility Office, and the Director of Legal Services at FRO.² This report highlights the Auditor's observations and recommendations contained in Sec. 3.03 of his *2010 Annual Report* and presents the Committee's own findings, views, and recommendations.

Acknowledgements

The Standing Committee endorses the Auditor's findings and recommendations. It also thanks the Auditor and his team for drawing attention to the issues and concerns surrounding the FRO. Finally, the Committee would like to acknowledge the assistance provided during the hearings and report writing by the Office of the Auditor General, the Clerk of the Committee, and staff of the Legislative Research Service.

OVERVIEW

Objectives and Scope of the Audit

The Committee welcomed the opportunity to review the Auditor's third value-for-money audit of the Family Responsibility Office. The Standing Committee last examined FRO in 2004 following the transmittal of the Auditor's *2003 Annual Report*.

In the recent 2010 audit, the Auditor assessed whether:

- the Office effectively enforced support obligations in compliance with the *Family Responsibility and Support Arrears Enforcement Act, 1996* and its regulations, and whether receipts from support payers were accurately accounted for and distributed to support recipients on a timely basis; and
- costs were incurred with due regard for economy and efficiency, and the effectiveness of services provided was meaningfully evaluated and reported upon.

¹ See Section 3.03 of Ontario, Office of the Auditor General, *2010 Annual Report* (Toronto: The Office, 2010), pp. 94-112, Internet site at http://www.auditor.on.ca/en/reports_en/en10/303en10.pdf, accessed on 10 January 2011.

² For a transcript of the proceedings, see Ontario, Legislative Assembly, Standing Committee on Public Accounts, Hansard: Official Report of Debates, 39th Parliament, 2nd Session (23 March 2011), Internet site at http://www.ontla.on.ca/committee-proceedings/transcripts/files_pdf/23-MAR-2011_P013.pdf, accessed on 28 March 2011.

The Auditor reviewed the Office's administrative policies and procedures, and interviewed a cross-section of its staff. He also reviewed pertinent summary information, statistics and a sample of individual case files. As well, the audit team sought comparative information from family-support enforcement programs in other Canadian jurisdictions. The Ombudsman of Ontario's 2006 review of the Office yielded additional information.

The audit team also reviewed reports issued by the internal audit services of the Ministry with respect to the Office's business processes and the new IT system development project.³

Background

Mandate of the Office

Recognizing that financial responsibilities to children and/or a former spouse do not end with separation or divorce, all court orders for child and spousal support made in Ontario since 1987 have been automatically filed with the Office. FRO also enforces those private separation agreements voluntarily registered with the courts and filed with the Office. Its mandate is to enforce family-support obligations—aggressively if necessary—and to remit family-support payments to their intended recipients on a timely basis.

Legislative Framework

During the 1990s, legislative changes to the *Family Responsibility and Support Arrears Enforcement Act* strengthened the Office's powers.⁴ A 1992 amendment permitted the Office to collect up to half a support payer's net monthly income directly from the payer's sources of income. In 1996, the legislation instituted changes that:

- widened the definition of income from which support can be deducted to include commissions and lump-sum payments;
- provided additional enforcement tools to the Office; and
- made it possible to voluntarily opt out of the Office's enforcement of a support obligation or separation agreement if both parties agreed.

³ The audit was performed in accordance with standards encompassing Value for Money and compliance established by the Canadian Institute of Chartered Accountants. See p. 95 of *2010 Annual Report*.

⁴ The original Act was entitled the *Support and Custody Orders Enforcement Act, 1985*, S.O. 1985, c. 6.

Ministerial Authority, Staffing, and Expenditures

The Office was formally established in 1997 under the authority of the Ministry of the Attorney General (MAG).⁵ Effective April 2001 the Office came under the authority of the Ministry of Community and Social Services. While it no longer reports to MAG, the justice system remains one of FRO's most important partners, and the Office interacts frequently with the courts.

FRO's approximately 433 employees work in a central office in Toronto. Eighteen lawyers are seconded from MAG, and the Office maintains a panel of 70 private-sector lawyers to provide family-support litigation services across the province. The Office's total operating expenditures rose from \$28.3 million in fiscal 2002/03 to about \$44 million in 2009/10, with about two-thirds allocated to employee salaries and benefits.

Caseload, Customer Service, and Client Operations

The Office administers approximately 180,000 cases representing almost 400,000 people. The Office registers approximately 1,200 to 1,500 new cases per month and closes a roughly similar number. FRO's casework and authority to collect support extends to 103 reciprocating jurisdictions which include all Canadian provinces, territories, all 50 American states and a number of other countries. On a daily basis FRO handles 2,000 client calls through its call centre and 7,000 through the 24-hour automated information system. Last summer a new telephony system was installed in the Office which, among other things, provides access to disabled individuals who require communications assistance.⁶

Computer System

The Office's computer system—Managing Enforcement with Computerized Assistance (MECA)—is comprised of software dating from the mid-1980s hosted on its Toronto mainframe computer. While the system was upgraded in the late 1980s and early 1990s, it is out-dated by current standards and does not support the Office's administration needs. In 2004, a three-year, \$21 million dollar IT project to replace the old MECA system with a new integrated service development model computer system (ISDM) was abandoned before completion.⁷ The Office subsequently received approval for a new computer system, the

⁵ Although the Family Responsibility Office was formally established in 1997 following the proclamation of the *Family Responsibility and Support Arrears Enforcement Act, 1996*, the Support and Custody Orders Enforcement Program had been operational since 1987. In 1992 the legislation was amended and renamed the *Family Support Plan Act*. The Family Support Plan's eight regional offices were consolidated in 1996 to one central location in Toronto which became the Family Responsibility Office.

⁶ Telephony is the technology of communicating speech and other information between telephones or other terminals, using analog or digital signals transmitted via electrical or light wave circuits. The information may be in the form of speech, music, data, facsimile, or video signals. *Van Nostrand's Scientific Encyclopedia*, 8th ed. (New York: Van Nostrand Reinhold, 1995).

⁷ After pursuing legal action against the Integrated Service Delivery Model (ISDM) project-management consultant, the Office reached a confidential settlement with the vendor. See Auditor General's *2010 Annual Report*, p. 111.

Family Responsibility Office Case Management System (FCMS) in 2007 with an implementation date of April 2012 and a budget of \$49.4 million.

Enforcement

Historically about one-third of all payers have been in full compliance with their court orders for child or spousal support; one-third in partial compliance;⁸ and one-third in non-compliance. These statistics are generally consistent with family support programs across Canada. As a first step, FRO seeks to work cooperatively with payers to help them meet their support obligations. Staff are expected to follow the Office's "Enforcement Tree"—starting with a series of passive steps before escalating progressively to more aggressive actions. An example of a passive enforcement action is requesting that a payer enter into a voluntary payment schedule for all amounts owing. Other examples of more aggressive enforcement action include the garnishment of bank accounts, or seeking jail time of up to 180 days. On a monthly basis, FRO generates about 700 writs of seizure and sale; 400 notices of default—which initiate a court proceeding—and 200 garnishments.

Issues Raised in the Audit and Before the Committee

The Auditor concluded that FRO was still not successfully fulfilling its mandate of collecting unpaid child and spousal support payments. He said that FRO must enhance its case management process, instil a results-oriented culture, and improve its technology and communications systems.

Registration of Support Obligations

The Auditor observed that the Office often took five months or more to receive, register, and begin enforcing newly issued court orders for family support. Delays in registration may make cases more difficult to enforce from the outset, often resulting in hardship for recipients awaiting support payments. Some of the delay results from late or incomplete court documents.

The Auditor recommended that the Office work proactively with family courts in Ontario—encouraging them to provide complete information on a timely basis so that family support obligations can be registered and enforced more promptly.

Public Hearings

In response to questions, witnesses spoke of several initiatives to strengthen the relationship between the Office and the justice system:⁹

⁸ Payers meeting at least 85% of the current month's support obligation. See: Office of the Auditor General of Ontario, *2010 Annual Report*, "Family Responsibility Office," p. 94.

⁹ In the Committee's Report, "witnesses" refer to officials from the Ministry of Community and Social Services and the Family Responsibility Office. "Members" refer to MPPs who are regular Members of the Standing Committee on Public Accounts, substitutions, or other Members who took part in the proceedings.

- On a pilot basis the Office provided a high-volume family court with direct access to FRO's support payment database, allowing judges to view the current financial picture of the case being heard. This eliminated the need to adjourn if the parties had failed to file the information with the court. Pilot results were expected in April 2011.
- A second pilot project provided a court clerk, employed by MAG but housed within FRO, with access to the court system database. With access also to FRO, the clerk facilitated processing of documentation within both systems, thereby eliminating the time required to mail documents between FRO and four high-volume courts: Brampton, Oshawa, and two Toronto courts (Sheppard and Jarvis). In one district, this initiative has already eliminated a six month backlog.
- In October 2010, the Office issued its first quarterly newsletter/bulletin. It provided members of the judiciary and the bar with a better understanding of FRO's purpose and operations, including how the legal community's actions impact upon FRO's work.

When asked if the Office would continue/expand the pilots, FRO officials responded that the initial pilots were funded through Justice Canada and terminated at the end of March. The results will be evaluated. If found to be positive, and resources are available, the project may eventually be expanded to all court districts in Ontario.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

1. **The Family Responsibility Office (FRO) report to the Standing Committee the results of its review of the deployment of a Ministry of the Attorney General clerk in the FRO Office. The report should also indicate the impact of the project on FRO enforcement statistics and whether the initiative will be expanded to some, or all, of the court districts in Ontario.**

Case Management Models

In response to the Auditor's 2003 recommendations and those of the Standing Committee on Public Accounts, FRO began assigning responsibility for each case to a specific enforcement services officer (ESO) in April 2007. However, this "case-ownership model" has several shortcomings:

- Payers and recipients continue to lack direct access to their assigned ESO. With the exception of a single pilot project in one area, both payer/recipients must initially contact the call centre for all matters.
- The average number of cases assigned to an ESO is relatively high (1,377). This leads to delays in responding to payer/recipient issues.
- Despite the case ownership model several front-line case workers, in addition to the ESO, may still work on the case over time.

Noting the ineffectiveness of the current case-ownership model in improving the ability of FRO to collect unpaid support obligations, the Auditor recommended that FRO examine processes in other jurisdictions with a view to applying appropriate best practices to Ontario.

Public Hearings

Witnesses told the Committee that FRO is engaged in a multi-year project that will transform FRO from an issues-driven reactive business into a program with a proactive case management business model. This FRO case-ownership model, currently being piloted is expected to eventually give clients direct access to a dedicated contact who is familiar with their case.

FRO continues to monitor other jurisdictions to assess best practices for support payment collection. It recently received the results of a survey of 21 Canadian, American, and international jurisdictions. The Ministry plans to use the findings to help inform decision-making around support payment collection practices.¹⁰

According to witnesses, the Ministry established quicker payment transfer methods with British Columbia through electronic payment transmission. Work is underway to expand electronic payment processing to other reciprocating jurisdictions.¹¹

The Ministry is also exploring another British Columbia best practice—a secure web-portal for clients following successful implementation of the new FCMS technology solution. FCMS will enable a secure web-based interactive portal where clients will be able to access their case information online, and in future update it. According to witnesses, web portals already operate in a number of other jurisdictions, including British Columbia. (For more information about FRO's web-based portal, see p. 16 of this report—Computer System.)

Call-Centre Operations

The Office's toll-free call centre remains the primary way for payer/recipients to contact the Office. The Auditor observed that due to high call volumes, nearly 80% of calls to the centre never get through. Of those that do, one in seven callers will hang up before their call is answered by Office staff. The audit team also learned that Client Services Branch staff (including enforcement staff) averaged 19 sick days in the 2009/10 fiscal year, reducing the staff available to answer calls.

The Auditor recommended that the Office review its call-centre operations, taking steps to ensure that all calls are answered in a reasonable time. The Office should also track and report the results of its efforts to improve the call-centre operations.

¹⁰ Ontario, Ministry of Community and Social Services, Office of the Deputy Minister, Sec. 3.03 Family Responsibility Office, *Summary Status Table in Response to the Report of the Auditor General* (March 15, 2011), p. 2 (case management models).

¹¹ *Ibid.*

Public Hearings

Call Volumes and Wait Times

Rotating shifts of enforcement officers handle approximately 2,000 client calls daily through FRO's call centre, which operates from 8 a.m. to 5 p.m. Monday to Friday. Because callers end up speaking to a different staff member each time they call, they often must re-explain their situation, resulting in a lengthy call and longer waits for other callers. Currently, even those clients that do get through and are placed in the queue wait an average of seven to eight minutes to speak with someone—about five minutes less than it was during the last audit in 2003. FRO's new telephony system provides managers with information to better schedule staff during busy call periods.

Blocked Call Rate

When the Auditor conducted his 2010 audit, the rate of blocked calls (unanswered and not placed in the queue) was 80%. Since then, FRO has been monitoring the rate through its new telephony system. The rate has since fallen by 20% which would result in a blocked call rate of about 65%. The blocked call rate represents a significant performance indicator for FRO.¹²

FRO Clients and Constituency Offices

Members said that when FRO payers or recipients telephone the Office and cannot get through, they become frustrated and angry. Often, their next phone call is to their local MPP seeking help. To obtain it, FRO clients must travel to the MPP's office to sign forms enabling the Member to seek information on the client's behalf. Thus, these blocked calls not only take up the client's time but also generate constituency casework for MPPs. The witnesses acknowledged this fact.

Members asked the witnesses to comment on client frustration generated by these blocked calls and the extra casework for MPPs and their staff. In response, the witnesses noted the following initiatives to address FRO's overburdened call-centre.

- FRO has been actively consulting with ServiceOntario, which operates call-centres around the province.
- FRO has sought external expertise to look at best practices for managing its call centre operations. It expects to have results from a review in the next few months. Customer service, effective call routing, measurement and reporting, workforce performance and management, and, best practices in the public and private sectors, will all be examined as part of this review.

¹² FRO has taken several "snapshots" over the last several months on high-volume days when the blocked call rate was roughly 80%. The Office found that about 50% of the individuals who tried to contact FRO were able to get through on their first attempt and another 10 to 15% were able to get through on their second. For others, it took much longer. Some did not get through at all.

The Committee noted that while it is encouraging that FRO is actively pursuing best practice information it will not matter if there is no staff available to answer the phones. Witnesses indicated that FRO is working toward improved staff schedule adherence and attendance improvement.

When asked if FRO has ever considered outsourcing the call-centre operations, the witnesses replied that FRO is not currently exploring this option.

The Committee was told that FRO cannot provide excellent service without first improving its technology; although, technology on its own will not address the issues that the Committee has raised. According to the witnesses, FRO needs an interconnected set of improvements.

Web-based Portal

About 57% of calls to the call-centre are payment inquiries. Since FRO has limited case information available on its existing interactive voice response (IVR) system, the Office is proposing a web-based interactive portal as a way to provide clients with additional information. Witnesses also expressed the hope that this would divert calls from the call-centre.¹³ In response to the Committee's questions, witnesses said they were unaware of statistics from British Columbia or elsewhere as to the portal's success in diverting queries from the call centre.

Schedule Adherence and Attendance Improvement

During the public hearings, witnesses confirmed that staff sick days are higher than the average rate in the OPS largely because work in the Office can be stressful.¹⁴ Over the past several months, FRO has taken a more rigorous approach to attendance and schedule adherence—seeking to ensure that staff are actually answering the phones when they are supposed to. Schedule adherence is now an important focus for the Office and will remain so in future.

The FRO Client Services Branch absenteeism rate is currently at about 20 days per year—unchanged since the tabling of the Auditor's 2010 report. That rate of absenteeism is slightly higher than the organization's average. In an effort to improve staff morale and attendance, management is seeking to organize the work differently, build in scope for flexibility, streamline policies and procedures, and to actively engage front-line staff in these initiatives.

FRO also plans to explore why staff are absent and will require provision of medical information if faced with chronic staff absenteeism. Furthermore,

¹³ To reduce the volume of calls FRO currently receives and the length of time clients wait for service, the Office has issued personal identification numbers so that clients can access FRO's secure 24-hour automated IVR phone lines for case updates.

¹⁴ During the opening remarks of the Deputy Minister, reference was made to the challenging nature of the family support program. FRO staff interacts daily with recipients and payers who are experiencing difficult and emotionally-charged times in their lives accompanied by acrimony and conflict that is often reflected in the calls that the Office receives. See Ontario, Legislative Assembly, Standing Committee on Public Accounts, *Hansard: Official Report of Debates*, 39th Parliament, 2nd Session (23 March 2011): P-203.

attendance management will be a specific performance requirement of the managers and the supervisors in the Office.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

2. **FRO provide to the Standing Committee a status report showing monthly statistics with respect to all incoming telephone calls to FRO since the summer of 2010 when its new telephony system was implemented. The report should contain information broken down as follows:**
 - a. **total calls answered/handled by FRO staff;**
 - b. **total calls placed in the queue but caller hung up while waiting (abandoned calls);and**
 - c. **total calls not placed in the queue (blocked).**

In all cases, the monthly information should indicate the number of local (416) versus 1-800 calls. FRO should also make this information available quarterly on its website.

3. **FRO report to the Standing Committee the monthly breakdown of absenteeism statistics and trends, by branch, for the past 12 months.**
4. **FRO report to the Standing Committee its progress in consulting with MPP constituency office caseworkers to obtain their observations and suggestions for improvement of the Office.**

Bring Forward Notes

A bring-forward note (BFN) is supposed to trigger specific action on a case within one month. The Auditor observed that as of April 2010, approximately 91,000 BFNs remained outstanding and the status of almost one-third was "open" (indicating they had been read but not acted upon, or not read at all). This means that the underlying nature and urgency of many of the issues were unknown. Many of the BFNs were between one and two years old.

The Auditor recommended that FRO management monitor whether enforcement services officers review their BFNs, conduct the necessary follow-up work, and clear the notes on a timely and appropriate basis.

Public Hearings

The witnesses explained that many client calls require follow-up, resulting in what is called a "bring-forward note." These notes, which are created daily, are part of the way FRO does business. Since the Auditor identified weaknesses in

this system, the Office has recently conducted a blitz to review all BFNs, resulting in a reduction of more than 30%.¹⁵

While the blitz seems to have reduced the number of outstanding BFNs, the Committee asked FRO how it will ensure that a blitz does not become necessary every six months.

When undertaking the blitz, the Office found that the notes were not being utilized appropriately. For example, a number were information notes that remained open although there was no action required. As a result, FRO is revising its policies and procedures for the utilization of the bring-forward notes. It will introduce new training and performance measures to ensure that BFNs are followed up in a timely fashion and closed appropriately.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

5. FRO report to the Standing Committee on the following:

- a. **the number of bring-forward notes (BFNs) by length of time outstanding;**
- b. **a target date for FRO completing its revision of policies and procedures for the proper utilization of BFNs; and**
- c. **an indication of FRO's plan to conduct routine checks of the BFNs to ensure appropriate usage and to follow up with remedial measures where necessary.**

Support Enforcement Actions

The Auditor found that the Office lacks effective managerial oversight to assess whether enforcement staff have made reasonable efforts to collect outstanding amounts. For ongoing support cases that slip into arrears, the Office took its first enforcement action almost four months later. For newly registered cases that went straight into arrears, the delay was seven months from the issuance of the court order. The Auditor found many enforcement actions taken to be ineffective and that there were lengthy gaps between actions (ranging from six months to five years).

To help FRO collect arrears more effectively, the Auditor recommended that the Office ensure staff initiate enforcement actions for both ongoing and newly registered cases on a more timely basis. Enforcement staff should document why specific enforcement steps were or were not taken and concentrate on those steps most likely to be successful. Finally, as locating payers can be challenging, the Auditor recommended that the Office discuss with the Ministry of Health and Long-Term Care (MOHLTC) the current restriction on access to payer addresses from the OHIP database.

¹⁵ A number were found to be duplicate notes that have since been closed off.

Public Hearings

Timely Registration and Enforcement

While the justice system is one of FRO's most important partners, witnesses told the Committee that it can also contribute to delays when the Office seeks to register a case within its target time frame, or initiate enforcement action. Witnesses gave the example of support orders not being clearly written or lacking important information (such as the dollar amount or frequency of support payments). In such cases, FRO must seek clarification, which delays enforcement action. And, if the court does not issue a writ promptly, a support payer in arrears could sell property resulting in FRO losing an opportunity to collect support.

Enforcement Tree

FRO's first enforcement step is always to work co-operatively with payers to help them meet their support obligations. FRO will take progressively more assertive enforcement action when necessary including requesting a default hearing that could result in up to 180 days of jail time for the payer.

Witnesses explained that each case is unique. Enforcement is not simply based on rigid rules. However, through the new FCMS technology solution, the Office will have the ability to prescribe business rules that suggest enforcement actions to staff. Witnesses gave the example of FRO proceeding with a driver's license suspension when a case is three months or \$3,000 in arrears. While the circumstances of the case will determine the enforcement action selected, the available options will be drawn to the attention of the enforcement officer for decision-making and action.

The Committee asked witnesses whether incarceration can be an effective enforcement tool given that jailing a payer for up to 180 days effectively removes his or her ability to earn income to pay the arrears.

Witnesses responded that jail is a tool of last resort. Last year it was used in only about 3.7% of the Office's cases. Anecdotal evidence indicates, however, that it is a very compelling tool. Upon arrival at a correctional institution many support payers find the means to pay their arrears. Jail is a remedy that the Office uses sparingly and only in the most egregious cases. The order for incarceration may also specify that the payer serve their time on weekends—to encourage repayment of the arrears.

Strategic Enforcement

Members asked about support payers who slip into arrears when they are laid off, or find themselves involved in a labour strike (or lock out) for an extended period of time. Does FRO take these circumstances into account and make adjustments accordingly?

The witnesses responded that the program currently lacks the flexibility to respond to those situations. Discussions have taken place with MAG to explore whether FRO can be more strategic about enforcement. In the witnesses' view, it makes no sense to proceed aggressively against someone who is on strike.

Locating Payers

According to witnesses, an ongoing challenge in collecting arrears is locating payers who do not provide FRO with accurate contact information. FRO is actively seeking to expand the trace-and-locate tools available to its enforcement staff. In response to the Auditor's recommendations, work is underway with the MOHLTC to expand access to the database that contains the addresses of health card holders.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

6. **FRO, in cooperation with officials of the Ministry of the Attorney General, should study the matter of enforcement of support by payers whose financial circumstances have temporarily declined. FRO and MAG should also report to the Standing Committee on practices utilized by support enforcement operations in other jurisdictions that have introduced effective measures to address such temporary and unforeseen circumstances.**
7. **FRO report to the Standing Committee indicating whether the Office will exercise more oversight of the enforcement actions of its staff to determine if such actions are the most effective and appropriate under the circumstances. The report should also indicate whether the new FCMS technology tool will proactively flag recommended enforcement action(s) for the attention of the enforcement officers.**
8. **FRO report to the Standing Committee indicating the progress being made in its discussions with the Ministry of Health and Long-Term Care to allow OHIP to provide up-to-date payer contact information to FRO to enhance support order enforcement.**

Caseloads

The Auditor observed that in any year the Office works on only about 20% to 25% of its cases. Compared to that of other large provinces, Ontario has a high average caseload—1,377 cases per enforcement services officer versus 312 and 446 in two other large provinces.

The Auditor recommended that the Office establish reasonable benchmarks for what a manageable caseload should be and then staff accordingly. Furthermore,

the Office should regularly assess the effectiveness of its enforcement staff in taking timely and appropriate enforcement action to collect outstanding support obligations.

Public Hearings

The Ministry is currently developing caseload management model options, incorporating information gathered through a survey of other jurisdictions. These options will be reviewed by the Ministry to determine which will work most effectively for FRO and its clients.¹⁶

Witnesses indicated that the program has roughly 180,000 cases representing 400,000 people.¹⁷ This workload translates into an overburdened call centre where unresponsive enforcement action results in cases overflowing into MPP constituency offices.

The Committee believes that the high enforcement caseload could be restrained by activating progressive enforcement actions as soon as a case slips into arrears—not six to eight months later. More timely action is essential to get the payer back on track. The Office has the ability to determine each month whether or not a support payment has been received. If not, a letter notifying the payer that they are in arrears should be issued immediately, followed-up by frequent contact from enforcement staff.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

9. **FRO report to the Standing Committee as to when the Office expects to conclude its review of caseload management model options distilled from a survey of other jurisdictions. Once the review is completed, FRO should outline the option judged to work most effectively for FRO and its clients and report this information to the Committee.**
10. **FRO report to the Standing Committee indicating the following:**
 - a. **whether the Office is using its capability of determining at the end of each month if a payer has made his or her support payment.**
 - b. **if so, the Office shall indicate to the Committee whether upon confirmation of a missed payment it is sending a letter to payers, indicating that the case is in arrears and that the payer must respond within 15 days or face further enforcement action; and**

¹⁶ Ontario, Ministry of Community and Social Services, Office of the Deputy Minister, Sec. 3.03 Family Responsibility Office, *Summary Status Table in Response to the Report of the Auditor General* (March 15, 2011), p. 4 (caseloads).

¹⁷ Standing Committee on Public Accounts, *Hansard*, p. 203.

- c. **if the Office is not using its capability of determining whether a monthly support payment has been made, it shall explain to the Committee its reasoning for not doing so.**

Support Payments in Arrears

Information provided to the Auditor indicated arrears totalling \$1.6 billion as of December 31, 2009 but the Office could not provide a detailed breakdown by individual account. The Office lacked basic information as to how long these amounts had been outstanding or what proportion of the total might have to be written off.

The Office was able to provide summarized information about the total amount in arrears, sorted by amounts outstanding for each account. That information is detailed in Figure 3. Details were not available as to how long these amounts had been in arrears.

Figure 3: Total Number of Cases with Amounts in Arrears as at December 31, 2009¹⁸

Source of data: Family Responsibility Office

Amount in Arrears (\$)	# of Cases	% of Cases	Total Arrears (\$ million)	% of Arrears
less than 5,000	69,038	54.0	96.72	6.0
5,000–9,999	17,809	13.9	128.76	8.0
10,000–24,999	22,727	17.8	366.34	22.8
25,000–49,999	11,761	9.2	411.41	25.6
50,000–99,999	4,937	3.9	330.42	20.5
100,000+	1,489	1.2	275.90	17.1
Total	127,761	100.0	1,609.55	100.0

While basic information on accounts receivable is typically available in an organization, the Office did not monitor—or even know—the amount of arrears it collects, the length of time individual accounts or total amounts have been outstanding, or the number of accounts with large amounts outstanding. Such standard evaluation of risk criteria is critical to properly manage the collection function.¹⁹

The Auditor recommended that FRO obtain better data on payments in arrears and concentrate its efforts on those accounts most likely to yield results. Furthermore, the Office should measure the effectiveness of its enforcement activities over time.

¹⁸ See Sec. 3.03 of Ontario, Office of the Auditor General, *2010 Annual Report* (Toronto: The Office, 2010), p. 106.

¹⁹ Ibid.

Public Hearings

According to the witnesses, payer arrears currently total \$1.7 billion. When FRO was formally established in 1997, the arrears already stood at \$1 billion. To address the long standing arrears, the Office is undertaking a comprehensive analysis of its arrears information. FRO has learned that its top 10% of arrears represent approximately 13,000 cases, which account for over \$900 million—over 50% of the current arrears. FRO is seeking to develop a strategy to improve the management and collection of arrears. While FRO is permitted to identify cases that are unenforceable due to its inability to find a payer or recipient, FRO is not permitted under its legislation, to write-off arrears.

The Committee asked if there were efforts underway to prioritize the outstanding amounts and target individual payers who are responsible for the more substantial amounts.

Witnesses responded that the Office is limited in its ability to determine this information by an outdated information technology system that does not easily respond to queries. The Office has learned that the bulk of the arrears are quite old. Over 40% of them are over five years old. Over 10% are 18 years and older.

FRO will continue to seek answers to basic statistical questions and use that information to analyze the effectiveness of its enforcement measures. FRO has also expressed interest in partnering with other organizations—also involved in the collection of arrears—to explore effective strategies for dealing with various types of arrears.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

11. FRO report to the Standing Committee the following:

- a. **FRO's conclusions derived from the planned analysis of its arrears—particularly its assessment regarding what portion of the arrears is recoverable; and**
- b. **whether FRO's analysis of support enforcement operations in other jurisdictions identified any that were able to "write off" for accounting purposes those arrears deemed uncollectible.**

Payment Processing

The Auditor was advised that in 2010 the Office received and processed approximately 150,000 individual support payments each month, with a total value of between \$50 and \$60 million. The Auditor was pleased to find that accounting controls for the receipt and disbursement of payments were generally satisfactory, and that most payments were disbursed within 48 hours of receipt.

Performance Measures

The Auditor observed that the monthly statistical information provided to the Ministry lacked a useful summary of the Office's successes and failures in collecting outstanding support payments or in achieving its other key operational objectives. The Office acknowledged that it needs a defined set of measures to fully assess its operational performance.

The Auditor recommended that the Office define its key operational indicators, establish realistic targets, and measure and report on its success in meeting such targets.

Public Hearings

Witnesses noted that FRO has established performance measures designed to improve customer service. The Ministry has identified and started to collect operational performance measures in a report to be available in September 2011.

The Ministry will work toward defining and measuring key program performance indicators in the areas of collectability, enforcement effectiveness, and case profiling beginning April 2011.²⁰

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 12. FRO report to the Standing Committee on the highlights of its first report on operational performance measures expected in September 2011. The Office should also indicate the extent to which progress is being made in its efforts to instil a more results-oriented culture in its workforce.**

Computer System

The Office currently uses software called Managing Enforcement with Computerized Assistance (MECA), which is hosted on its mainframe computer in Toronto. Originally developed in the mid-1980s as a bookkeeping system for tracking money coming in from payers and going out to recipients, MECA was subsequently upgraded in the late 1980s and early 1990s. Out of date by today's standards, MECA does not adequately support the administration of the Office. In particular, the Auditor noted security weaknesses in the Office's information technology (IT) system that put sensitive personal client information at risk of unauthorized access.

Pending development and implementation of a new IT system, the Auditor recommended that FRO strengthen security requirements and processes for its

²⁰ Ontario, Ministry of Community and Social Services, Office of the Deputy Minister, Sec. 3.03 Family Responsibility Office, *Summary Status Table in Response to the Report of the Auditor General* (March 15, 2011), p. 6 (performance measures).

existing IT operations, including the Maintenance Enforcement Computerized Assistance (MECA) system, to better protect sensitive client information.

Public Hearings

According to the witnesses, before the Office can launch its new case management model, it needs to implement a modern computer system. The current system is over 25 years old, is slow and has limited capabilities. It is hampering the Office in making the customer service and business model improvements that it needs to make. The witnesses explained that FRO is moving forward on its new Family Responsibility Office Case Management System (FCMS) technology solution with the utmost care, caution, and diligence.

In response to questions, the witnesses explained that the Office's new FCMS system grew out of several things—the need to replace an obsolete IT system that no longer meets the Office's operational and management needs; the independent third party review conducted in the wake of the failed ISDM project developed between 2004-06;²¹ and the special task force report on large-scale government information and information technology (I&IT) projects.²²

According to one witness, the most profound lesson learned from both the ISDM review and the task force was the importance of an organization defining its business needs when trying to build a large-scale case management system such as FCMS. While the project team felt, at times, that the project was chiefly about technology transformation, they subsequently learned that it was more about business transformation—hence the necessity of clearly defining one's business needs before talking to vendors and technology experts.

During the hearings, witnesses clarified the following matters with regards to the proposed FCMS system, including its interaction with Office functions ranging from registration to enforcement (including interest calculation on arrears), the telephony system, and the web-based portal:

FCMS enables case management and enforcement from point of registration
Because of the current MECA system's technological limitations, the registration of support orders occurs separately from information transferred to the enforcement function. The new FCMS technology solution will enable cases to be

²¹ The Ministry abandoned the integrated service delivery model (ISDM) project at the end of 2006 when it realized that the project was not going to deliver what the Office needed from a business needs point of view.

²² Ontario, Ministry of Government Services, *Report of Ontario's Special Task Force on the Management of Large-Scale Information and Information Technology Projects* (Toronto: The Ministry, July 2005), Internet site at <http://www.mgs.gov.on.ca/stdprodconsume/groups/content/@mgs/@news/documents/resourcelist/052929.pdf> accessed on April 12, 2011. Also referred to as the "Desautel task force." L. Denis Desautels, former auditor general of Canada, David Johnston, (former) president of the University of Waterloo (now Governor General of Canada), Carol Stephenson, dean of the Richard Ivey School of Business and others, were all members of the 2005 task force.

managed from the point of registration to enforcement—allowing staff to begin preparatory work on the case even before the court order is received.

FCMS and the Calculation of Interest on Arrears

FRO's new computer will have the technical ability to calculate interest on 186,000 support orders (although there may be some business processes that the Office needs to first work out).

FCMS and the Telephony System:

In addition to enabling a new case management model, the first phase of the new technology will allow FRO to improve the call centre. For example, the FCMS case management system will be linked to the new telephony system. When a client phones the call centre and enters their case number and personal identification number (PIN), the case information can be accessed immediately by the enforcement services officer and the matter possibly addressed on the spot.

Web-based Portal

Currently, clients seek information from FRO via the telephone. The new FCMS technology solution will allow FRO to establish a secure, interactive web-based portal, permitting clients to access their case information online, and in future, update their case information. FRO anticipates that the portal will also alleviate demand on the Office's overburdened call centre, particularly if support payment information is made available. As an added benefit, the portal will provide enhanced accessibility features for FRO's clients with disabilities.

According to witnesses, British Columbia's family support enforcement program has established such a portal. Clients have the ability to review payment information and access enforcement records. The witnesses were unaware of any statistics connecting the portal's success rate to reduced call volumes. However, they did think it reasonable to anticipate that a portal containing payment information would divert a number of client calls from the call centre.²³

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

- 13. FRO report to the Standing Committee confirming whether or not the Office is still on schedule for a phased in implementation of its new Family Responsibility Office Case Management System (FCMS) by spring 2012. The report should briefly reference the project's key phases and associated timelines.**

²³ The Assistant Deputy Minister noted that about 57% of calls made to the call centre are queries from recipients calling to find out what happened to support payments that they were expecting.

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- 14. FRO report to the Standing Committee clarifying whether the Office's new FCMS tool will have the ability to directly access and search the databases of other ministries—while respecting privacy laws—when seeking contact information for support payers in arrears.**
- 15. FRO report to the Standing Committee summarizing:**
- a. the elements of its high level strategy to introduce, train, and engage its workforce to the various phases of the new FCMS tool; and**
 - b. how, after the new FCMS tool has been implemented, the Office plans to evaluate whether its business needs have been met with the new case management system.**
- 16. In 2010 the Auditor completed his third value-for-money audit of FRO since it was established as the Support and Custody Orders Enforcement program in 1987 and concluded that FRO was still not successfully fulfilling its mandate of collecting unpaid child and spousal support payments. Accordingly, the Standing Committee attaches importance to a future review of the Office. The Standing Committee therefore recommends that early in the next Parliament, the Minister of Community and Social Services request that a government motion be introduced to establish a Select Committee under Standing Order 112(a) to undertake a comprehensive and comparative review of the Family Responsibility Office.**

CONSOLIDATED LIST OF RECOMMENDATIONS

The Standing Committee on Public Accounts requests that the Ministry of Community and Social Services in cooperation with the Family Responsibility Office provide the Committee Clerk with a written response to the following 16 recommendations within 120 days of the tabling of this report with the Speaker of the Legislative Assembly.

The Standing Committee on Public Accounts recommends that:

1. The Family Responsibility Office (FRO) report to the Standing Committee the results of its review of the deployment of a Ministry of the Attorney General clerk in the FRO Office. The report should also indicate the impact of the project on FRO enforcement statistics and whether the initiative will be expanded to some, or all, of the court districts in Ontario.
2. FRO provide to the Standing Committee a status report showing monthly statistics with respect to all incoming telephone calls to FRO since the summer of 2010 when its new telephony system was implemented. The report should contain information broken down as follows:
 - a. total calls answered/handled by FRO staff;
 - b. total calls placed in the queue but caller hung up while waiting (abandoned calls);and
 - c. total calls not placed in the queue (blocked).

In all cases, the monthly information should indicate the number of local (416) versus 1-800 calls. FRO should also make this information available quarterly on its website.

3. FRO report to the Standing Committee the monthly breakdown of absenteeism statistics and trends, by branch, for the past 12 months.
4. FRO report to the Standing Committee its progress in consulting with MPP constituency office caseworkers to obtain their observations and suggestions for improvement of the Office.
5. FRO report to the Standing Committee on the following:
 - a. the number of bring-forward notes (BFNs) by length of time outstanding;
 - b. a target date for FRO completing its revision of policies and procedures for the proper utilization of BFNs; and
 - c. an indication of FRO's plan to conduct routine checks of the BFNs to ensure appropriate usage and to follow up with remedial measures where necessary.

6. FRO, in cooperation with officials of the Ministry of the Attorney General, should study the matter of enforcement of support by payers whose financial circumstances have temporarily declined. FRO and MAG should also report to the Standing Committee on practices utilized by support enforcement operations in other jurisdictions that have introduced effective measures to address such temporary and unforeseen circumstances.
7. FRO report to the Standing Committee indicating whether the Office will exercise more oversight of the enforcement actions of its staff to determine if such actions are the most effective and appropriate under the circumstances. The report should also indicate whether the new FCMS technology tool will proactively flag recommended enforcement action(s) for the attention of the enforcement officers.
8. FRO report to the Standing Committee indicating the progress being made in its discussions with the Ministry of Health and Long-Term Care to allow OHIP to provide up-to-date payer contact information to FRO to enhance support order enforcement.
9. FRO report to the Standing Committee as to when the Office expects to conclude its review of caseload management model options distilled from a survey of other jurisdictions. Once the review is completed, FRO should outline the option judged to work most effectively for FRO and its clients and report this information to the Committee.
10. FRO report to the Standing Committee indicating the following:
 - a. whether the Office is using its capability of determining at the end of each month if a payer has made his or her support payment.
 - b. if so, the Office shall indicate to the Committee whether upon confirmation of a missed payment it is sending a letter to payers, indicating that the case is in arrears and that the payer must respond within 15 days or face further enforcement action; and
 - c. if the Office is not using its capability of determining whether a monthly support payment has been made, it shall explain to the Committee its reasoning for not doing so.

11. FRO report to the Standing Committee the following:
 - a. FRO's conclusions derived from the planned analysis of its arrears—particularly its assessment regarding what portion of the arrears is recoverable; and
 - b. whether FRO's analysis of support enforcement operations in other jurisdictions identified any that were able to "write off" for accounting purposes those arrears deemed uncollectible.
12. FRO report to the Standing Committee on the highlights of its first report on operational performance measures expected in September 2011. The Office should also indicate the extent to which progress is being made in its efforts to instil a more results-oriented culture in its workforce.
13. FRO report to the Standing Committee confirming whether or not the Office is still on schedule for a phased in implementation of its new Family Responsibility Office Case Management System (FCMS) by spring 2012. The report should briefly reference the project's key phases and associated timelines.
14. FRO report to the Standing Committee clarifying whether the Office's new FCMS tool will have the ability to directly access and search the databases of other ministries—while respecting privacy laws—when seeking contact information for support payers in arrears.
15. FRO report to the Standing Committee summarizing:
 - a. the elements of its high level strategy to introduce, train, and engage its workforce to the various phases of the new FCMS tool; and
 - b. how, after the new FCMS tool has been implemented, the Office plans to evaluate whether its business needs have been met with the new case management system.
16. In 2010 the Auditor completed his third value-for-money audit of FRO since it was established as the Support and Custody Orders Enforcement program in 1987 and concluded that FRO was still not successfully fulfilling its mandate of collecting unpaid child and spousal support payments. Accordingly, the Standing Committee attaches importance to a future review of the Office. The Standing Committee therefore recommends that early in the next Parliament, the Minister of Community and Social Services request that a government motion be introduced to establish a Select Committee under Standing Order 112(a) to undertake a comprehensive and comparative review of the Family Responsibility Office.