

Chapter 3

Section

3.03

Ministry of Community and Social Services

Family Responsibility Office

Background

Financial responsibilities to children and/or a former spouse do not end with separation or divorce. In recognition of this, all court orders for child and spousal support in Ontario have since 1987 been automatically filed with, and in many cases enforced by, the Family Responsibility Office (Office). The Office also enforces private separation agreements that have been voluntarily registered with the courts and filed with the Office. The basic mandate of the Office has been unchanged since its inception in 1987: to enforce family-support obligations—aggressively if necessary—and to remit family-support payments to their intended recipients on a timely basis.

During the 1990s, a series of legislative changes strengthened the powers of the Office. In March 1992, for example, a legislative amendment was passed allowing the Office to collect up to half a support payer's net monthly income directly from the payer's sources of income, such as employment or a pension fund. In addition, the *Family Responsibility and Support Arrears Enforcement Act, 1996* instituted changes that:

- widened the definition of income from which support can be deducted to include commissions and lump-sum payments;

- provided additional tools to allow the Office to more effectively enforce support obligations; and
- made it possible to voluntarily opt out of the Office's enforcement of a support obligation or separation agreement if both parties agreed.

In the year ending March 31, 2010, the Office administered approximately 190,000 cases, up slightly from 180,000 at the time of our last audit in 2003. Each month, the Office registers approximately 1,200 to 1,500 new cases and closes a roughly similar number. Many of the people using its services are among the most vulnerable in society; nearly 20,000 individuals who have their support orders enforced by the Office also collect social assistance, often because their former partners failed to pay spousal or child support.

Historically, about one-third of all payers have been in full compliance with their support obligations; one-third have been in partial compliance (defined as meeting at least 85% of the current month's obligation); and one-third have been in non-compliance.

The Office has approximately 433 employees, all of whom work in a central office in Toronto, as well as 18 lawyers seconded from the Ministry of the Attorney General, and it maintains a panel of 70 private-sector lawyers to provide family-support litigation services across the province. The Office was originally under the authority of the Ministry

of the Attorney General but is now under the Ministry of Community and Social Services.

The Office's total operating expenditures rose from \$28.3 million in the 2002/03 fiscal year to about \$44 million in 2009/10, with about two-thirds going to employee salaries and benefits.

Audit Objectives and Scope

The objectives of our audit of the Family Responsibility Office (Office) were to assess whether:

- it effectively enforced support obligations in compliance with requirements of the *Family Responsibility and Support Arrears Enforcement Act, 1996* and its regulations, and 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.

Our audit included a review of the Office's administrative policies and procedures, as well as discussions with a cross-section of its staff. We also reviewed and assessed pertinent summary information and statistics, as well as a sample of individual case files. Comparative information was also obtained from a survey of family-support enforcement programs in other Canadian jurisdictions, and information was obtained from the Office of the Ombudsman of Ontario, which conducted a review of the Office in 2006.

Prior to commencing our audit field work, we identified the audit criteria that were used to address our audit objectives. These were reviewed and agreed to by senior management at the Office. We then designed and conducted tests and procedures to address our audit objectives and criteria.

Our audit was performed in accordance with standards for assurance engagements, encompassing value for money and compliance, established by

the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

We also reviewed several audit reports issued by the internal audit services of the Ministry of Community and Social Services with respect to the Office's business processes and the new IT system development project. We found that these reports could generally be relied upon and accordingly reduced the scope of our own work in certain areas.

Summary

There is no question that enforcing court orders for spousal and child support can be a difficult and complex undertaking, especially as the most problematic cases generally end up with the Office. Many individuals willingly do all they can to meet their support obligations but many others, either unable or unwilling to do so, go to great lengths to avoid making their required support payments.

While acknowledging the difficult environment in which the Office operates, we concluded in 2003 that it was in danger of failing to meet its mandated responsibilities. Although the Office agreed with our 2003 recommendations addressing these issues, this year we again concluded that it is not yet successful in effectively achieving its mandate of collecting unpaid child and spousal support payments. To be successful, it must take more aggressive enforcement action, enhance its case-management process, and significantly improve its information technology and communications systems.

After 2003, the Office spent about \$21 million over 3½ years in an attempt to develop a state-of-the-art IT system required to support a new service-delivery model. However, this effort was abandoned in December 2006 without a new system being implemented. As well, while the Office initiated some changes to its case-management

processes, these have not yet improved its success in collecting unpaid support.

While the Office has recently committed \$50 million to develop a new IT system, with oversight from the government's Chief Information Officer, and is piloting a new case-management approach, management must also work toward instilling a more results-oriented culture to effect the necessary changes.

Our specific findings are detailed below:

- It took at least five months for the Office to receive, register, and, if necessary, begin to enforce newly issued court orders for family support. Although the courts sometimes were slow to send the documents, or sometimes sent incomplete documents, the Office was also slow in registering completed orders. Such delays make cases in arrears much more difficult to enforce from the outset and can result in undue hardship on recipients awaiting their support payments.
- Both our 2003 audit and the Standing Committee on Public Accounts in their subsequent report to the Legislative Assembly recommended that the Office consider assigning responsibility for each case to an individual case worker, as is done in most other provinces. Although each case is now assigned to an enforcement services officer, this “case-ownership model” also has a number of significant shortcomings similar to those we noted in 1999 and 2003. Among our findings:
 - payers and recipients do not have direct access to their assigned enforcement services officer, and the call centre remains the primary means by which they can contact the Office;
 - there is still no one assigned to proactively oversee a case, and many different front-line workers continue to work on the same case over time; and
 - there is only limited access to enforcement staff because many calls to the Office do not get through or are terminated before they can be answered.
- The Office's toll-free call centre remains the primary way for recipients and payers to contact the Office. However, call volumes are so high that nearly 80% of calls to the centre never get through, and of the ones that do get through, one in seven hangs up before being answered by Office staff.
- At the end of our audit in April 2010, there were approximately 91,000 bring-forward notes outstanding, each of which is supposed to trigger specific action on a case within one month. The status of almost one-third of the outstanding bring-forward notes was “open,” indicating either that the notes had been read but not acted upon, or that they had not been read at all, meaning that the underlying nature and urgency of the issues that led to these notes in the first place was not known. In addition, many of the notes were between one and two years old.
- For ongoing cases, the Office took almost four months from the time the case went into arrears before taking its first enforcement action. For newly registered cases that went straight into arrears, the delay was seven months from the time the court order was issued. We also found that many enforcement actions were ineffective. As well, there were often inordinately long gaps between such actions that ranged from six months to five years, and averaged about two years.
- The Office is reviewing and working on only about 20% to 25% of its total cases in any given year—essentially, it acts in only one in four or one in five cases each year to, for example, take enforcement action, update case information, or track down delinquent payers. This may be caused in part by a case-load that is relatively high compared to that of other large provinces.
- We also noted that there is currently no quality control process or effective managerial

oversight with a view to assessing whether individual enforcement staff have made reasonable efforts to collect outstanding amounts. We noted, too, that Client Services Branch staff (including enforcement staff) averaged 19 sick days in the 2009/10 fiscal year.

- Summary information provided to us indicated that outstanding arrears totalled \$1.6 billion as of December 31, 2009. However, that number was not reliable because the Office could not provide us with a detailed listing by individual account totalling this \$1.6 billion. In addition, the Office had no data about how long these amounts had been outstanding or how much of the total they deemed uncollectible.
- The statistical information supplied monthly to the Ministry of Community and Social Services did not provide 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 itself acknowledged that it needs a defined set of measures to fully assess its operational performance.
- We noted security weaknesses in the Office's information technology system that put sensitive personal client information at risk of unauthorized access.
- On a positive note, we found that accounting controls covering payments from support payers and the subsequent disbursement to intended recipients were generally satisfactory, and most support payments were disbursed within 48 hours of receipt.

OVERALL OFFICE RESPONSE

The Office is engaged in the process of changing the way we deliver services. This is a multi-year project that will mean better service for people who rely on this program, and more support payments reaching families. The Office is work-

ing on a number of integrated modernization initiatives that will move the organization from its current reactive business model to a model based on proactively managing cases.

These initiatives include:

- streamlining existing operational policies and business procedures;
- modernizing the technology used at the Office;
- establishing performance measures for improved customer service; and
- increasing staff and management accountability.

In 2010/11, the government is investing an additional \$14 million to build the foundation for improved customer service by increasing oversight and capacity across the program. This investment builds on and complements the important steps the government has also taken to strengthen enforcement and increase fairness through legislative and regulatory amendments and to streamline business processes and improve outreach to, and education of, stakeholders.

Detailed Audit Observations

When the Office receives a support order or a request to register a private separation agreement, it sends an information package to the support payer and recipient. In most cases, support payments are withheld from the payer's income sources, such as an employer or a pension fund, and turned directly over to the Office. Support payers may also make payments directly to the Office.

The Office generally forwards the monthly support payments to the intended recipient within 48 hours of receipt. When a payer fails to meet part or all of his or her support obligations, the Office may take a number of progressively more aggressive enforcement actions.

An assistant deputy minister of the Ministry of Community and Social Services (Ministry) oversees the Office, which has four main branches, each headed by a director. A brief description of this structure, along with staffing details, is given in Figure 1.

REGISTRATION OF SUPPORT OBLIGATIONS FOR ENFORCEMENT

The Office's intake unit receives requests to register and enforce family-support orders and private separation agreements, and reviews them for completeness and accuracy. About one in 10 of the requests are incomplete or contain, for example, contradictory information, and these are returned to the sender for completion or clarification.

Once documents are deemed complete and accurate, they are registered. The Office's goal is to begin administering a case within 30 days of registration. In many cases, notices are also sent at this time to the payer's income sources, including an employer or pension fund, advising that support

deductions are to be withheld from the payer's income and submitted to the Office.

Our review of a sample of court orders received by the Office found that, on average, it received them 48 days, or about 1½ months, after the date of the court order—but many were received more than six months after the court order was issued. We found that the Office had no ongoing initiatives or communications strategy to encourage the courts to forward all support orders or private separation agreements filed with a court to the Office in a timely manner. These delays were further compounded by the fact that it took another 104 days on average—about 3½ months—for a completed court order to be registered by the Office in its information system.

As a result, many support orders were already five months or more in arrears by the time the Office was in a position to administer them and, if necessary, begin enforcement action. This made the cases much more difficult to enforce from the outset and placed undue hardship on recipients, who were relying on the Office to enforce the court orders.

Figure 1: Details of Staffing at the Family Responsibility Office as of June 2010

Source of data: Family Responsibility Office

Branch/Function	Primary Function or Responsibilities	# of Staff
ADM's Office	<ul style="list-style-type: none"> provide strategic leadership and management oversight of Office operations 	8
Client Services Branch		
intake	<ul style="list-style-type: none"> process court orders, register cases, prepare and maintain case files 	51
enforcement	<ul style="list-style-type: none"> staff call-centre phones and conduct various enforcement activities 	206
special purpose enforcement	<ul style="list-style-type: none"> oversee high-profile, French-language, Aboriginal, and other special cases 	15
finance	<ul style="list-style-type: none"> process financial adjustments to individual cases 	17
managerial and support	<ul style="list-style-type: none"> provide managerial oversight and administrative support 	28
Financial & Administrative Services Branch		
records	<ul style="list-style-type: none"> maintain and retrieve client files 	17
finance	<ul style="list-style-type: none"> process payments and journal entries, perform financial reconciliations 	41
managerial and support	<ul style="list-style-type: none"> provide managerial oversight and administrative support 	14
Strategic & Operational Effectiveness Branch	<ul style="list-style-type: none"> provide strategic planning leadership, business-process modernization, operational and strategic policy advice 	23
Legal Services Branch		
staff lawyers	<ul style="list-style-type: none"> provide legal representation and advice, oversee approximately 70 contract lawyers 	18
managerial and support	<ul style="list-style-type: none"> provide managerial oversight, administrative support 	13
Total		451

We also found that with regard to the one in 10 court orders returned because they were incomplete or contained contradictory information, there was no follow-up process to ensure that the required information was received on a timely basis—or even that the case was ultimately registered at all.

We reviewed a sample of files for which incomplete or contradictory court orders were received and found that in about two-thirds of them, the average delay between the time the court order was originally received and the time it was registered with the Office was eight months—and in some instances as long as 18 months. Cases in the remaining third of our sample were still awaiting additional information or further clarification, and between six and 10 months had passed since the court order was first received by the Office.

RECOMMENDATION 1

To maximize the likelihood of successfully collecting support obligations, and to help minimize hardships for recipients awaiting their support payments, the Family Responsibility Office should:

- work proactively with family courts in Ontario to encourage them to provide complete and accurate information on a more timely basis so that family-support obligations can be registered and enforced more promptly; and
- register and begin to administer new cases requiring no additional information within the Office's internal target of 30 days of receipt of the court order.

OFFICE RESPONSE

We know that the justice system is a critical partner in our modernization plan. The Office has initiated direct outreach and provides information to the judiciary via quarterly bulletins to help improve the information exchange between the courts and the Office.

The Office and the courts are also piloting two projects:

- a dedicated court clerk has been located in its office to significantly speed up the flow of documents between the Office and the courts; and
- the Office is providing the courts with real-time electronic access to its database for current case financial information to expedite court decision-making on support arrears.

To improve enforcement of new cases, the Office has also refined the process for address verification. This results in better client communication and enforcement from the very start and will help it meet its internal goal of registering cases within 30 days and providing improved customer service to clients.

CASE-MANAGEMENT MODELS

Our two previous audits of the Office noted limitations in the “case-issue management model” used at the time to administer cases. In this model, any staffer who fields an inquiry regarding a particular case can provide the caller with an answer and perform such tasks as address updates or simple enforcement actions. However, more complex tasks requiring in-depth knowledge of a case and potential follow-up at a later date were to be performed by an enforcement services officer, who temporarily assumed exclusive jurisdiction for that task until the issue was resolved.

In response to our 2003 recommendations, and to one from the Standing Committee on Public Accounts of the Legislative Assembly, regarding this issue, the Office indicated in October 2004 that it would change its case-issue management model. Under the new “case-ownership model,” enforcement services officers now have specific cases assigned to them and are directly responsible for these cases over the long term. It was the Office's view that the new model would allow enforcement

services officers to proactively manage their case-load, follow a case from beginning to end, and spend more time on enforcement activities.

Since April 2007, ownership of each individual case has been assigned to one of 138 enforcement services officers. However, with the exception of one pilot project, both recipients and payers must initially contact the call centre for all matters. Routine enquiries or simple actions continue to be dealt with by the staffer who answers the call. However, more complicated or time-consuming issues are now forwarded, usually through a bring-forward note, to the case's assigned enforcement services officer, who in effect "owns" the case.

We noted that despite the change in the case-management model, there has been no substantial improvement in the collection of unpaid support payments. It is our view that the case-ownership model has not been effective in this regard because:

- unlike those in most other provinces, Ontario's payers and recipients do not have direct access to their assigned enforcement services officer, and the call centre remains the primary means by which they can contact the Office;
- there is only limited access to enforcement staff working in the call centre because, as noted in the next section, many calls do not get through or are terminated before they can be answered;
- there is still no one assigned to proactively oversee a case, and many different front-line workers continue to work on the same case over time; and
- the average number of assigned cases per enforcement services officer is relatively high at 1,377, which results in a large—and in some cases an almost overwhelming—number of outstanding bring-forward notes, indicating that many issues still aren't being dealt with on a timely basis.

RECOMMENDATION 2

Given the lack of effectiveness of the current case-ownership model in improving the ability of the Family Responsibility Office to collect unpaid support obligations, the Office should examine processes used in other jurisdictions to determine what best practices might be applicable to Ontario.

OFFICE RESPONSE

The Office is working to become more responsive to client needs. Moving to a proactive case-management model is central to the Office's modernization plan. Once in place, the model will give clients:

- a dedicated case worker for the life of their case; and
- easier access to their case worker and fewer blocked calls.

The Office has also been working with other jurisdictions across North America to identify enforcement best practices that can be applied to Ontario, and it has already put some of these practices in place.

The Office is also replacing its outdated technology platform with new case-management technology, expected to be in place in 2012. The new technology will play an important role in supporting a more efficient and effective case-management business model and will enable the Office to establish a secure web portal that would allow clients to access case information online.

CALL-CENTRE OPERATIONS

The Office's toll-free call centre, open from 8:00 a.m. to 5:00 p.m. Monday to Friday, remains the primary way for recipients and payers to contact it. Enforcement services representatives were to answer telephones for six hours of each working

day, while enforcement services officers were to answer calls 10.5 hours of each work week. Between 20 and 70 people were assigned to answer telephones at any given time, depending on anticipated call volumes. We were advised that the Office's telephone system has 72 lines that can be used to answer a call or put it in a queue.

As was the case at the time of our last audit in 2003, the Office continues to monitor and report to the Ministry of Community and Social Services (Ministry) some basic information about the call centre, including number of calls answered and average wait times. Our review of this information noted that approximately 2,000 calls are answered each day. In addition to the call centre, both payers and recipients can access basic information about their case through the automated Integrated Voice Response (IVR) system, which fields about 200,000 calls a month.

As was the case at the time of our last audit in 2003, the Office did not regularly monitor any information with respect to:

- the number of calls that don't get through, which is critical to assess the adequacy of the service provided in a call-centre environment; and
- the nature or reason for the calls, with a view to reducing the number of future calls by, for example, expanding the capability of the IVR system.

A one-time study of call volumes conducted over three weeks in July 2008 by the Office's communications service provider found that, overall, 80% of calls to the call centre failed to get through, as detailed in Figure 2. The results of this one-time study are consistent with our own findings: 78% of the calls we placed to the call centre between January and March 2010 failed to get through.

Information provided to us also indicated that for every seven calls that were accepted by the system and put in a queue to speak to an Office staffer, one caller eventually hung up before getting an answer.

Figure 2: Number of Calls That Failed to Get Through to the Call Centre

Source of data: Family Responsibility Office

	Total Calls	Answered Calls	Failed Calls	% Failed
week 1	80,551	11,008	69,543	86
week 2	86,951	15,684	71,267	82
week 3*	33,806	12,948	20,858	62
Total	201,308	39,640	161,668	80

* partial week only due to system breakdown

While it is questionable whether a sufficient number of staff have been assigned to the call centre to answer all calls within a reasonable time, more calls could have been answered than were because:

- on many occasions, fewer staff were scheduled to work in the call centre than should have been the case if staffing was based on historical call volumes;
- the Office had no supporting documentation for, and could not demonstrate to us, whether the staff assigned to answer calls were actually on the job for part or all of their shift (in that regard, although the Office had established an informal guideline requiring enforcement staff to answer and document at least five calls an hour, it did not maintain the information necessary to assess how many calls each staffer was actually answering); and
- we noted that the Client Services Branch, which includes all enforcement staffers, averaged 19 sick days a year per employee, significantly reducing their availability to work scheduled call-centre shifts.

RECOMMENDATION 3

Since the call centre remains the primary means by which clients communicate with the Family Responsibility Office, the Office should review its call-centre operations and take the steps necessary to ensure that all calls are answered

within a reasonable time. It should also track and report the results of its efforts to improve call-centre operations.

OFFICE RESPONSE

The Office agrees and is committed to making it possible for clients to contact it in a timely manner. As noted by the Auditor General, the Office already answers approximately 2,000 calls per day and receives approximately 200,000 calls on the automated information line each month.

In June 2010, the Office implemented a new telephony system. It provides managers with information to refine call-centre scheduling, act more quickly to address lengthy wait times, and monitor the number of calls not getting through to it.

The Office has also enhanced senior-management oversight of its call centre, and developed new customer-service standards that provide benchmarks to measure performance and progress and guide future improvements to customer service.

BRING-FORWARD NOTES

As noted previously, more complicated or time-consuming issues requiring specific knowledge of a case were forwarded from the call centre to the case's assigned enforcement services officer, primarily through a bring-forward note. Such notes may also be generated by any staffer as a reminder of the need for specific action at a future date, and by the Office's computers when any document is scanned because it may require staff attention. The Office expects in most cases that bring-forward notes will be reviewed, acted upon, and closed within 30 days of their issuance.

We obtained a summary report showing that 91,000 bring-forward notes were outstanding as of April 9, 2010. Our review of this report, along with

other information provided to us, led us to note the following concerns:

- The number of outstanding bring-forward notes for a sample of enforcement services officers ranged from 123 to 1,358 per officer.
- The status of almost one-third of the outstanding bring-forward notes was "open" in the computer system. These notes either had not been read (and thus the underlying nature and urgency of the issues that led to these notes in the first place was not known) or, if read, had not been acted upon and closed.
- Notwithstanding the Office's target of 30 days for addressing a bring-forward note, about half of all notes had been outstanding for more than 90 days, and many for between one and two years.

RECOMMENDATION 4

To help ensure that the Family Responsibility Office deals with such issues as client inquiries and enforcement actions appropriately and on a more timely basis, management should monitor whether enforcement services officers review their bring-forward notes, conduct the necessary follow-up work, and clear up these notes on a timely and appropriate basis.

OFFICE RESPONSE

The Office is committed to timely follow-up of client inquiries and enforcement actions. Its staff and managers will undertake a "blitz" to clean up bring-forward notes in fall 2010.

New staff and management training and new performance measures will help to ensure that bring-forward notes are being used properly, followed up on in a timely fashion, and closed appropriately.

SUPPORT-ENFORCEMENT ACTION

As of March 31, 2010, approximately two-thirds of all payers were in non-compliance or in only partial compliance with their support obligations. If the Office is to effectively collect these arrears, it is essential that it take the appropriate enforcement actions on a timely basis.

When undertaking enforcement action, staffers are expected to follow a series of steps prescribed in the Office's "Enforcement Tree," which starts with a series of passive steps and escalates progressively to more aggressive ones.

Examples of initial passive-enforcement steps include:

- initial notification that the case is in arrears, which gives the support payer 15 days to respond before any further enforcement action is taken;
- a request that the payer enter into a voluntary payment schedule for all amounts owing;
- intercepting certain federal payments at source, including income-tax refunds and benefits under Employment Insurance and Canada Pension Plan;
- filing a writ of seizure or sale or lien against the payer's personal property, such as car or household effects;
- intercepting lottery winnings; and
- reporting the payer to credit bureaus.

Examples of more aggressive enforcement steps include:

- issuing a notice of intention to suspend a delinquent payers driver's licence, and ultimately suspending it;
- issuing a notice of intention to suspend federal licences and passports, and ultimately suspending them;
- garnishing bank accounts, including joint accounts;
- registering a secure charge against specified real estate belonging to a payer; and

- taking the payer to court to explain the failure to pay, and imposing a jail sentence of up to 180 days.

Since each case is unique, there is no mandatory sequence of steps or timelines to be followed. As a result, individual enforcement staffers have significant discretion over what action to take and when to take it. In addition, it is the Office's practice to begin enforcement action only after it is notified by a recipient of non-payment or only partial payment.

Our review of a sample of case files that went into arrears since the time of our last audit in 2003 found that the enforcement actions taken were often neither timely nor effective. The initial notification of non-payment by the recipient was either not documented or so poorly documented that we often could not tell when it had been received. Instead, we compared the delay between the time the case first went into arrears and the time the first enforcement action was taken. We found that for ongoing cases, it took almost four months before a first enforcement action was taken—and seven months for newly registered cases for which no child or spousal support payments had ever been made.

Over half the cases we reviewed had inordinately long gaps between enforcement actions that ranged from six months to five years, and averaged about two years.

We noted that the Office itself acknowledged that it is reviewing and working only 20% to 25% of its total cases in a given year—essentially, it acts in only one of four or one in five cases each year to, for example, take enforcement action, update case information, or track down delinquent payers.

Many of the enforcement steps taken were ineffective. For example, delinquent payers only infrequently responded to the Office's requests to enter into a voluntary payment schedule. Similarly, none of the delinquent payers who were initially warned and then reported to credit bureaus paid any arrears—or even contacted the Office.

It is sometimes difficult even to track down a payer who is in arrears. The Office considers that one of the most effective ways of finding people is

to use the Ontario Health Insurance Plan (OHIP) database. However, we were informed that OHIP allows the Office to make just 20 requests for information a month from this resource.

It was often unclear why a specific enforcement action was, or was not, taken. Given that enforcement staff have significant discretion in this area, it is critical in our view that staff adequately document the reasons for which they take specific measures.

We also noted that there is no quality control process for reviewing cases to assess whether reasonable efforts were made by individual enforcement staffers to collect arrears. In addition, the information system does not provide the information needed to facilitate effective managerial oversight.

RECOMMENDATION 5

To help it collect arrears more effectively, the Family Responsibility Office should ensure that enforcement staff:

- initiate enforcement actions for both ongoing and newly registered cases on a more timely basis; and
- document why specific enforcement steps were, or were not, taken, and concentrate on those steps that are apt to be more successful in particular circumstances.

The Office should also establish a quality control process and effective managerial oversight to assess whether reasonable efforts have been made to collect arrears. If it is determined that reasonable efforts have not been made, it should take corrective action.

Locating payers is often the most challenging issue, so the Office should also discuss with the Ministry of Health and Long-Term Care the current restriction on access to payer addresses from the OHIP database.

OFFICE RESPONSE

The Office agrees and is taking steps to improve the collection of support arrears.

The Office has been systematically reviewing and updating its operational policies and procedures to bring greater consistency to enforcement actions and improve enforcement results for clients. The implementation of new case-management technology in 2012 will enable the Office to become significantly more proactive in pursuing enforcement actions and payments for clients.

The Office is currently working with the federal government, law-enforcement organizations, and other provincial ministries to secure access to new tools and databases for locating defaulting support payers.

CASELOADS

There is no question that one prerequisite for the Office to effectively administer its caseload and its call-centre operations, as well as follow up on outstanding bring-forward notes in a more timely manner, is a sufficient number of enforcement staffers.

At the time of our last audit in 2003, the 60 enforcement services representatives then employed at the Office were expected to work in the call centre 4.5 hours per day while the 100 enforcement services officers then employed were expected to put in three hours a day of call-centre duty, with the remainder of their working day spent on enforcement activities. With the introduction of the new case-management model in April 2007, the 83 enforcement services representatives currently employed at the Office were expected to work six hours a day at the call centre, while the 138 enforcement services officers were expected to put in 10.5 call-centre hours a week and spend the remainder of their time on enforcement activities.

As previously noted, every case is now assigned to one of the 138 enforcement services officers—in effect, these staffers “own” a case and are responsible for more complicated or time-consuming issues and, ultimately, successful resolution of cases

involving outstanding support payments. We noted this has led to an average caseload total of 1,377 for each enforcement services officer. In two other large provinces, enforcement staff operated with an average caseload of 446 and 312, respectively. Even when distributing the caseload among total staff rather than just enforcement staff, the average remains high: 421 for each Office staffer, compared to 301 and 212 in the two other large provinces. Despite a 35% increase in enforcement staff since 2003, caseloads remain considerably higher than in the other large provinces we surveyed.

We also noted that, notwithstanding previous recommendations on the need for caseload standards from both our Office and the standing Committee on Public Accounts of the Legislative Assembly, the Office never established standards for what a reasonable caseload should be. In addition, there is currently no system or requirement in place to monitor and assess the productivity of enforcement staff to ensure that they are working efficiently and effectively.

RECOMMENDATION 6

To help improve the administration of its enforcement program, the Family Responsibility Office should:

- establish reasonable criteria and benchmarks setting out what is a manageable caseload, and staff its enforcement activity accordingly; and
- regularly monitor and assess the productivity and effectiveness of its enforcement staff, both individually and collectively, in responding to inquiries, taking timely and appropriate enforcement actions, and collecting outstanding support obligations.

OFFICE RESPONSE

Efforts are under way to establish the best possible caseload-management model for staff at the Office. This work will be complete by the end of this fiscal year.

The shift to a case-ownership-based business model has helped manage caseloads as enforcement services officers can spend more time focusing on enforcement rather than on call-centre shifts.

In addition, new case-management technology, expected to be in place by 2012, will provide enforcement staff with better tools, such as automated reminders, to enable them to work more effectively. It will also help management to better monitor the effectiveness of enforcement actions and make recommendations that will improve support-payment outcomes.

SUPPORT PAYMENTS IN ARREARS

The Office advised us that the total amount of support payments in arrears as of December 31, 2009, totalled approximately \$1.6 billion, up 23% since the time of our last audit in 2003. However, the reliability of this number is limited because the Office was unable to provide us during our field work with other detailed information, such as a listing of amounts outstanding by individual accounts that totalled the \$1.6 billion; nor could the Office provide us with information about the number and total value of support payments owing that were not collected in recent years, or the number and total value of accounts in arrears that are deemed uncollectible.

We were able to establish, however, that nearly 20,000 individuals who have their support orders enforced by the Office collect social assistance, in many cases because their former partners failed to pay spousal or child support.

It was only at the end of our field work that the Office was able to provide us with summary information about the total amount in arrears, sorted by amount outstanding, for each account. That information is detailed in Figure 3. However, it was not able to provide us with details about how long these amounts had been in arrears.

Figure 3: Total Number of Cases with Amounts in Arrears as at December 31, 2009

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

This type of basic information on accounts receivable would normally be available in an organization. In essence, the Office did not monitor—or even know—the amount of arrears it collects. In addition, it did not monitor or assess arrears balances with respect to standard evaluation or risk criteria, such as the length of time individual accounts or total amounts have been outstanding, or the number of accounts with large amounts outstanding. Such information is critical to properly manage the collection function by, for example, prioritizing accounts for collection, identifying old outstanding amounts that are likely impossible to collect and should be written off, or identifying large individual balances that may warrant more vigorous collection effort.

At the time of our last audit in January 2003, almost 19,000 cases with arrears totalling \$290 million had been transferred to private collection agencies. However, this initiative was deemed unsuccessful because the agencies collected less than 1% of the outstanding balances assigned to them. The practice of sending accounts in arrears to collection agencies has since been discontinued.

RECOMMENDATION 7

To enable it to concentrate its efforts on those accounts most likely to yield results and to objectively measure the effectiveness over time of its enforcement activities, the Family Respon-

sibility Office needs to obtain better data on support payments in arrears.

OFFICE RESPONSE

The Office agrees and is taking action to obtain better data on the effectiveness of enforcement activities and support payments in arrears.

In 2010, the Office implemented a number of key performance indicators, such as the cost of collecting support payments, value of arrears owed to recipients, number of enforcement actions by type, and disbursement rates. The key performance indicators provide critical information to evaluate overall program performance and pursue changes that will result in better enforcement outcomes for clients.

PAYMENT PROCESSING

We were advised that the Office received and processed approximately 150,000 individual support payments each month, with a total value of between \$50 and \$60 million. Just under half of these payments were by cheques, which were forwarded directly to the Office's bank for processing, while the remainder were in the form of electronic transfers. Of these transfers, about half were sent directly to the Office's bank by the payor while the remainder were processed by the Office itself.

Approximately 80% of the Office's payments were in the form of direct deposits to recipients' bank accounts while the remainder were by cheque. The Office's goal is to disburse money to intended recipients within 24 to 48 hours of receipt.

We found that accounting controls over payments received from payers (both electronically and by cheque) and their subsequent disbursement to the intended recipients were generally satisfactory. In addition, most support payments were disbursed within 48 hours of receipt. However, a variety of factors, as described below, led to some support payments sitting in "suspense" accounts, which did not have an adequate level of internal control.

Identified Suspense Account

As of December 31, 2009, the Office held about \$2.9 million from more than 9,500 transactions in an "identified suspense account." Although the 2,653 intended recipients were known, the money could not be paid for a variety of reasons including, for example, the need to await a court order.

Our review of a sample of balances in this account found that the Office failed to follow up on or clear almost three-quarters of these balances within the required 90 days of receipt. In fact, we found that the average age of all items in this account was 276 days—more than nine months—and many were over three years old.

Unidentified and Miscellaneous Suspense Accounts

As of December 31, 2009, the Office held \$2.1 million in an "unidentified suspense account," which contained money from nearly 9,000 transactions on behalf of unknown recipients. The Office does not have a specific time frame for following up on, or clearing, items from this account. We found that the average age of these items was 3.3 years, with many over 10 years old.

We also noted that as of December 31, 2009, \$7.2 million had been transferred from the above

two suspense accounts to a third, the "miscellaneous suspense account." The Office said it transferred the money after making what it believed to be all possible attempts to obtain the necessary information to identify or locate the intended recipients. However, we noted that a 2009 review of a small sample of these balances by Ministry of Revenue auditors successfully identified or located many of the intended recipients and led to payments to recipients an average of five years after they were transferred to the suspense accounts.

We found that the investigations and decisions to release funds from the suspense accounts were often not adequately documented or approved. In addition, as was the case at the time of our last audit in 2003, there was no managerial review or oversight of the release of funds from the three suspense accounts. As a result, amounts could be transferred undetected from any of them to unintended recipients, either in error or intentionally.

Our other observations and concerns with respect to the payment-processing function included the following:

- As of December 31, 2009, there were credit balances totalling about \$18.5 million in the accounts of 30,000 individual support payers. However, the Office was unable to tell us what proportion represented undisbursed cash receipts, technically refundable to the support payer, and what proportion resulted from retroactive adjustments to support owing, which are not refundable. In practice, undisbursed cash receipts are only rarely returned to the support payer, and usually only at the discretion of enforcement staff.
- Although the Office acknowledged an obligation to charge interest from the date a payment goes into arrears if the support order provides for doing so, it has never calculated such interest because its computer system is unable to calculate and accrue interest, and it is not efficient or economical to do so manually. Unlike its counterparts in some other provinces, the Office pursues interest on

arrears only if the recipient voluntarily calculates the interest owing and provides the total to the Office in a sworn statement.

Due to the higher risk associated with suspense accounts and receivables accounts with large credit balances, it is critical that adequate internal controls be in place, especially over payments from these accounts.

RECOMMENDATION 8

While the Family Responsibility Office is generally successful in processing and getting most support payments to intended recipients on a timely basis, it should strengthen its internal controls by:

- more diligently following up on and clearing items in the identified, unidentified, and miscellaneous suspense accounts; and
- adequately documenting the basis on which funds have been released from suspense accounts, along with evidence of managerial review and approval of the release of such funds.

The Office should also develop the computerized capability to calculate interest on support payments in arrears.

OFFICE RESPONSE

The Office agrees that all efforts need to be made to ensure that recipients receive the support to which they are entitled in a timely manner.

In recognition of this, it has added resources to follow up on funds in suspense accounts and to clear them on a priority basis. It will also be changing its financial policies, and will include performance time frames for action so that payments get to clients more quickly.

The Office does not have the legislative authority to calculate interest, but it does pursue interest in those cases where a court order includes an interest-payment provision when claimed by the recipient.

PERFORMANCE MEASURES

The Office prepares a “Monthly Metrics Report” that it provides to the Ministry of Community and Social Services (Ministry). Our review of this report noted that it contained basic statistical information, including:

- total number of active support cases;
- total number of inquiries related to the Office from Members of the Provincial Parliament;
- total number of inquiries related to the Office from the Ombudsman of Ontario;
- percentage of family-support cases in full and in partial compliance (defined as meeting at least 85% of the most recent month’s support obligation); and
- number of calls answered in the call centre and through the automated telephone system.

While this information is undoubtedly of interest to the Ministry, it is not that useful in enabling an assessment of the Office’s success in meeting its key operational objectives, or for identifying areas in need of improvement. Even the percentage of support cases in full or partial compliance is not meaningful in our view because a payer who has been non-compliant for months or years and then makes a partial payment in one month is put in the same category as one who has fully or partially complied for an extended period of time.

However, in administering and enforcing court orders for child and spousal support, the Office has established a number of higher-level objectives for itself, including:

- collection and disbursement of support payments in a timely manner;
- improvement of compliance rates by building constructive relationships with clients and partners to ensure support obligations are met; and
- improvement of customer service, enforcement, and collection of support payments.

These are good results-oriented measures and the Office should assess and report on its progress in achieving these objectives.

Examples of the types of information that the Office could be reporting to permit the Ministry to more effectively evaluate its performance and identify areas in need of improvement include:

- time required to disburse funds received electronically or by cheque to intended recipients;
- timeliness of various enforcement actions taken and their relative success;
- number of cases with significant arrears that have not been subject to enforcement action for a prolonged period of time;
- number of calls to the call centre that do not get through, and the number of callers who are put in a queue and eventually hang up before they are answered;
- length of time that accounts have been in arrears and an assessment of the likelihood they can be collected; and
- the nature and number of complaints received from all sources and the time it takes to resolve them satisfactorily.

The Office acknowledged that it needs more defined benchmarks to measure and assess its organizational performance, but also recognizes that it does not currently have the capacity to obtain the necessary information. This lack of adequate performance measurement severely limits its ability to identify gaps in business processes and fix problems quickly. It also contributes to the Office's inability to proactively remedy issues before they become pervasive. In essence, the adage that "you can't manage what you can't measure" sums up a key challenge faced by the Office.

The Office hired a survey firm to conduct a comprehensive client-satisfaction survey in 2005. The survey identified a number of customer-service concerns, none of which were identified in the monthly report sent to the Ministry. Many were consistent with our findings in earlier sections of this report and with information obtained from the Ombudsman of Ontario. For example, the survey found that the top four frustrations experienced by recipients were:

- ineffectiveness of the collection function;

- long wait times;
- inability to contact an enforcement staffer directly; and
- lack of knowledge or understanding of their particular case by the staffer who ultimately takes their call.

The Office has not conducted a similar survey since 2005.

RECOMMENDATION 9

To help assess whether the Family Responsibility Office is meeting its stated objectives, and to help identify in a timely manner those areas needing improvement, the Office needs to define its key operational indicators, establish realistic targets, and measure and report on its success in meeting such targets.

OFFICE RESPONSE

In 2010, the Ministry established a Performance Measurement Framework for the Office.

Operational measures are being developed across the Office for items such as the cost of collecting support payments and the time needed to respond to a changed support order. The measures will be results-oriented to help the Office achieve customer-service excellence, and increase compliance rates and collection of support payments. The measures will evolve and be continuously improved to focus on better results for clients, particularly as new data and information become available to the Office through the new case-management technology.

COMPUTER SYSTEMS

Managing Enforcement with Computerized Assistance (MECA) System

For most of its business, the Office currently uses software called Managing Enforcement with Computerized Assistance (MECA), formerly known as

Maintenance Enforcement Computerized Accounting, which is hosted on a mainframe computer in Toronto. In use since the mid-1980s, MECA was originally developed primarily as a bookkeeping system for tracking money coming in from payers and going out to recipients. The system was upgraded in the late 1980s and early 1990s to add a case-management function, as well as a server-based front-end interface (FRONT) to give call-centre staff better access to case information and a document-management system.

However, the quarter-century-old MECA is out of date by today's IT standards and does not adequately support the administration of the Office. The Office has known about the system's deficiencies for many years, and we noted some of them in our previous audits. They include:

- the considerable time and expense required to make enhancements to the software, partly because of poor or missing system documentation (in many cases, the Office is reluctant to make major system enhancements for fear of rendering the whole system unstable);
- a cumbersome process of navigating among several screens in order to obtain information on case activities; and
- MECA's inability to provide management with the information necessary to monitor and assess whether the program is delivered efficiently or effectively (for example, detailed information about case administration by enforcement staff, or amounts in arrears, simply isn't available).

The Office acknowledged as far back as 1996 that MECA needed to be replaced but in the absence of a new system, it had no choice but to continue to use the system despite its many limitations.

In November 2009, the Office's server operations were moved from Toronto to the government's central data centre in Kingston. We noted that shortly before that move, the Office spent \$250,000 on new servers to upgrade its in-house operations. However, these new servers are now considered redundant and are not used.

The Office's old servers at its head office in Toronto were to be shut down in November 2009, and Ministry IT cluster staff responsible for these services thought this had been done. However, we found the eight old servers were still up and running, accessible on-line, and unprotected by a firewall. Although these servers were no longer being used for day-to-day operations, they still contained historical client data, including sensitive personal documents. The Office had shut down seven of the eight servers by mid-June 2010 after we advised them of our concern.

Our testing indicated that the new servers and security firewalls in Kingston were secure from attack from outside the government while the old ones at the Office's head office in Toronto were not. We also identified weaknesses that made both the Kingston and Toronto servers vulnerable to misuse by employees operating within the government firewall. As a result, we were able to access databases and download confidential client information, including financial and legal documents such as court support orders and images of support-payment cheques, from both Kingston and Toronto.

Other concerns about MECA include:

- the exchange of payment information with nearly 40 other organizations through emails that are not encrypted or otherwise effectively protected, leaving a risk that these emails could be intercepted or otherwise compromised;
- failure to remove system-user IDs of employees who had left the Office, making the system vulnerable to unauthorized access;
- provision of user IDs to IT system-development staff, allowing them access to the live MECA system, which is improper segregation of duties; and
- the assignment and reassignment of IDs to groups or individuals without proper tracking, compromising accountability.

Integrated Service Delivery Model (ISDM)

Beginning in 2004, the Office attempted to develop a new computer system called the Integrated Service Delivery Model (ISDM). Originally budgeted at \$30 million, ISDM had an estimated completion date at the end of the 2006/07 fiscal year. The main purpose of ISDM was to implement a new integrated case-management information system to replace MECA.

However, it became clear that the project would not be successfully completed and the decision was made in December 2006 to discontinue it after \$21 million had been spent or committed to be spent on the project, as detailed in Figure 4.

We understand that the Office took legal action against the ISDM project-management consultant and reached a settlement, the terms of which are confidential.

We also noted that the Office had little use for the \$3.5 million worth of computer equipment purchased for the project, and most of the equipment could not be accounted for.

After the ISDM failure, the Office hired another consultant to review what went wrong. The consultant concluded that several factors contributed to the project failure, including:

- ineffective project-governance structure;
- poor project and vendor management and control; and
- lack of financial monitoring and control.

The Family Responsibility Office Case Management System (FCMS)

In June 2007, the Office received approval to develop and implement a new computer system, the Family Responsibility Office Case Management System (FCMS). Budgeted at \$43.5 million, FCMS was originally to have been implemented by March 2011. However, the implementation date has been pushed back to April 2012 and the budget has increased to \$49.4 million.

Figure 4: Expenditures for the ISDM Project (\$ million)

Source of data: Family Responsibility Office ISDM Project Review

Item	Amount
Office staff salaries and benefits	5.3
project management consultant	1.2
other consultants	8.4
purchase of IT equipment	3.5
other direct operating costs (training, supplies, etc.)	2.6
Total	21.0

The consultant engaged to review the ISDM failure produced recommendations aimed at ensuring that the mistakes of that project would not be repeated with FCMS. We reviewed these recommendations and noted that the FCMS project team is specifically addressing all of them.

One key recommendation called for the creation of a project steering committee, which the Office has done. Committee co-chairs are the deputy minister of the Ministry of Community and Social Services and the Corporate Chief Information Officer of the Ministry of Government Services. Internal Audit is also an active participant on the project team.

RECOMMENDATION 10

Pending development and implementation of a new IT system, the Family Responsibility Office should strengthen security requirements and processes for its existing IT operations, including the Maintenance Enforcement Computerized Assistance system, to help better protect sensitive client information.

OFFICE RESPONSE

The Office agrees that protection of sensitive client information is of critical importance, and has taken steps to mitigate risks related to the existing legacy systems:

- By September 2010, OPS Corporate Security will have completed additional penetration

testing on the firewalls and servers located in the Kingston Data centre to identify and mitigate risk and vulnerability.

- The Office has initiated a project to investigate the use of the enterprise file-transfer process to exchange information with external organizations using secure and encrypted protocols. It has also improved its processes for monitoring and controlling all assigned-user IDs.

The Family Responsibility Case Management Project is actively addressing all recommendations arising from the review of the past Integrated Service Delivery Model project and is on track to deliver a case-management solution to the Office by spring 2012.