

## Notice from the Board of Directors — Delay of payments

The Legal Services Society (LSS) again wishes to give notice to counsel that LSS may find it necessary to delay payments on referrals to counsel for up to ninety (90) days from the time the account is approved for payment.

LSS has submitted a budget to the Attorney General to receive funding for the 1996/97 fiscal year of \$88.1 million, plus a grant of \$2.7 million to partly repay the deficit being carried by the Society. The Attorney General's office has not yet responded. Pursuant to the Memorandum of Understanding that LSS and the Ministry of Attorney General entered into in March 1996, LSS is required to maintain services at the current level and at an expenditure rate of approximately \$88 million in government funding, but the government is only funding LSS at the rate of \$81.5 million. Funding for the 1996/97 fiscal year will be determined as a result of this most recent budget submission, but in the meantime, the Society's deficit continues to increase.

To a large extent, an LSS deficit is financed through payables to the bar for tariff work. Therefore, LSS must deal with the shortfall in government funding for this fiscal year by managing its short-term cash flow, and can only do this by managing the flow of payments to referral counsel on the tariff. LSS relies on referral counsel as a critical part of our service delivery network, and we deeply regret the position we have been forced into by government.

It is hoped that the government will provide appropriate funding for the services they have asked us to maintain through this fiscal year. Otherwise, delays in paying accounts will commence as early as January 1997. The Tariff department records the dates on which accounts are approved for payment and will use these approval dates

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to establish the order in which accounts are paid. We hope no account will have to be held for more than 60 days, but this will depend on the extent of funding received from government for this fiscal year.

We know that delaying payments to referral counsel will cause hardship, and we will make every possible effort to reduce that hardship. Unfortunately, the circumstances of the Society's finances dictate that this must happen.

Please feel free to contact us if you have any questions concerning this process.

Pinder Cheema  
*Chair, LSS Board of Directors*