

Legal Services Society

2016/17 ANNUAL SERVICE PLAN REPORT



**Legal
Services
Society**

British Columbia
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Board Chair's Accountability Statement



The Legal Services Society's *2016/17 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2016/17 – 2018/19 Service Plan*. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to be 'SN' followed by a stylized flourish.

Suzette Narbonne
Chair, LSS Board of Directors

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Chair/CEO Report Letter

Over the past year, the Legal Services Society (LSS) provided legal representation to more than 28,000 individuals with low incomes facing criminal, family, or immigration problems; gave legal advice on 104,000 occasions; and delivered legal information to hundreds of thousands through websites, publications, and in-person services.

We are pleased to report that the society met and exceeded the requirements of its Mandate Letter. The society made a number of improvements to its client information system (CIS), submitted business cases supporting expansion of its justice transformation initiatives, and continued its work with government on a number of Aboriginal justice initiatives. Each of these Mandate Letter requirements supports the society's statutory objectives to assist individuals to resolve their legal problems, to administer an effective and efficient legal aid plan, and to advise the Attorney General on access to justice.

The society also met the requirement that it deliver a balanced budget at year-end. Doing this without cutting core client services required LSS to restrict operations to meet service costs, which were greater than the revenue provided by government.

To ensure LSS and the Ministry of Justice work together in a manner that is strategic, effective, and accountable, the two organizations have a number of protocols. These protocols include quarterly meetings between the LSS board chair and the Attorney General and between LSS's CEO and the Assistant Deputy Minister; a Standing Committee of the Assistant Deputy Minister of Justice Services Branch and the CEO for addressing any issues arising between the parties; and a working group consisting of senior LSS staff and the ministry that meets every three weeks to discuss budgets and services.

The society ensures good governance through a comprehensive orientation plan for all new board members, an annual peer-review performance assessment, and regular educational presentations on the society's operations. In 2016/17, the board also retained external consultants for a workshop on governance best practices.

We would like to extend our thanks to LSS staff and to the many private lawyers who represent the society's clients. Without their commitment to legal aid and to improving the lives of those in need, the society could not deliver such a broad range of services or develop so many new and innovative services, on time and on budget. We would also like to thank the Attorney General and her staff for their collaboration and support throughout the year.



A handwritten signature in black ink, appearing to be 'Suzette Narbonne'.

Suzette Narbonne
Chair, LSS Board of Directors



A handwritten signature in black ink, appearing to be 'Mark Benton'.

Mark Benton, QC
Chief Executive Officer

Purpose of the Organization

The Legal Services Society provides legal aid in British Columbia. Created by the Legal Services Society Act in 1979, LSS is a non-profit organization that is a separate legal entity from government (see legalaids.bc.ca/about/ourMandate.php). Our priority is to serve the interests of people with low incomes. LSS is funded primarily by the provincial government and receives grants from the Law Foundation and Notary Foundation. Legal representation services are available for financially eligible people with serious family, child protection, or criminal law problems. Legal representation is also available for people who face a refugee or deportation hearing, a Mental Health Review Panel or BC Review Board hearing, or who have a prison issue for which the Charter of Rights and Freedoms establishes a right to counsel.

We provide legal advice services through criminal and family duty counsel in and out of courthouses across B.C., immigration duty counsel for people in detention at the Canada Border Services Agency's enforcement centre in Vancouver, the Family LawLINE, and the Brydges Line telephone service for people who may be or have been arrested. LSS also provides family advice lawyers at various locations to support the family justice counsellors.

Public legal education and information (PLEI) is integral to our services. PLEI includes legal information, triage, and community referrals. Legal information and outreach services are delivered by intake workers, legal information outreach workers (LIOWs), an Aboriginal community legal worker (ACLW), local agents, and community partners. We provide information through our LSS website, Family Law in BC website, Aboriginal Legal Aid in BC website, and MyLawBC website. We provide legal education through training workshops, conferences, and webinars. We reach hundreds of intermediaries and advocates each year so that they are better able to help people with low incomes solve their legal issues. Our network of regional offices, local agents, and community partners works to ensure access to legal aid and other justice services throughout British Columbia.

Strategic Direction and Context

In accordance with our 2016/17 Mandate Letter (legalaids.bc.ca/about/ourMandate.php), the society delivered on priority actions aligned with the government's Taxpayer Accountability Principles. In particular, LSS continues to administer legal aid services under the principles of cost consciousness and accountability. Our Mandate Letter priority actions, as well as our goals and initiatives, align with the government's priorities and the strategic goals of the Ministry of Justice. LSS has demonstrated its commitment to transparency and accountability to the public, and we follow all relevant provincial government reporting and disclosure requirements.

In 2016/17, LSS met its Mandate Letter priorities by advancing the work of the CIS Transition Project, completing the five justice transformation pilot projects, and identifying strategies to better meet the legal needs of Aboriginal people in B.C.

LSS met its requirement to balance the budget but faced significant cost pressures in 2016/17 in the immigration, family, and criminal tariffs, due to the available budget being lower than demand for services.

Since fall 2015, demand for immigration and refugee legal aid services has increased significantly. The volume of refugee (non-appeal) service requests in 2016/17 increased by 70 percent over 2015/16, and the number of contracts issued in 2016/17 increased by 79 percent over 2015/16 (see Clients Served table under Goal 1). Due to the increase in contracts, costs for immigration and refugee cases exceeded our budget. LSS received additional funding from the federal government to respond to this increased service pressure.

In the criminal tariff, LSS experienced a stable volume of applicants compared to prior years (2 percent increase in service requests from 2014/15 to 2016/17), but incurred more costs. This was due to reasons outside LSS's control, such as the increasing costs of large cases and shifts in the proportion of contracts issued in the previous year from lower cost summary cases to higher cost indictable cases. The federal government provided the provincial government with additional funding to cover the criminal tariff deficit.

In the family tariff, LSS experienced a budget shortfall due to higher contract issue rates in 2014/15 and 2015/16. We funded the shortfall by reallocating tariff funding and by restricting operations. To manage the expected shortfall in 2016/17, we reduced family services in January 2017 by eliminating discretionary spending. This meant LSS no longer approved cases under exception review (for cases that do not meet standard coverage criteria), under discretionary coverage (for cases marginally over the financial eligibility guidelines), and for family extended services (for cases where LSS provides lawyers with additional hours to work on a case). At the end of 2016/17, LSS met the requirement of a balanced budget.

This year, we continued working on strengthening our relationship with lawyers and developing billing system improvements to benefit lawyers, but the trend of lawyer dissatisfaction continued. While the number of lawyers accepting legal aid contracts each year is stable at just under 1,000 (though it dipped by 2.5 percent this year), we have seen a 51 percent decrease in the number of lawyers taking legal aid contracts across all areas of law who have 16 to 20 years of experience (based on call year) over the last five years. The number of lawyers with 0 to 10 years of experience has increased by 16 percent over that same period. This means we are seeing greater numbers of junior lawyers than in the past, and a sharp decline of more senior lawyers.

Our tariff lawyer satisfaction survey results gave us more information about how lawyers feel about performing legal aid work for LSS. Just over one third (36 percent) of lawyers surveyed plan to take about the same number of cases in future years, representing a gradual decline for the second consecutive wave. The proportion of lawyers planning to take fewer or no contracts in the coming years continues to grow — currently at 32 percent versus 27 percent in 2013 and 19 percent in 2010. Among tariff lawyers who predict they will take fewer cases in 2017/18, the overwhelming reason remains because they feel the tariff fee is too low and does not reflect the amount of time they put in. LSS plans to address the lawyer supply risk by identifying and implementing strategies for achieving a sustainable supply of lawyers, including an increased tariff rate.

The combination of the CIS Transition Project, the justice transformation initiatives, and MyLawBC have put a collective strain on LSS staff and their workloads. To mitigate the risk of reduced employee engagement, LSS continued to focus on its recognition program, training program, and succession management program designed to support employees targeted to fill future management

vacancies. Our workplace environment survey results indicate that we have mitigated the risk of dropping engagement levels and have the right foundation in place to support our staff.

Report on Performance

LSS has delivered on all three of our 2016/17 Mandate Letter priorities for CIS, JITI, and Aboriginal Justice. In the CIS Transition Project, we have made significant progress on improving the system's performance and usability both for taking applications and for lawyer invoicing. We will release changes in 2017/18. We also reviewed all relevant data fields to ensure we are collecting the right information in an efficient and useful manner, to optimize operational process and decisions and for meaningful data analysis and reporting. We continue to work on the CIS Transition Project into the new fiscal year.

Our justice transformation pilot projects finished their three-year terms in 2016/17. In August, LSS released independent evaluations of the first year of operations for each pilot project (see evaluation highlights under Goal 4). Overall, the evaluations were positive and supported our business cases for ongoing funding to sustain and expand the justice transformation services. The four projects include Expanded Family Duty Counsel, an expanded family law telephone advice line, a Vancouver Parents Legal Centre (PLC) that focuses on collaborative resolutions to child protection cases, and Expanded Criminal Duty Counsel. In 2017/18, LSS will update the justice transformation evaluations to support a request for further expansion of services.

LSS began responding to the challenges identified in our Aboriginal Justice Dialogues (a series of workshops to gather input from Aboriginal organizations and individuals who provide services to the Aboriginal community). The challenges identified focused on access to justice and ways to improve services to Aboriginal people. LSS is drafting a Reconciliation Action Plan that incorporates what we heard in the dialogues, the Truth and Reconciliation Commission's final report, and Grand Chief Ed John's report on Indigenous child welfare in B.C. In 2016/17, LSS also formed an internal group to propose how LSS can respond to Grand Chief Ed John's report on Indigenous child welfare in B.C. We also supported the development and implementation of the Aboriginal Family Healing Court Conference Initiative (officially launched on January 24, 2017) by participating on the Steering Committee and the Working Group. Finally, we supported Indigenous-led initiatives such as First Nation Courts and started to develop a plan for how future Parents Legal Centres can better serve Indigenous communities. (See Goal 1 for more information on how we served Aboriginal clients.)

Goals, Strategies, Measures and Targets

LSS has four goals guiding our strategic and operational decisions. We first introduced these goals in 2008/09 after a broad consultation process that involved discussions with the LSS board, staff, and community members on the priorities for legal aid renewal, the future direction of legal aid in B.C., and the society's vision, mission, and values. Our goals are client-centred and outcome-focused, as we believe these are the best approaches for delivering high-quality, effective, and cost-conscious services in accordance with our mandate. These goals align with the Ministry of Justice's strategic direction and the Taxpayer Accountability Principles. The table below illustrates this alignment:

LSS Goal	Ministry Strategic Goal Alignment	Taxpayer Accountability Principles Alignment
Goal 1: People with low incomes who have legal issues use LSS services.	Goal 1: The justice and public safety sector in British Columbia is fair. Goal 2: The justice and public safety sector in British Columbia protects people.	Service; Respect; Integrity
Goal 2: People with low incomes get help with related legal issues so they can solve and prevent legal problems.	Goal 1: The justice and public safety sector in British Columbia is fair. Goal 2: The justice and public safety sector in British Columbia protects people.	Service; Respect
Goal 3: LSS manages resources soundly.	Goal 3: The justice and public safety sector in British Columbia is sustainable.	Cost consciousness; Appropriate Compensation; Integrity; Accountability
Goal 4: LSS provides leadership in justice innovation.	Goal 3: The justice and public safety sector in British Columbia is sustainable. Goal 4: The justice and public safety sector in British Columbia has the public's confidence.	Cost consciousness; Service

Goal 1: People with low incomes who have legal issues use LSS services.

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

Strategies

- Make it easier for clients to access legal aid services.
- Partner with Aboriginal and other underserved communities to deliver services that support positive client outcomes.
- Support service partners and front-line workers to deliver effective and efficient services.
- Support clients to be active participants in solving their legal issues.

Performance Measure 1.1: Percent of clients satisfied with the accessibility of LSS services

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of clients satisfied with the accessibility of LSS services	N/A	69%	N/A	N/A	N/A	73%	N/A

Performance Measure 1.2: Percent of clients satisfied with the helpfulness of LSS services

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of clients satisfied with the helpfulness of LSS services	N/A	68%	N/A	N/A	N/A	72%	N/A

Performance Measure 1.3: Percent of clients satisfied overall with LSS services

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of clients satisfied overall with LSS services	N/A	66%	N/A	N/A	N/A	70%	N/A

Performance Measure 1.4: Percent of clients satisfied with LSS support to help them participate in resolving their legal issues

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of clients satisfied with LSS support to help them participate in resolving their legal issues	N/A	66%	N/A	N/A	N/A	70%	N/A

- LSS contracts an independent research organization to conduct a client services survey every three years to assess overall client satisfaction with LSS services as well as the accessibility and helpfulness of those services. Results demonstrate whether we are providing appropriate services when and where clients need them, thus fulfilling our mandate to help people solve their legal problems and to facilitate access to justice.
- Before conducting the next survey in 2017/18, LSS will review our approach with the goal of establishing more frequent data collection and generating actionable results.
- LSS benchmarks its performance on satisfaction and accessibility against comparable organizations, including other legal aid plans, using the Common Measurement Tool (CMT). LSS sets targets based on a reasonable expectation of improvement over results in the previous survey.

Other Performance Highlights:

- In 2016/17, LSS issued 28,286 legal representation contracts with 971 lawyers. The following tables show the number of individuals who applied for representation services (service requests) and the number of individuals who received a representation contract (contracts). The contract issued rate is the percent of applicants who received a contract. The consistency in demand for services shows that the public is aware of our services and can access them.

Clients Served

Area of Law	2016/17		2015/16 ¹		2014/15	
	Service Requests ²	Contracts	Service Requests ²	Contracts	Service Requests ²	Contracts
Criminal	25,762	20,971	25,341	20,548	25,227	19,852
Family	7,657	3,807	7,888	3,803	8,620	3,442
CFCSA ³	3,205	2,424	3,122	2,377	3,347	2,549
Immigration ⁴	1,473	1,064	1,040	776	981	714
Administrative Appeals ⁵	85	20	65	21	N/A	N/A
Total	38,182	28,286	37,456	27,525	38,175	26,557

¹ On April 27, 2015, LSS introduced a new computer system to manage client intake services and lawyer billings. We believe application counts for 2015/16 are comparable to applications reported for previous periods; however, changes in data collection practices as a result of the new system reduce application data reliability for the period.

² In previous annual service plan reports, we referred to service requests as applications. The term service request reflects how we use our new client information system.

³ LSS provides services to eligible clients facing child protection issues under the Child, Family and Community Services Act (CFCSA).

⁴ All volumes in this table reflect both standard and appeal service requests and contracts. Most of the increases in the immigration volumes are in the standard (refugee) immigration service requests and contracts. The number of standard immigration service requests in 2015/16 and 2016/17 were 581 and 986 respectively. The number of standard immigration contracts in 2015/16 and 2016/17 were 475 and 858 respectively.

⁵ With the new client information system, LSS introduced “Administrative Appeals” as a new area of law. These are prison appeal matters that in previous years were counted under Criminal applications and contracts.

Contract Issued Rate

Area of Law	2016/17	2015/16	2014/15
Criminal	81.4%	81.1%	78.7%
Family	49.7%	48.2%	39.9%
CFCSA	75.6%	76.1%	76.2%
Immigration	72.2%	74.6%	72.8%
Administrative Appeals ¹	23.5%	32.3%	N/A
¹ With the new system in April 2015, LSS introduced “Administrative Appeals” as a new area of law. These are prison appeal matters that in previous years were counted under Criminal applications and contracts.			

Other Performance Highlights:

- LSS offers a wide variety of advice services. These services help us support clients when they do not meet the eligibility requirements for legal representation. We make it easier for clients to access legal aid by providing advice phone lines and by situating duty counsel lawyers in courthouses. The table on the next page shows the number of times we assisted clients through our various advice services.

Legal Advice Services

	2016/17	2015/16 ¹	2014/15
Criminal Advice Services			
Criminal duty counsel client assists	71,110	56,791	70,561
First Nations Court duty counsel client assists	321	259	290
Brydges Line calls handled	17,913	18,221	18,800
Family Advice Services			
Family duty counsel client assists	31,866	28,672	32,854
Family lead duty counsel clients assisted	7,000	5,919	4,320
Family LawLINE clients assisted	2,343	2,849	N/A ²
Immigration Advice Services			
Immigration duty counsel client assists	1,309	915	1,332
¹ The introduction of a new lawyer billing system on April 27, 2015, disrupted the reporting of duty counsel client counts for most of the period. We estimate that duty counsel volumes for 2015/16 are under-reported by approximately 20 to 30 percent. ² In late 2014/15, LSS introduced an expanded Family LawLINE as part of the justice transformation initiatives. We changed the way we collected data from calls handled to unique clients assisted during that time. In 2014/15, we answered 5,234 calls, but this is not comparable to the unique number of clients we assisted.			

- Overall, about 30 percent of LSS representation clients in 2016/17 identified themselves as Aboriginal. LSS also provided support to Aboriginal clients through the following:
 - Funded 79 Gladue reports for Aboriginal clients for sentencing hearings
 - Assisted clients 1,269 times through our Aboriginal community legal worker (see Appendix B)
 - Supported existing First Nations Courts by providing Elders honoraria and dedicated duty counsel and by funding Elders to attend a training workshop on CFCSA proceedings
 - Added duty counsel services and supported Elders to participate in the North Vancouver First Nations Court
 - Supported four developing First Nations Court locations by hosting meetings to share information and connect them with one another
 - Developed new resources/publications about Gladue principles

Goal 2: People with low incomes get help with related legal issues so they can solve and prevent legal problems.

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

Strategies

- Collaborate with service partners to assess and refer clients to services for their related legal issues.
- Support front-line workers to assess and refer clients to services for their related legal issues.

Performance Measure 2.1: Percent of clients satisfied with the level of support LSS gave them to address their related legal issues

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of clients satisfied with the level of support LSS gave them to address their related legal issues	N/A	59%	N/A	N/A	N/A	63%	N/A

Performance Measure 2.2: Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues	N/A	N/A	N/A	35%	25%	N/A	N/A

Performance Measure 2.3: Percent of lawyers who support the integrated approach to providing legal aid services

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of lawyers who support the integrated approach to providing legal aid services	N/A	N/A	N/A	69%	68%	N/A	N/A

- Measures 2.2 and 2.3 show LSS's progress on supporting lawyers with tools to deliver an integrated approach to legal aid services. These measures demonstrate how effectively LSS is working with lawyers to provide services that help clients find positive and lasting solutions to their legal issues.
- LSS contracts an independent research organization to conduct an online tariff lawyer satisfaction survey every three years. This data is from the January 2017 survey to which 373 lawyers responded (13 percent more than the last survey). Survey results have a margin of error of +/- 4 percent at the 95 percent confidence level. The full survey report is available on our website.
- According to the survey results, 68 percent of tariff lawyers support LSS taking the integrated approach to legal aid, but many feel the low tariff rate prevents them from being able to offer this type of help to their clients. Only 25 percent of lawyers were satisfied with LSS support for increasing their ability to help clients address related legal issues, which is lower than our target of 35 percent. Based on the findings, we do not anticipate seeing improvement in this measure's results until the tariff rates are increased.
- Survey results also show that lawyers are recommending a number of LSS services to clients more often than they were in 2013, such as local agents/LSS intake, Family Law in BC website, LSS print and/or online publications, Family LawLINE, and Aboriginal Legal Aid in BC website. Many of these referrals are to resources that assist clients with their related issues such as housing, debt, and welfare. Survey results show that 73 percent of lawyers also referred clients to non-LSS services, with the most common being mental health services, addictions services, and family counselling.

Other Performance Highlights

- LSS continued its community partner program allowing people in small and rural communities to have a local trusted intermediary to facilitate access to appropriate legal services. Our 26 community partners help people access legal aid by providing legal information and connecting them to other services. In 2016/17, community partners told us they provide regular service in 34 locations in B.C. and make periodic visits to over 90 locations in the province, expanding LSS's reach into even more communities. Community partners referred 965 people to a legal aid office last year and helped 839 people access the LSS Call Centre. They also refer people to Family LawLINE, publications and websites, and other places that provide assistance.

- Our legal information outreach workers (LIOWs) continued to support clients by helping them find information and self-help resources on a range of issues, as well as attending workshops and community events to promote legal aid services (see Appendix B).

Goal 3: LSS manages resources soundly.

LSS must manage resources effectively and efficiently to ensure we are achieving the optimum benefit for the society's clients within available funding.

Strategies

- Foster employee engagement and organizational communication.
- Engage with and develop stronger relationships with legal aid lawyers.
- Improve information technology systems to respond to a changing environment.
- Improve the nimbleness and flexibility of LSS business processes to support capacity.

Performance Measure 3.1: Overall average employee engagement

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Overall average employee engagement	69	N/A	N/A	70	71	N/A	N/A

- This measure is a composite rating that includes employee commitment, job satisfaction, and organization satisfaction. It measures the society's performance in providing employees with the resources necessary to perform their duties, to develop their skills, and to contribute to the society's goals. LSS uses data gathered from a triennial online Work Environment Survey conducted by BC Stats for this measure.
- LSS chose this measure because research in both the public and private sectors has shown that engaged employees are key to achieving positive organizational outcomes. Engaged employees are more productive, less likely to resign, and provide higher quality services.
- LSS achieved an overall average engagement score of 71, slightly above our target of 70, with 94 percent of LSS staff completing the survey. The 2016/17 scores across the various elements of the employee engagement model were mostly on par or showed improvement in comparison to 2013/14 results. We saw the largest increase in Recognition, Pay & Benefits, and Supervisory-Level Management (identified as areas to address in the prior survey).
- BC Stats compares LSS results against the BC Public Service. LSS's engagement score sits on the 70th percentile, which means 70 percent of work units across the BC Public Service have an Engagement score that is equal to or lower than LSS.
- The next Work Environment Survey will take place in 2019/20.

Performance Measure 3.2: Percent of lawyers satisfied with the overall support provided by LSS

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of lawyers satisfied with the overall support provided by LSS	N/A	N/A	N/A	62%	57%	N/A	N/A

- This measure shows how well we are supporting lawyers overall. Lawyers are one of our greatest resources, and it is important that we maintain a positive relationship with them to ensure we provide effective and efficient services to our clients.
- LSS contracts an independent research organization to conduct an online tariff lawyer satisfaction survey every three years. This data is from the January 2017 survey to which 373 lawyers responded (13 percent more than the last survey). Survey results have a margin of error of +/- 4 percent at the 95 percent confidence level. The full survey report is available on our website.
- According to the survey results, 57 percent of tariff lawyers feel satisfied with the overall support provided by LSS. Compared to 2013 results, satisfaction with LSS support has remained stable among criminal lawyers, but has fallen among family lawyers (currently 56 percent compared to 66 percent three years ago). Key driver analysis found that, unchanged from 2013, the number one priority to improve lawyers' overall satisfaction with LSS support is ensuring they feel their services are valued. This result confirms our understanding that lawyers' dissatisfaction is growing, and it is largely based on the tariff rate.

Performance Measure 3.3: Number of new lawyers taking more than three contracts (referrals) in the first six months

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Number of new lawyers taking more than three contracts (referrals) in the first six months	73	53	70	60	88	70	70

- This annual measure tracks our ability to recruit lawyers and to support their involvement with LSS through issuing contracts. It looks at the number of lawyers whose six-month anniversary of joining the LSS roster fell within 2016/17, and who accepted three or more contracts within the first six months of their start date. Data for this measure comes from our client information system. At this time, we do not have a benchmark for this measure.
- Compared to 2015/16, LSS saw a 26 percent increase in the number of new lawyers taking more than three contracts in their first six months. Based on this trend, we will increase the target for this measure in the next service plan.

- This is a positive indication of our ability to provide newly rostered lawyers with legal aid work to maintain engagement. It also aligns with the trend toward LSS issuing a greater proportion of legal aid representation contracts to newly called lawyers compared to lawyers with more years of experience.

Performance Measure 3.4: Percent of the public that supports the provision of legal aid services

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of the public that supports the provision of legal aid services	93%	94%	92%	N/A	N/A	>90%	N/A

- This measure shows the proportion of B.C. residents who say they support providing legal information, advice, and representation services to people with low incomes. The level of public support for legal aid is a primary indicator of the value B.C. residents place on legal aid services and the contribution of these services to a fair and efficient justice system. This measure is linked to public awareness of legal aid services and helps demonstrate the importance of legal aid in ensuring access to justice for the people of B.C.
- LSS gathers public opinion data from a survey conducted by an independent survey organization. We did not conduct the public opinion poll in 2016/17 due to a new survey schedule. We plan to conduct it in 2018/19 and every other year thereafter.

Goal 4: LSS provides leadership in justice innovation.

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

Strategies

- Pilot evidence-based legal aid initiatives to improve access and outcomes.
- Communicate LSS's strategic direction to stakeholders.
- Consult with Aboriginal communities and other stakeholders to identify opportunities to develop innovative services and increase access to justice for Aboriginal people.

Performance Measure 4.1: LSS provides leadership in justice innovation

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Volume of references to LSS and justice innovation in academic literature, stakeholder reports, and media	20	42	28	30+	29	35+	40+

- This measure is a count of media references to LSS's justice transformation ideas and projects, which reflect our leadership in the area and the growing reach of our influence.
- Data is from a manual search of academic literature, stakeholder reports, and media for references to LSS's justice transformation ideas and projects. There are some limitations to this measure's accuracy (in favour of under-reporting) because we use a manual collection method. Targets are based on a reasonable expectation of improvement over baseline results in prior years (with the exception of 2014/15 because of the exceptional nature of the first launch of the five justice transformation projects). We also monitor our social media profile, though we do not reflect this in the performance measure.
- In 2016/17, LSS was highlighted in the media for its justice innovation projects and ideas, such as the justice transformation initiatives and the MyLawBC online tool. MyLawBC's launch received particular attention, and news articles referred to it as creative, trail-blazing, and inspiring. LSS, and our Parents Legal Centre (PLC), was highlighted in Grand Chief Ed John's report, "Indigenous Resilience, Connectedness and Reunification — From Root Causes to Root Solutions." This report discussed the promise of the PLC due to its holistic approach and positive evaluation results.
- In future annual service plan reports, we will also report on the number of clients served by justice transformation services under a new performance measure introduced in the 2017/18 – 2019/20 Service Plan.

Other Performance Highlights

- In 2016/17, LSS released its justice transformation pilot projects evaluation. (See our website for the full reports.) Evaluation highlights include the following.
 - Parents Legal Centre (PLC): The PLC is helping clients to get early legal assistance and engage collaboratively to resolve their child protection issues. The centre is providing clients with a good understanding of their legal issues and their rights and obligations. Clients are highly satisfied with the services received.
 - Expanded Criminal Duty Counsel (CDC): Preliminary indications show that cases have a higher rate of resolution and a shorter time to resolution compared to similar cases at other provincial court locations. Seventy-six percent of clients would not have been eligible for a legal aid representation contract based on financial or coverage guidelines, or both, which indicates an increase in legal aid access. Clients are satisfied with the legal services they received and consider them helpful. There is early evidence that the CDC will lead to greater efficiency for LSS and the court process.
 - Expanded Family Duty Counsel (FDC): The improved file management system under the pilot is viewed as contributing toward service continuity. Results show the FDC is well integrated with other services at the Justice Access Centre (JAC), to the benefit of clients.
 - Expanded Family LawLINE: Eighty-five percent of clients were satisfied or very satisfied with the help and support they received. At the time of the evaluation survey, 50 percent of respondents said they had resolved some or all of their issues. They also felt the lawyers took the time to understand their legal issue and, in turn, they were able to understand it better and make decisions about what to do.
 - Family Mediation Referral Project: The evaluation found that the project's voluntary mediation model presents a challenge for achieving a sufficient participation rate, internal cost efficiency and substantial impact on system efficiencies. LSS closed this project at the end of 2016/17.
- Since its launch, MyLawBC has been the focus of interest for legal aid organizations across Canada and internationally. Users started MyLawBC pathways 11,392 times in 2016/17. (For more MyLawBC data, see Appendix B).

Financial Report

Discussion of Results

The following discussion of the society's financial condition for the year ending March 31, 2017, should be read in conjunction with the society's audited financial statements. The financial statements have been prepared in accordance with generally accepted accounting principles for provincial reporting entities established by the Canadian Public Sector Accounting Board. LSS is accountable for how it uses all its funding under the Budget Transparency and Accountability Act.

Revenue

LSS receives revenue from the following sources: the provincial government, the federal government, the Law Foundation, and the Notary Foundation. Total revenue for 2016/17 was \$82 million. The provincial government provides the largest portion of our revenue. In 2016/17, the provincial government provided \$76.9 million to LSS.

Provincial funding

The funding we receive from the provincial government is subject to a three-year Memorandum of Understanding (MOU) between LSS and the Ministry of Justice. The MOU outlines the roles and responsibilities for LSS and the ministry, the types of services LSS can provide with provincial government funding, and the priorities for allocating that funding. The MOU defines how criminal cases are to be categorized and funded.

There are three criminal case categories:

- **Category A:** Within the approved budget within which cases will be accounted for where the total of the fees and disbursements are less than or equal to \$75,000.
- **Category B:** Within the approved budget within which a case will be accounted for where the total of the fees and disbursements exceed \$75,000 and are less than or equal to \$175,000, or where it is a Court Appointed Counsel Case or a Charter Required Counsel Case. These cases are funded by a restricted contribution, and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, the society must first apply any Category A surplus to the shortfall. LSS must then transfer funds from the Deferred Contribution Fund, if any, to offset any remaining shortfall. If a shortfall still remains, LSS must enter into a discussion with the Ministry of Justice.
- **Category C:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements exceed \$175,000, or where the case is one in which the rate payable to counsel exceeds the society's enhanced fee rate. These cases are funded through a special funding agreement with the Ministry of Justice.

Federal funding

The federal government's maximum contribution to the provincial government for legal aid for 2016/17 was \$16,204,310, of which up to \$894,964 was allocated to immigration and refugee legal aid services. During the year, the provincial Ministry of Justice and LSS worked together to secure additional funding of \$530,000 from the federal government to partially offset the increased costs due to greater than expected volumes of refugee applications and contracts. Included in the 2016/17

federal budget was an increased contribution to the provinces for criminal legal aid. B.C.'s share of this was \$1,081,161, and these funds were allocated to LSS and included in revenue for the fiscal year.

Foundation grants

Both the Law Foundation and the Notary Foundation provide annual grants to LSS from revenue earned on trust funds held by their members. The Notaries Act requires the Notary Foundation to contribute 55 percent of their interest revenue to the society. The Notary Foundation provided \$909,802 to LSS in 2016/17, compared to \$756,289 in 2015/16. The grant to LSS from the Law Foundation rose to \$3.1 million this year from \$3.0 million in 2015/16. Legal aid is the Law Foundation's largest mandate area. This includes funding LSS, community-based advocacy, public interest law, pro bono, and other legal aid activities. Since funds from the Law Foundation and the Notary Foundation are not included in the MOU, LSS can allocate the funds at our discretion, based on LSS board priorities and service plan goals.

Expenses

LSS's expenses totalled \$82.0 million this year, an increase of \$2.2 million from the prior year. Of this amount, \$58.4 million was for tariff costs, \$12.1 million for salaries and benefits, \$2.7 million for building and amortization, and \$8.8 million for other costs. Tables 2 through 7 summarize the society's expenses for the past four years. See Audited Financial Statements — Note 10, Expenses by object.

Tariff program expenses

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

Tables 2 through 5 provide details of the costs included in the tariff expenses. Total expenditures for tariff programs were \$68.4 million or 83.4 percent of total spending in 2016/17, compared to \$65.5 million or 82.1 percent in 2015/16. The largest change was in the criminal tariff, which increased \$1.2 million from the prior year. Because of increased application and contract volumes, immigration and refugee services expenditures increased 29.6 percent.

To determine the costs for tariff and duty counsel, LSS estimates the liability for services provided by the private bar using an actuarial model. This model includes actual costs based on invoices received and estimated costs for work performed on all unbilled contracts made during the fiscal year. The calculation is 90 percent accurate, 19 times out of 20. The estimated tariff liability at the end of 2016/17 is \$10.2 million. An independent actuary reviewed the actuarial model in February 2016, and no changes were recommended.

Variance and trend analysis

The primary source of the \$2.2 million increase in LSS revenue this year was from additional transfers from the federal government to the provincial government, which were then allocated to LSS. The transfer included \$530,000 to cover a portion of our immigration tariff shortfall and \$1,081,000 to cover a portion of our criminal tariff shortfall.

LSS experienced unbudgeted growth in immigration tariff costs this year due to a significant increase in applications and contracts for refugee legal aid. The volume of refugee (non-appeal) service requests in 2016/17 was up 70 percent over 2015/16, and the number of contracts issued in 2016/17 was up 79 percent over 2015/16. Long-term funding for immigration and refugee legal aid remains a concern for the society. The forecast for 2017/18 is for increasing volumes and higher costs. LSS plans to keep working closely with the provincial and federal governments to implement any necessary mitigation strategies to manage this tariff.

Although LSS issued a similar number of criminal contracts as the prior year, costs incurred under the criminal tariff increased. LSS saw increasing costs for large cases compared to the prior year. There were also shifts in the proportion of contracts issued in the previous year from lower cost summary cases to higher cost indictable cases, which increased the billings this year. LSS anticipates this trend of increasing criminal tariff costs will continue, and there is a risk that we will have insufficient budget to meet service demands in 2017/18. LSS will keep monitoring our budgets regularly and meeting with the provincial government on this issue.

Family tariff expenses also increased in 2016/17 due to higher contract volumes. In January 2017, LSS eliminated discretionary spending to limit our exposure to a shortfall in the family tariff budget, and used savings in the child protection tariff and restricted operations to manage the remainder of the shortfall. LSS will continue to suspend discretionary spending into 2017/18 until volumes and costs stabilize in order not to run a deficit in the coming year. LSS will provide services to the available budget.

Risks and uncertainties

LSS's largest risk is fluctuating demand and costs for services. We cannot predict the demand for tariff services, nor can we control the pace at which cases are billed. The ability to control costs and manage demand continues to be critical to meeting budget targets.

Our biggest risk exposure is in the criminal tariff due to it being the largest proportion of our tariff expense. We issue over 70 percent of our contracts to individuals dealing with a criminal legal issue. Our MOU outlines three categories for criminal cases and sets limits based on the amount we can spend on a case before having to obtain a special funding agreement, which helps to limit our exposure to the increasing costs of large criminal cases. Based on current trends, we anticipate projected criminal tariff costs in 2017/18 will exceed budget, and we will continue to work closely with the provincial government to manage this risk.

The total number of lawyers taking legal representation contracts each year has remained consistent over the past decade at about 1,000. However, of the 1,065 lawyers who billed the society in 2014/15, only 910 billed in 2015/16 and 816 in 2016/17 — a 23.3 percent turnover of lawyers in two years. Among lawyers working on child protection and family cases, the two-year turnover rate is 30.6 percent. As previously mentioned (see Strategic Direction and Context), there is also a trend towards lawyers with fewer years of experience. Over the same two-year period, the average year of call for lawyers billing LSS dropped from 14.9 in 2014/15 to 13 in 2016/17. The decrease has been most dramatic in the Vancouver/Sunshine Coast region, where the average year of call for child protection and family lawyers has dropped from 11.5 and 10.5 to 6.7 and 5.9 respectively. LSS will continue to monitor this situation closely and analyze any potential impacts of turnover rates and this demographic shift on costs or the society's ability to provide high-quality and timely services to

clients. We will also be looking at retention strategies, including researching a tariff rate that would support a sustainable lawyer supply.

Accumulated surplus

The *Legal Services Society Act* requires the society not to incur a deficit without the prior approval of the Attorney General and the Minister of Finance. Due to limits on accessing our accumulated surplus, we met the requirement of a balanced budget by restricting operations. At March 31, 2017, the society's total accumulated surplus was \$5.3 million, of which \$3.4 million was restricted by the board to cover the remaining annual amortization costs of CIS. The balance is restricted and not available for other purposes without approval by the board. See Audited Financial Statements — Note 8, Accumulated surplus.

Capital expenditures

Capital expenditures are required to assure the continued operations of the society. These expenditures include information systems, leasehold improvements, and office equipment. The major capital expenditures for the fiscal year were improving CIS and replacing the telephone system.

LSS does not receive contributions from the provincial government for capital expenditures and therefore must be able to incur the amortization expense before replacing the existing assets. The society has restricted capital spending in order to minimize amortization costs. Currently, after adjusting for CIS, LSS's capital asset book value represents 10.9 percent (14.5 percent in 2016) of the assets original cost. This is an indication that a majority of the assets are beyond their estimated useful life. The society has taken this into consideration in its 2017/18 capital budget. In future years, the society may be required to increase spending on capital assets.

Table 1 Financial Resources Summary									
\$ (millions)	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Actual	2016/17 Variance	2015/16 – 2016/17 Variance
Operating Revenue									
Contribution from province	75.6	78.4	75.2	74.2	74.6	74.7	76.9	2.2	2.3
Other income & recoveries	5.1	5.1	4.9	5.5	5.2	4.0	5.1	1.1	(0.1)
Total Revenue	80.7	83.5	80.1	79.7	79.8	78.7	82.0	3.3	2.2
Operating Expenses									
Criminal Tariff	45.6	46.9	44.6	42.4	41.6	40.3	42.8	2.5	1.2
Family Tariff	15.8	16.7	15.8	14.2	14.6	14.4	15.2	0.8	0.6
Child Protection Tariff	6.7	7.4	8.2	7.8	7.2	8.1	7.6	(0.5)	0.4
Immigration Tariff	2.1	1.7	2.0	2.2	2.1	2.1	2.8	0.7	0.7
Justice Innovation and Transformation Initiatives	—	—	—	2.0	2.0	2.0	2.0	—	—
Publishing	1.4	1.5	1.5	1.7	1.9	1.5	1.8	0.3	(0.1)
Community engagement	0.8	0.9	0.8	1.0	1.0	1.0	1.0	—	—
Indigenous services	0.5	0.6	0.5	0.6	0.7	0.6	0.5	(0.1)	(0.2)
Administration	7.2	7.5	6.5	7.5	7.9	7.9	7.5	(0.4)	(0.4)
Amortization	0.7	0.7	0.7	0.4	0.8	0.8	0.8	—	—
Total Expenses	80.8	83.9	80.6	79.8	79.8	78.7	82.0	3.3	2.2
Net Income from Operations	(0.1)	(0.4)	(0.5)	(0.1)	—	—	—	—	—
Capital Expenditures	0.3	0.9	2.8	2.1	0.5	0.5	0.9	0.4	0.4
Total Liabilities (even if zero)	18.3	18.8	16.5	17.0	17.9	—	14.5	—	(3.4)
Accumulated surplus/ Retained earnings	6.3	5.9	5.4	5.3	5.3	5.3	5.3	—	—

LSS Expenses — Summary Tables

Table 2 Criminal Services					
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17	
				Budget	Actual
Lawyer fees	\$23,722,494	\$23,284,848	\$22,968,267	\$20,735,000	\$23,032,687
Duty counsel	5,739,578	5,748,955	5,566,167	5,632,000	5,573,166
Disbursements ¹	3,322,221	3,456,408	3,226,333	3,400,000	3,496,834
Large cases	4,246,367	2,494,921	2,117,309	2,374,000	3,055,682
Contracted representation services ²	1,904,501	1,876,919	1,835,338	2,024,000	1,942,537
Public services	3,618,554	3,596,599	3,867,410	3,920,000	3,771,680
Tariff administration	2,085,283	1,935,780	2,033,098	2,173,000	1,957,942
Total criminal services	\$44,638,998	\$42,394,430	\$41,613,922	\$40,258,000	\$42,830,528

¹ Disbursements is a new category within tables 2 to 5 and includes costs other than legal fees such as travel, mileage, transcripts, translators, and expert witnesses.

² Contracted representation services include Community Legal Assistance Society, West Coast Prison Justice Society, and Downtown Community Court.

Table 3 Family Services					
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17	
				Budget	Actual
Lawyer fees	\$9,205,485	\$7,952,126	\$7,996,463	\$7,721,000	\$8,544,938
Duty counsel ¹	3,270,964	3,289,831	3,530,351	3,318,000	3,387,763
Disbursements	1,437,797	1,319,228	1,264,141	1,393,000	1,453,859
Public services	1,134,019	1,030,236	1,073,222	1,086,000	998,165
Tariff administration	714,076	630,827	745,319	848,000	783,263
Total family services	\$15,762,341	\$14,222,248	\$14,609,496	\$14,366,000	\$15,167,988

¹ Includes Family LawLINE.

Table 4 Child Protection (CFCSA) Services					
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17	
				Budget	Actual
Lawyer fees	\$6,930,469	\$6,564,372	\$5,898,378	\$6,770,000	\$6,285,639
Disbursements	487,760	465,600	514,879	515,000	560,471
Public services	434,132	420,688	438,385	445,000	433,188
Tariff administration	357,068	325,403	324,500	389,000	361,024
Total CFCSA services	\$8,209,429	\$7,776,063	\$7,176,142	\$8,119,000	\$7,640,322

Table 5 Immigration and Refugee Services					
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17	
				Budget	Actual
Lawyer fees	\$966,228	\$1,151,255	\$1,149,611	\$1,019,000	\$1,622,094
Duty counsel	135,584	139,890	145,724	147,000	123,779
Disbursements	338,248	332,176	285,065	334,000	424,871
Public services	457,182	479,728	476,759	480,000	497,599
Tariff administration	68,263	75,141	90,621	95,000	114,472
Total immigration services	\$1,965,505	\$2,178,190	\$2,147,780	\$2,075,000	\$2,782,815

Table 6 Other Programs					
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17	
				Budget	Actual
Justice Innovation Transformation Initiatives (JITI)	—	\$2,017,682	\$2,000,000	\$2,000,000	\$2,000,000
Publishing Services	1,539,942	1,725,753	1,881,422	1,535,000	1,762,922
Community engagement	823,771	1,038,401	982,048	1,026,000	1,029,951
Indigenous Services	465,952	578,673	656,615	595,000	515,450
Total other programs	\$2,829,665	\$5,360,509	\$5,520,085	\$5,156,000	\$5,308,323

Table 7 Administration					
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17	
				Budget	Actual
Executive Office	\$1,053,756	\$1,175,862	\$1,285,771	\$1,348,117	\$1,045,840
Strategic Planning, Policy, and Human Resources	1,741,110	1,962,507	2,065,301	2,021,557	1,980,172
IT Services	2,183,639	2,809,804	2,676,352	2,837,175	2,651,553
Finance and Administration	2,173,419	1,952,924	2,691,614	2,532,151	2,581,555
Total administration	\$7,151,924	\$7,901,097	\$8,719,038	\$8,739,000	\$8,259,120

Legal Services Society

Financial statements

2016/17

Legal Services Society management's responsibility for the financial statements

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

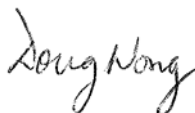
Management maintains a system of internal controls that ensures all material agreements and transactions of the society are properly recorded. The society's financial statements for the year ended March 31, 2017, have been examined by PricewaterhouseCoopers LLP. Their examination was made in accordance with Canadian generally accepted auditing standards, and included obtaining a sufficient understanding of the society's internal controls to plan the audit.

The directors of the society's board are not employees of the society.

The board of directors is responsible for determining that management fulfills its responsibilities in the preparation of the financial statements and the control of the society's financial operations. The board of directors meets with staff of PricewaterhouseCoopers LLP to discuss their audit work, the society's internal controls, and the financial statements. The board of directors is responsible for approving the financial statements.



Mark Benton, QC
Chief Executive Officer



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



May 18, 2017

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Legal Services Society, which comprise the statement of financial position as at March 31, 2017 and the statements of operations and accumulated surplus, changes in net financial assets / liabilities and cash flows for the year ended March 31, 2017 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers LLP

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



Opinion

In our opinion, the financial statements which comprise the statement of financial position as at March 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets / liabilities and cash flows for the year ended March 31, 2017, and the related notes, are prepared, in all material respects, in accordance with the accounting requirements outlined in Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw your attention to note 2 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. The impact of these differences was not material.

PricewaterhouseCoopers LLP

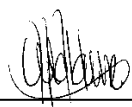
Chartered Professional Accountants

Statement of financial position

as at March 31, 2017

	2017	2016
Financial assets		
Financial assets		
Cash (note 16)	\$ 394,505	\$ 2,949,887
Investments (notes 4 and 16)	9,732,731	11,577,437
Accounts receivable (note 16)		
Government of British Columbia	1,802,490	1,306,166
Government of Canada	1,672,617	1,344,294
Other	724,790	581,058
Total financial assets	14,327,133	17,758,842
Liabilities		
Accounts payable and accrued liabilities		
General (note 5a)	1,965,165	2,617,306
Tariff (note 5b)	11,812,835	14,503,583
Employee future benefits (note 6b)	252,000	255,000
Long-term liabilities (note 7)	516,400	491,800
Total liabilities	14,546,400	17,867,689
Net financial assets / (liabilities)	(219,267)	(108,847)
Non-financial assets		
Tangible capital assets (Schedule 1)	5,026,900	4,936,026
Prepaid expenses	532,062	512,516
Total non-financial assets	5,558,962	5,448,542
Accumulated surplus (note 8)	\$ 5,339,695	\$ 5,339,695
Contractual obligations (note 12)		
Contingent liabilities (note 15)		

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



Celeste Haldane
Chair of the Board of Directors



Karen Christiansen, FCPA, FCA
Chair of the Finance Committee

Statement of operations and accumulated surplus

for the year ended March 31, 2017

	Budget (note 11)		2017	2016
Revenue				
Government of British Columbia (notes 9 and 13)	\$ 72,675,000	\$ 74,943,685	\$ 72,594,180	
Law Foundation	2,955,000	3,085,000	3,032,874	
Justice Innovation and Transformation Initiatives	2,000,000	2,000,000	2,000,000	
Department of Justice — Canada	—	657,772	891,170	
Notary Foundation	600,000	909,802	756,289	
Investment income	368,000	285,091	348,137	
Miscellaneous	115,000	107,746	163,813	
Total revenue	78,713,000	81,989,096	79,786,463	
Expenses (note 10)				
Criminal tariff	40,258,000	42,830,528	41,613,922	
Family tariff	14,366,000	15,167,988	14,609,496	
Child protection tariff	8,119,000	7,640,322	7,176,142	
Immigration and refugee tariff	2,075,000	2,782,815	2,147,780	
Justice Innovation and Transformation Initiatives	2,000,000	2,000,000	2,000,000	
Publishing	1,535,000	1,762,922	1,881,422	
Community engagement	1,026,000	1,029,951	982,048	
Indigenous services	595,000	515,450	656,615	
Administration	8,739,000	8,259,120	8,719,038	
Total expenses	78,713,000	81,989,096	79,786,463	
Net income	—	—	—	
Accumulated surplus at beginning of year	5,339,695	5,339,695	5,339,695	
Accumulated surplus at end of year (note 8)	\$ 5,339,695	\$ 5,339,695	\$ 5,339,695	

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

Statement of changes in net financial assets / liabilities

for the year ended March 31, 2017

	Budget (note 11)	2017	2016
Annual deficit	\$ —	\$ —	\$ —
Acquisition of tangible capital assets	(500,000)	(854,872)	(491,220)
Amortization	776,705	763,998	773,990
	<u>276,705</u>	<u>(90,874)</u>	<u>282,770</u>
Acquisition of prepaid expenses	—	(532,062)	(512,516)
Use of prepaid expenses	—	512,516	246,119
	<u>—</u>	<u>(19,546)</u>	<u>(266,397)</u>
Increase / (decrease) in net financial assets	276,705	(110,420)	16,373
Net financial assets at beginning of year	<u>(108,847)</u>	<u>(108,847)</u>	<u>(125,220)</u>
Net financial assets / (liabilities) at end of year	\$ <u>167,858</u>	\$ <u>(219,267)</u>	\$ <u>(108,847)</u>

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

Statement of cash flows
for the year ended March 31, 2017

	2017	2016
Operating transactions		
Cash received		
Transfers from Government of British Columbia	\$ 76,447,361	\$ 72,984,308
Grants received	3,942,772	3,770,130
Interest	285,091	348,137
GST recovered	—	282,663
Other	1,108,654	298,529
	<u>81,783,878</u>	<u>77,683,767</u>
Cash paid		
Legal aid tariff	61,090,574	54,208,039
Salaries and benefits	12,486,631	12,050,536
Rent	1,901,949	1,915,109
Services	2,434,537	2,485,913
GST paid	763,161	—
All other	6,652,244	7,367,744
	<u>85,329,096</u>	<u>78,027,341</u>
Cash used in operations	(3,545,218)	(343,574)
Capital transactions		
Cash used to acquire tangible capital assets	(854,870)	(491,220)
Investing transactions		
Investments purchased	(3,000,000)	—
Investments redeemed	4,844,706	2,350,180
Cash provided by investing transactions	<u>1,844,706</u>	<u>2,350,180</u>
Increase / (decrease) in cash and cash equivalents	(2,555,382)	1,515,386
Cash and cash equivalents at beginning of year	<u>2,949,887</u>	<u>1,434,501</u>
Cash and cash equivalents at end of year	\$ <u>394,505</u>	\$ <u>2,949,887</u>

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

Notes to the Financial Statements

for the year ended March 31, 2017

1. Overview

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

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

The society is not subject to income taxes.

2. Basis of presentation

These financial statements are prepared by management in accordance with the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This section requires that financial statements be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), except in regards to government transfers as described in notes 3(a).

3. Significant accounting policies

(a) Revenue recognition

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

Restricted contributions received or receivable are deferred and amortized into revenue as the related expenses are incurred. This accounting policy complies with the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. However, this accounting treatment is different from the requirements of the Canadian PSAS, which require that government contributions be recognized as revenue when approved by the transferor and eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability. In this case, the transfer is recognized as revenue over the period that the liability is extinguished. The impact of this policy on the financial statements was not significant.

(b) Expenses

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

(c) Tariff expenses

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

(d) Employee future benefits

- i. The society's employees belong to the Municipal Pension Plan, which is a multi-employer contributory pension plan. The society records its pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets, and costs to individual employers participating in the plan.
- ii. The cost of non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates, and discount rates.

(e) Tangible capital assets

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

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

Assets	Per year
Furniture	10 – 20%
Equipment	20%
Computer equipment	25 – 33%
Computer software	20 – 33%
Client Information System	10%
Leasehold improvements	Lower of lease term and useful life

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

(f) Asset retirement obligation

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

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

(g) Prepaid expenses

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

(h) Financial instruments

The society's financial instruments consist of investments, accounts receivable, and accounts payable and accrued liabilities. Accounts receivable, and accounts payable and accrued liabilities are initially recorded at fair market value and subsequently measured at cost. Investments, which comprise guaranteed investment certificates, provincial bonds, corporate bonds, and structured bank notes, are initially recorded at fair market value and subsequently measured at amortized cost. The effective interest method is used to determine income.

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

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

(i) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial

statements include the tariff liabilities and expenses (note 17). Other areas where estimates are made include the valuation of accounts receivable, amortization of tangible capital assets, asset retirement obligation, non-vested sick leave benefits and contingent liabilities.

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

4. Investments

The carrying value of the society's investments is \$9,732,731 (2016 — \$11,577,437). Included in investments is \$184,792 for accrued interest (2016 — \$166,437). Investments have maturities ranging from April 2017 to February 2020 and rates of return ranging from 1.51% to 2.35%.

The investments have a market value at March 31, 2017, of \$9,732,296 (2016 — \$11,589,013). Investments are recorded at amortized cost less any writedowns associated with a loss in value that is other than a temporary decline.

5. Accounts payable and accrued liabilities

(a) General

	2017	2016
Trade payables	\$ 1,140,499	\$ 1,372,273
Payroll payables	824,667	1,245,033
Total	\$ 1,965,166	\$ 2,617,306

(b) Tariff

	2017	2016
Submittals approved, not paid	\$ 362,886	\$ 2,249,250
Submittals not approved	1,298,949	1,298,333
Accrual (note 17)	10,151,000	10,956,000
Total	\$ 11,812,835	\$ 14,503,583

The society uses an actuarial model to estimate legal services performed but not yet billed to the society. Management estimated the liability to be approximately \$10,151,000 (2016 — \$10,956,000). This estimate, included in the above table, incorporates average case costs and service billings for similar cases, based on historical experience over a two-year period. Actual costs could differ from this estimate (notes 3(i) and 17).

6. Employee future benefits

(a) Pension plan

The society and its employees contribute to the Municipal Pension Plan (jointly trusted pension). The board of trustees, representing plan members and employers, is responsible for administering the pension plan, including investing assets and administering benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the Municipal Pension Plan had about 189,000 active members and approximately 85,000 retired members.

The latest actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2.2 billion funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018, with results available in 2019.

During the year, the society paid \$842,582 (2016 — \$827,637) for employer contributions to the plan.

(b) Non-vested sick leave

Employees are credited days per year, ranging from six to 10 days, for use as paid absences in the year due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement.

Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit cost and liabilities related to the plan are included in the financial statements.

Non-vested sick leave	2017	2016
Balance, beginning of year	\$ 255,000	\$ 259,000
Expense	14,400	16,000
Expected benefits paid	(17,400)	(20,000)
Balance, end of year	\$ 252,000	\$ 255,000

7. Long-term liabilities

Asset retirement obligation

Included within long-term liabilities is the society's accrual for its asset retirement obligation for the estimated costs of restoring certain leased facilities to their original condition at the end of the lease terms.

The following is a reconciliation of the changes in the asset retirement obligation during the year:

	2017	2016
Balance, beginning of year	\$ 491,800	\$ 468,400
Accretion expense	24,600	23,400
Balance, end of year	\$ 516,400	\$ 491,800

The accretion expense is included in the premises expense. The undiscounted estimated cash flows required to settle the obligations ongoing to December 31, 2019, are \$591,000 (2016 — \$591,000). The cash flows are discounted using a credit-adjusted, risk-free rate of 5% (2016 — 5%).

8. Accumulated surplus

	2017	2016
Total accumulated surplus at end of year	\$ 5,339,695	\$ 5,339,695
Internally restricted for Client Information System	\$ 3,448,360	\$ 3,874,180
Internally restricted for strategic initiatives	\$ 1,891,335	\$ 1,465,515

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

- In fiscal 2013, the board of directors restricted the entire accumulated surplus to be used for board-directed strategic initiatives and allocated \$4.3 million of those funds for the Client Information System (CIS) to replace the legacy Case Management System.
- CIS was installed and went live in April 2015 at a total cost of \$4.258 million. An additional \$778,861 was capitalized during the 2016/17 fiscal year, bringing the total cost to date to \$5.037 million.
- The accumulated surplus internally restricted for CIS is intended to be drawn down at a rate of approximately \$430,000 per year, as the cost of the CIS project is amortized over the anticipated useful life of the asset.
- These funds are not available for other purposes without approval by the board of directors.

9. Restricted contribution

	Opening deferred contribution	Approved budget	Additional contributions	Amortized to operations	Closing deferred contribution
Government of British Columbia — Category B	\$ —	\$1,813,000	\$343,753	\$2,156,753	\$ —

The society's Memorandum of Understanding (MOU) with the Minister of Justice and Attorney General of British Columbia provides for restricted funding for exceptional matters commencing with the 2003 fiscal year. Effective April 1, 2014, the MOU was revised to provide clarification on criminal case classification and funding of these cases.

There are now three categories:

- **Category A:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements are less than or equal to \$75,000.
- **Category B:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements exceed \$75,000 and are less than or equal to \$175,000, or where it is a court-appointed counsel case or a charter-required counsel case. These cases are funded by a restricted contribution, and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, the society must first apply any eligible base criminal tariff surplus to the shortfall and then to deferred contributions.
- **Category C:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements exceed \$175,000 or where the case is one in which the rate payable to counsel exceeds the society's enhanced fee rate. These cases are funded through a special funding agreement with the Ministry of Justice.

10. Expenses by object

The following is a summary of expenses by object:

	2017 Budget	2017 Actual	2016 Actual
Lawyer fees	\$ 38,360,000	\$ 42,280,424	\$ 39,800,378
Duty counsel fees	9,317,829	10,107,990	9,793,442
Disbursements	5,840,116	6,011,412	5,550,501
Total tariff costs	53,517,945	58,399,826	55,144,321
Salaries and benefits	12,250,950	12,066,265	12,578,922
Grants and contracted services	5,371,857	4,700,493	4,771,388
Premises	1,858,536	1,896,759	1,915,109
Local agents	1,820,500	1,768,880	1,722,457
Computers	1,637,761	1,095,119	1,558,408
Office	720,381	726,505	779,287
Amortization	776,705	763,998	773,990
Miscellaneous	438,711	307,177	265,612
Board expenses	195,754	149,239	152,984
Travel	123,900	114,835	123,985
Total	\$ 78,713,000	\$ 81,989,096	\$ 79,786,463

11. Budgeted figures

The operating budgeted figures, presented on a basis consistent with that used for actual results, were approved by the board of directors on January 15, 2016, and submitted to the Ministry of Justice on February 17, 2016. The Attorney General and Minister of Justice approved the budget on March 19, 2016.

12. Contractual obligations

The society has the following contractual obligations:

	Premises leases	Operating costs	Total
2018	\$ 948,248	\$ 3,546,846	\$ 4,495,094
2019	977,435	1,391,707	2,369,142
2020	734,013	—	734,013
Total	\$ 2,659,696	\$ 4,938,553	\$ 7,598,249

At year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which the society is currently committed, is estimated by management to be approximately \$21.9 million. This estimate uses the same methodology as described in note 5 for tariff payables.

13. Related parties

The society is related to the Province of British Columbia and its ministries, agencies, and Crown corporations. In this relationship, the province provided funding in the amount of \$76,943,685 (2016 — \$74,594,180) and the society is responsible for providing legal aid to individuals throughout British Columbia. At year-end, the province owed the society \$1,802,490 (2016 — \$1,306,166).

Certain members of the board of directors provide tariff services to the society. These services are provided in the regular course of business under the same terms and conditions as other lawyers. The total amount paid for their services during the year was \$45,221 (2016 — \$21,848). All payments to board members are reviewed by the finance committee on a quarterly basis.

14. Economic dependence

In 2017, the society received 94% (2016 — 93%) of its operating revenue from the Province of British Columbia.

15. Contingent liabilities

The nature of the society's activities is such that there is usually pending or prospective litigation at any time against the society. With respect to claims at March 31, 2017, management believes the society has valid defences and appropriate insurance coverage in place. Accordingly, no provision has been made in these financial statements for any liability that may result. In the event that any of these claims are successful, management believes they will not have a material effect on the society's financial position.

16. Risk management

Credit risk

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

At year-end, there were no significant accounts receivable that were past due and not impaired.

Liquidity risk

Liquidity risk is the risk that the society will not be able to meet its financial obligations as they fall due. The society's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flow to fund operations and settle liabilities when due. Additionally, the society has a line of credit up to \$1.0 million with a Canadian chartered bank. The interest rate per annum is the bank's prime rate. At March 31, 2017, the society has \$nil drawn against this line (2016 — \$nil).

The maturity of the society's financial assets and liabilities as at year-end was as follows:

2017

	On demand	Up to 1 year	1 to 3 years	Total
Financial assets				
Cash	\$ 394,505	—	—	\$ 394,505
Investments	—	7,145,441	2,587,290	9,732,731
Accounts receivable	—	4,199,897	—	4,199,897
Total financial assets	\$ 394,505	\$ 11,345,338	\$ 2,587,290	\$ 14,327,133
Financial liabilities				
Accounts payable and accrued liabilities	—	3,627,001	—	3,627,001
Tariff accrual	—	10,151,000	—	10,151,000
Other liabilities	—	768,400	—	768,400
Total financial liabilities	—	\$ 14,546,401	—	\$ 14,546,401

2016

	On demand	Up to 1 year	1 to 3 years	Total
Financial assets				
Cash	\$ 2,949,887	—	—	\$ 2,949,887
Investments	—	7,509,106	4,068,331	11,577,437
Accounts receivable	—	3,231,518	—	3,231,518
Total financial assets	\$ 2,949,887	\$ 10,740,624	\$ 4,068,331	\$ 17,758,842
Financial liabilities				
Accounts payable and accrued liabilities	—	6,164,889	—	6,164,889
Tariff accrual	—	10,956,000	—	10,956,000
Other liabilities	—	746,800	—	746,800
Total financial liabilities	—	\$ 17,867,689	—	\$ 17,867,689

Market risk

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

(a) Currency risk

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

(b) Interest rate risk

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

(c) Other price risk

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

17. Measurement uncertainty

Program area		Amount reported	Measurement uncertainty	Range
Tariff accrual (<i>note 5b</i>)	Min	\$ 10,151,000	\$ (1,015,100)	\$ 9,135,900
	Max	\$ 10,151,000	\$ 1,015,100	\$ 11,166,100
Tariff and discretionary expenses (<i>note 10</i>)	Min	\$ 58,399,826	\$ (1,015,100)	\$ 57,384,726
	Max	\$ 58,399,826	\$ 1,015,100	\$ 59,414,926

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

During the year ended March 31, 2016, the society engaged an independent actuarial firm to review the tariff accrual model. The review concluded that, in the aggregate, the tariff model remains appropriate for determining the amount to be accrued. The next review will be in January 2019 with the results reported in the March 31, 2019 financial statements.

18. Corresponding figures

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

Schedule 1**Tangible capital assets****Cost**

	Balance, beginning of year	2017 Additions	2017 Deletions	Balance, end of year
Furniture	\$ 1,107,829	\$ —	—	\$ 1,107,829
Equipment	525,765	85,795	—	611,560
Computer equipment	1,007,840		—	1,007,840
Computer software	2,355,331	29,775	(39,559)	2,345,547
Client Information System	4,258,204	778,861	—	5,037,065
Leasehold improvements	2,613,401	—	—	2,613,401
Total	\$ 11,868,370	\$ 894,431	\$ (39,559)	\$ 12,723,242

Accumulated amortization

	Balance, beginning of year	2017 Additions	2017 Deletions	Balance, end of year
Furniture	\$ (936,278)	\$ (52,690)	—	\$ (988,968)
Equipment	(519,887)	(5,216)	—	(525,103)
Computer equipment	(966,340)	(26,794)	—	(993,134)
Computer software	(2,082,934)	(65,191)	—	(2,148,125)
Client Information System	(425,820)	(425,820)	—	(851,640)
Leasehold improvements	(2,001,085)	(188,287)	—	(2,189,372)
Total	\$ (6,932,344)	\$ (763,998)	—	\$ (7,696,342)

Net book value

	2017	2016
Furniture	\$ 118,861	\$ 171,551
Equipment	86,457	5,878
Computer equipment	14,706	41,500
Computer software	197,422	272,397
Client Information System	4,185,425	3,832,384
Leasehold improvements	424,029	612,316
Total	\$ 5,026,900	\$ 4,936,026

Appendix A — Crown Corporations Mandate and Actions Summary

In the 2016/17 Mandate Letter from the minister responsible, the Legal Services Society (LSS) received direction on strategic priorities for the 2016/17 fiscal year. These priorities and the Crown corporation's resulting actions are summarized below:

Mandate Letter Direction	Crown Corporation's Action
1. CIS: Continue to enhance the functionality and user experience of the society's new Client Information System (CIS) to support delivery of efficient and effective client services, online billing, and case management.	<ul style="list-style-type: none"> • Made significant progress on the first two streams of the CIS Transition Project: a) the intake and appeals project and b) the invoicing and tariff accounts project • Developed and coordinated a Data Taskforce and Data Review Group to ensure data integrity throughout the project • Continued change management processes with both internal and external users
2. JITI: Continue to monitor, evaluate, and improve Justice Innovation and Transformation Initiatives (JITI) to ensure we implement the projects as intended, and to develop business cases to support a request for ongoing core funding for JITI initiatives.	<ul style="list-style-type: none"> • Completed the five pilot projects • Completed and released the project evaluations • Developed business cases for the Ministry of Justice for ongoing core funding as well as increased funding for the expansion of justice transformation initiatives
3. Aboriginal Justice: Work with the Ministry of Justice and key stakeholders to identify opportunities for LSS to better meet the legal needs of Aboriginal people in B.C.	<ul style="list-style-type: none"> • Drafted a Reconciliation Action Plan based on Aboriginal Justice Dialogues with various stakeholders

Appendix B — Legal Information and Education Services

	2016/17	2015/16	2014/15
Aboriginal community legal worker client assists	1,269	958	1,247
Legal information outreach worker client assists	6,000	8,501	8,510
PLEI publications distributed	77,428	107,978	154,450
LSS website users	206,972	206,159	200,629
LSS website sessions	418,770	456,720	399,241
Family Law in BC website users	741,781	604,021	461,928
Family Law in BC website sessions	1,461,186	1,296,214	1,037,524
Aboriginal Legal Aid in BC website users ¹	12,352	11,893	6,289
Aboriginal Legal Aid in BC website sessions ¹	16,091	16,191	9,101
MyLawBC website users ²	20,173	N/A	N/A
MyLawBC website sessions ²	29,085	N/A	N/A
Total intermediaries reached through LSS workshops and conferences	1,168	2,155	782
Direct one-to-one client assists by community partners	12,302	13,334	12,139

¹ Site launched in July 2014.

² Site launched in February 2016.