Legal Aid BC

2023/24
Annual Service Plan Report

August 2024

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Board Chair's Accountability Statement

The Legal Aid BC 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. [I am/the Board is] accountable for those results as reported.

Signed on behalf of the Board by:

Allan Seckel, KC
Board Chair, Legal Aid BC
August 6, 2024

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Letter from the Board Chair & CEO

We are pleased to present Legal Aid BC's (LABC) 2023/24 Annual Service Plan Report, which summarizes how we advanced our Service Plan goals in alignment with LABC's Mandate Letter from the Attorney General dated June 22, 2023. This annual report marks the first time that LABC is reporting out on our new strategic framework, which is embodied in the 2023/24 Service Plan.

This was a year of historic change for LABC. The Province, LABC and the Centre for Family Equity worked together to advance initiatives that will increase access to legal assistance for people experiencing family violence, including legal representation through a new multidisciplinary, trauma-informed family law clinic model and a significant expansion of legal aid eligibility criteria. LABC also made internal structural changes, creating a new Legal Strategy Division, a new Truth and Reconciliation & Equity, Diversity and Inclusion department, and a new Project Management Office.

LABC continued to work collaboratively with the BC First Nations Justice Council (BCFNJC) in 2023/24 to support implementation of the BC First Nations Justice Strategy (FNJS).

LABC worked with the Ministry of Attorney General and the Office of the Chief Judge to support the Early Resolution Model and Family Management Conferences under the new Provincial Court Family Rules. We provided legal advice services prior to Family Management Conferences through Family LawLINE and family duty counsel, and worked with the Court Services Branch to support access to those advice services. LABC also worked in collaboration with the Ministry of Attorney General and other partners in the legal system to expand the virtual bail program.

We thank our staff and the private bar for their dedication to legal aid clients. We also thank the Attorney General and ministry staff for their ongoing commitment to legal aid, which allows LABC to help tens of thousands of people each year address their legal issues.

Allan Seckel, KC
Board Chair, Legal Aid BC
August [date], 2024

Salman Azam
Interim Chief Executive Officer, Legal Aid BC
August [date], 2024

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's 2021/22 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Legal Aid BC 2023/24 – 2025/26 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

LABC provides legal aid in British Columbia. Our mission is to strengthen client-centred legal help for British Columbians experiencing barriers accessing the legal system. Our clients' barriers to exercising their legal rights include things like low income, addictions, and mental health. Each year, tens of thousands of British Columbians rely on us for legal advice, representation and information services in the areas of criminal, family, child protection and immigration law.

Created by the Legal Services Society Act in 1979, we are a provincial Crown Corporation with a mandate to assist individuals to resolve their legal problems, administer an effective and efficient system for providing legal aid, and to provide advice to the Attorney General respecting legal aid and access to justice. We're funded by the Ministry of Attorney General, with additional support of the Department of Justice Canada, the Law Foundation of BC and the Notary Foundation of BC.

Our vision is aspirational, which is BC's legal system transformed, by the way LABC represents our clients, into one more equitable and inclusive. Our core beliefs reflect our employees' compassion, and have equity, diversity and inclusion (EDI) at their centre. These beliefs guide us to be client-focused, advance truth and reconciliation, find strength in EDI, and demonstrate leadership that supports positive changes to the legal system.

Operating Environment

The internal and external factors that impacted LABC during the 2023/24 fiscal year are described below.

Case volumes have been steadily increasing, approaching or exceeding pre-pandemic levels. Family and immigration volumes are above historic levels. Family case volumes (contracts issued) in 2023/24 increased by 36.5% compared to pre-pandemic levels (2019/20), while immigration and refugee demand has seen unprecedented growth: case volumes in 2023/24 increased by 62.8% over the previous year, and by 129% over pre-pandemic levels. Immigration and refugee demand continues to increase impelled by the geopolitical situations in the Middle East and Central America. The increase in family case volumes is attributable to various factors, including higher interest rates, economic slowdowns, and inflationary pressures (food and shelter) resulting in increases in family relationship breakdowns, family violence, and the need for child and spousal support. There was also a change in LABC's financial eligibility guidelines in December 2022 that significantly increased the financial thresholds, making more people eligible for family legal aid representation and resulting in an increase in the number of family law contracts issued during the 2023/24 fiscal year.

LABC also experienced a significant increase in clients presenting with mental health challenges, impacting all areas of law, which required additional support from frontline staff. Furthermore, the surge in immigration cases led to an increase in requested interpretation services. Staffing turnover also impacted our operations and has been a particular challenge over the last three years.

To help address the pressures created by these increases, LABC underwent significant internal changes in 2023/24 designed to support progress towards the goals in our new strategic framework and ultimately provide better outcomes for our clients. LABC created a new Truth and Reconciliation & Equity, Diversity and Inclusion (TR&EDI) department and welcomed its first TR&EDI Manager in August 2023, followed by TR&EDI department staff joining LABC in January 2024. LABC also created a new Legal Strategy Division and welcomed a new Vice President of Legal Strategy in January 2024. In addition, LABC developed and launched a new Navigators program to better support legal aid clients who are also living with complex health and social support needs; recruitment started in July 2023 and 11 full time Navigators started work in September 2023.

In January 2024, LABC established a Project Management Office (PMO). The PMO is a centralized team that sets and maintains standards for project management across LABC. The primary goal of the PMO is to ensure project success by providing governance, establishing best practices, offering guidance, facilitating planning, ensuring cross-department alignment and monitoring project execution. This shift aims to improve our internal ability to move forward projects that directly relate to improving legal service to our clients in a streamlined and efficient manner.

We have a vision to be recognized as an employer of choice and provide innovative, client-centered services and results oriented practices. Employee recruitment and retention has emerged as one of the primary challenges facing employers today. More than ever before, employers need to develop and implement effective human resource strategies to help them find and keep the employees they need to be successful. The Canadian demographic trends of an aging workforce and population, differences in lifestyle values between generations, and early retirements are all contributing to the decrease in British Columbia's labour supply.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the BC Budget website.

Goal 1: LABC clients achieve better outcomes

Improving outcomes for our clients is LABC's over-arching goal, and we will focus on delivering high quality core services to advance that goal. Recognizing that a client could receive excellent services but not be satisfied with an outcome, we will work with service providers and clients to define service quality measures that consider multiple perspectives and track our performance over time against concrete targets.

Objective 1.1: Provide high-quality legal services

High-quality legal services are essential to clients achieving better outcomes. Continuous improvement in service quality, linked to outcomes, will lead to better results for our clients.

Key results

- Developed and launched the new Legal Aid Navigators program that focuses on in-person assistance to connect clients with services to help them achieve better outcomes.
- Completed a lawyer roster, recruitment and retention review to evaluate our current recruitment, retention and quality assurance policies and practices.

Summary of progress made in 2023/24

LABC provides legal advice and representation services, but equally importantly, we help our clients navigate the legal system – which is complex, and overwhelming to anyone in a legal crisis. Our PLEI department was reimagined with this in mind to enable us to provide improved in-person services to clients. LABC recruited, hired and trained 11 Legal Aid Navigators who began providing services to clients in October 2023. In January 2024, an additional 3 Legal Aid Navigators and 2 Supervisors were onboarded and trained. From October 2023 through March 2024, a total of 1,417 Legal Aid clients received assistance from a Legal Aid Navigator, and a total of 4,250 client support activities were completed. Client support activities include:

- securing housing for clients;
- attending and supporting clients with lawyer meetings;
- helping clients gather information requested by their lawyer;
- attending court appearances with clients and supporting them to understand and plan for bail conditions; and
- helping clients attend meetings with Corrections, get social assistance, and secure mental health and addictions treatment.

LABC relies primarily on private bar lawyers to provide legal representation and advice services to our clients throughout BC. In 2023/24, LABC expanded the scope of work for development of a recruitment and retention strategy to include a lawyer roster, recruitment and retention review that

would include quality assurance and inform development of a quality assurance framework in the 2024/25 fiscal year. As part of that review, LABC actively engaged legal aid lawyers through an advisory committee and a survey which touched on each key area of the review. The review was completed in 2023/24 and the resulting report with recommendations was substantially completed in 2023/24. Based on the findings from the review, several recommendations were made to enhance roster management, improve service quality, and strengthen relationships with the private bar.

During 2023/24, LABC attended the UBC career fair as part of our lawyer recruitment efforts, and expanded current recruitment efforts to include attending the Thompson Rivers University career fair. LABC also established connections to do the same with the University of Victoria in the coming year. We also updated our lawyer application form to better understand the skills and abilities of applicant lawyers, and adjusted our orientation sessions to better support new legal aid lawyers.

One of the key strategies under Goal 1 in our 2023/24 Service Plan was to design and implement enhanced services for clients facing intimate partner violence. In 2023/24, the Province, LABC and the Centre for Family Equity (formerly "Single Mothers' Alliance") worked collaboratively to advance initiatives that will increase access to legal assistance for people experiencing family violence. This collaborative work resulted in an announcement, in February 2024, that the Province is providing additional funding of $29.1M, over the next three years, for LABC to expand financial eligibility and improve intake capacity to ensure more people have timely access to family legal aid services, including legal representation through a new multidisciplinary, trauma-informed family law clinic model.

Performance measure(s) and related discussion

Performance Measure	2018/19 Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
1a Number of clients provided LABC services, or referred to other services, for interrelated needs[1,2]	7,656	7,474	8,000	9,749

Data source: LABC client information system and other operational data (reported by fiscal year as annual measure)

[1] PM 1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] Performance measure 1a was revised in the latest service plan.

This is a composite measure across different LABC service types. It reports the number of people who were given information or referrals to other service providers to assist with their interrelated needs, and includes the number of applicants for representation services, approved or not, plus expanded family duty counsel clients and Family LawLINE clients. It also includes support for interrelated needs provided directly to Parents Legal Centre (PLC) clients by advocates and Indigenous Community Legal Workers at the PLCs. With the introduction of Legal Aid Navigators in October 2023, the 2023/24 Actual also includes LABC clients who were given information or referrals to other service providers by Legal Aid Navigators.

The 2023/24 Actual result exceeded the 2022/23 Actual (by just over 30%) and the 2023/24 Target (by almost 22%) primarily due to an increase in the number of referrals provided by Intake to applicants for representation services compared to the previous year, and the inclusion in this metric of clients who received referrals from Legal Aid Navigators in 2023/24. In 2022/23, Intake provided referrals to 3,238 applicants, and in 2023/24, Intake provided referrals to 5,206 applicants. From

October 2023 to March 2024, Legal Aid Navigators provided referrals to 731 LABC clients. Referrals provided to expanded family duty counsel clients also increased slightly, from 510 in 2022/23 to 592 in 2023/24. The numbers for PLC clients and Family LawLINE clients decreased in 2023/24 compared to the previous year (PLCs: 242 in 2022/23 and 202 in 2023/24. Family LawLINE: 3,484 in 2022/23 and 3,018 in 2023/24).

Performance Measure	2020/21 Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
1b Percent of clients who say LABC made it easy for them to deal with their issues[1,2]	—	60%	TBD	85%
1c Percent of clients who say their legal aid lawyer explained things in a way they understood[1,2]	70%[3]	66%	74%	no data

Data source: LABC client information system with corresponding LABC client survey (reported by fiscal year as annual measure)

[1] PM 1b and 1c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measures introduced in 2023/24 Service Plan.

[3] Baseline set using results from the biennial LABC client survey conducted in 2020/21.

Performance measure 1b is designed to track the percentage improvement in client experience with LABC. The metric is a weighted score based on client survey responses to questions about the ease of dealing with their issues asked at various interaction points with LABC. Those questions are included in surveys about the legal aid application process that were launched during 2023/24, and in surveys about clients' experience with Legal Aid Navigators and with lawyers that were developed during 2023/24 and launched in March 2024 (client experience with PLC lawyer; no responses received during 2023/24) and in early 2024/25 (client experience with tariff lawyer and with Legal Aid Navigators).

In relation to the legal aid application process, clients are asked to rate the statement "Legal Aid BC made it easy for me to apply for legal support" or "The Parents Legal Centre made it easy for me to apply for legal support". The 2023/24 Actual is the percentage of survey respondents who agreed or strongly agreed with those statements. However, the response rate to those surveys was not high enough to constitute a representative sample of LABC clients. To constitute a representative sample would require at least 8%, and ideally 10%, of clients responding to the surveys; our response rate is less than 4% of clients. LABC is working on ways to increase the response rate going forward.

Performance measure 1c is designed to track the percentage improvement in client experience with their lawyer. In the surveys about clients' experience with their lawyer, clients are asked to rate the statement "My lawyer explained things in a way that I understood". In past client surveys, this was one of the top drivers of client satisfaction with LABC. We do not have any data for this performance measure for 2023/24 because the client experience with tariff lawyer surveys were not launched until 2024/25, and no responses were received during 2023/24 to the client experience with PLC lawyer survey.

In addition to developing the client experience surveys during 2023/24, LABC began the process of defining service quality measures to track our progress towards achieving better client outcomes (Goal 1). This work included the lawyer roster, recruitment and retention review (discussed above), engagement with lawyers and service providers (see Goal 3, Objective 3.1, Summary of progress

made in 2023/24), and the preliminary identification of legal outcomes for each area of law (criminal, immigration, family and child protection).

Although LABC obtained limited direct client feedback during 2023/24, we did receive feedback from various service providers who work with and advocate for clients involved with the legal system. One of the themes within that feedback relates to lawyer service quality, recommending that LABC has an opportunity to provide additional support to lawyers by offering trauma-informed approach training (with regular refreshers), providing mentorship opportunities for new and junior lawyers, and offering a library of precedent materials. In addition, the percentage of client-initiated "change of counsel" requests has steadily decreased over the past five years (2019/20 to 2023/24) for all areas of law: for family law cases, change of counsel requests have decreased by 4.94%; for child protections cases, by 3.15%; for immigration cases, by 2.29%; and for criminal cases, by 2.01%. This decrease could be an indicator that more clients are satisfied with the legal services they received in 2023/24 compared with previous years.

Goal 2: LABC employees are engaged

Goal 2 recognizes that LABC needs engaged staff to deliver high-quality, client-centred services. While our dedicated employees are our strength, high turnover and retirements make recruitment and retention a growing priority. Objectives 2.1 and 2.2 were designed to ensure that we are innovative in our recruitment, create equitable opportunities for training and advancement, and work to build the inclusive culture that creates a diverse, skilled and committed team.

Objective 2.1: Create a work environment that strengthens employee commitment

Organization commitment is a key driver of employee engagement. Creating a work environment that strengthens employee commitment will promote Goal 2.

Key results

- Awarded Top BC Employer designation by Mediacorp Canada in February 2024.
- Updated LABC's recruitment strategy with a Truth & Reconciliation and EDI focus to support inclusion and equity in LABC's recruitment and retention processes and outcomes.
- Enhanced our flexible workplace model by incorporating shared workspaces.

Summary of progress made in 2023/24

As we think about Legal Aid BC, our employees and the clients we serve, we recognize the importance of building a strong organization for today, as well as for what tomorrow may bring. To do this successfully requires planning and intention on the part of our leaders.

LABC identified a need to develop an employee recruitment and retention strategy with a focus on embedding Truth & Reconciliation and Equity, Diversity, and Inclusion practices in our recruitment and retention processes. LABC's updated recruitment strategy has a Truth and Reconciliation and EDI

focus, with key performance indicators of equity based on recruitment and retention outcomes for Indigenous, racialized, gender diverse, sexually diverse, and disabled peoples.

LABC has enhanced our flexible workplace model by incorporating shared workspaces to foster engagement and collaboration between employees. The shared workspaces will ensure employees working in the office are working in a space that encourages regular collaboration. LABC's flexible workplace policy was additionally updated and became a permanent policy during 2023/24. The policy provides employees with flexible work options to better balance their work and life needs while meeting operational objectives, strengthening organizational culture and delivering quality services to clients. Flexible work options support employee recruitment and retention and promote health and safety, and an equitable, diverse and inclusive workplace.

Objective 2.2: Develop future leaders

Job satisfaction and organization satisfaction are two key drivers of employee engagement. Creating equitable opportunities for training, leadership development and advancement within LABC will increase job and organization satisfaction, and promote Goal 2.

Key results

- Cross-functional leadership development
- Updated succession management framework and identified key positions for succession planning
- Introduced a monthly 1:1 check in process between managers/supervisors and the staff who report to them.

Summary of progress made in 2023/24

LABC's focus on leadership development and succession planning has been aimed at ensuring continuity and excellence in our organization's future leadership. Over the past year, LABC has focused on providing cross-functional experiences to broaden the perspectives and skill sets of potential successors. The experience exposed them to different aspects of LABC which enhanced their understanding of the organization and has prepared them for broader leadership responsibilities within LABC. Providing these cross-functional experiences has developed internal talent, thus reducing our reliance on external hires for critical leadership positions, promoting organizational stability and continuity.

LABC updated the succession management framework and identified key positions for succession planning. The positions were chosen based on their impact on the strategic objectives and operational continuity. The Executive team identified readiness of internal successors and discussed mitigation strategies for those positions where internal successors were not identified.

LABC is committed to refining our leadership development and succession planning strategies to ensure that we continue to nurture and empower our future leaders. These efforts will continue to strengthen LABC's leadership and position us for sustained success in the future.

LABC needs strong and committed leaders to deliver high quality services. LABC believes that providing regular monthly feedback will assist employees to reach the goals defined in their annual

performance development plans. The check-ins will facilitate regular discussion to assist leadership development and strengthen leadership capacity now and into the future.

Performance measure(s) and related discussion

Performance Measure	Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
2a Employee retention rate[1, 2]	—	86%[3]	Baseline set[3]	80%

Data source: Operational data (reported by fiscal year as annual measure)

[1] PM 2a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measure introduced in 2023/24 Service Plan.

[3] The metric calculation was determined during 2023/24 and the baseline (86%) was set in 2023/24 using 2022/23 data.

Employee retention rate is an objective and highly reliable measure of employee engagement. The retention calculation, developed during 2023/24, follows best practices and measures the percentage of the workforce that remains within the organization. LABC's baseline retention rate of 86% exceeds standard rates in the mid-70s for western Canada. In 2023/24, LABC's retention rate decreased to 80% which can be attributed to several factors. The changing demographics of employees and the increased mobility that is occurring with the new generations of workers is a factor. There is a decreased tendency to remain with a single employer throughout one's entire career. Based on feedback elicited through exit interviews and survey results from our employee engagement survey, other factors include limited opportunities for career advancement, work-life balance, trust in leadership and unclear communication about organizational goals and changes. Work has begun to address these concerns to enhance retention at LABC. LABC will implement expanded demographic data collection during 2024/25, which will allow for further analysis in retention rates for staff who self-identify as equity seeking.

Performance Measure	2020 Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
2b Employee engagement score[1,2]	66[2]	71%[3]	73[4]	60%[4]

Data source: Semi-annual LABC Employee Survey (reported by fiscal year as annual measure)

[1] PM 2b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] Revised performance measure introduced in 2023/24 Service Plan. The Semi-annual LABC Employee Survey is new and has not been administered before 2023/24. Baseline set using "overall employee engagement" results from the LABC Workplace Environment Survey conducted in 2020, which uses a 5-point survey scale and produces "average score" results.

[3] The 2022/23 actual is the Employee Engagement Index (EEI) score from an LABC staff survey conducted during the interim evaluation of the pilot flexible workplace policy that LABC implemented in March 2022. The EEI produces a percentage score.

[4] The 2023/24 target in the 2023/24 Service Plan was set before the new survey methodology was developed and implemented, and was expressed as a straight number consistent with the WES overall employee engagement "average score" results. The 2023/24 actual reported here is the EEI score from the Semi-annual LABC Employee Survey (first conducted in Q4 of 2023/24) which produces a percentage score.

LABC needs engaged staff to deliver high-quality, client-centred services. High employee engagement in the public sector is linked to increased staff retention and improved services for clients. In 2023/24, LABC introduced a new survey methodology for this metric, which produces an EEI score expressed as a percentage. The 2023/24 actual is lower than the 2022/23 actual, which can be attributed to the shifting composition of employees over the past five years. LABC's workforce is undergoing a greater shift in demographics related to age and years of service than seen in prior years. In 2023/24, 60 employees (26%) left LABC, a higher percentage than in 2022/23 (18%). This is a significant change in staff over two years, and included many long-term employees. Although this

generational shift has resulted in a loss of institutional knowledge, it also presents an opportunity for renewal. LABC employees have been promoted or moved into new positions within the organization, and the new family legal aid expansion announced in 2023/24 brings investments in LABC's intake resources and in new clinic resources.

Although LABC's EEI score in 2023/24 is lower than the previous year, it is in line with the industry benchmark among Canadians working in government or public sector roles (56%). In response to the decline in the EEI score, LABC has planned staff and manager sessions for summer 2024 to review the EEI results, elicit feedback related to the responses received and create a comprehensive action plan to foster employee engagement moving forward.

Performance Measure	Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
2c Percentage of internal promotions compared to external hires[1,2]	—	37%[3]	Baseline set[3]	44%[3]

Data source: Operational data (reported by fiscal year as annual measure)

[1] PM 2c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measure introduced in 2023/24 Service Plan, and modified during 2023/24 to "Percentage of internal promotions or lateral changes" which expanded the metric to include lateral position changes.

[3] The metric calculation was determined during 2023/24 and the baseline (37%) was set in 2023/24 using 2022/23 data. The metric calculation is 'number of new hires who were existing LABC employees' divided by 'total number of new hires'.

The metric calculation for this new performance measure was developed in 2023/24 and the metric was expanded to include lateral position changes as well as promotions, with the performance measure now expressed as "Percentage of internal promotions or lateral changes". A "lateral change" for this metric is when an employee is successful in their application for another LABC position that is not considered a "higher" job class, which demonstrates the ability of internal applicants to move between positions, gaining new skills and experience while "on the job". Both the 2022/23 actual (37%) and the 2023/24 actual (44%) were calculated using the new metric which includes lateral changes.

Hiring is conducted on a merit basis considering both internal and external candidates; nevertheless, internal advancement is important as improvement on this measure will demonstrate that LABC is rewarding performance and creating the career paths that boost engagement and retention. This is an objective and quantitative measure that is strongly influenced by training (including "on the job" training), internal communications, and employee engagement efforts. LABC will assess employees' perceptions about opportunities for advancement and reasons for lateral moves to capture the full picture of employee engagement and commitment.

This metric increased 7% year-over-year as a result of new opportunities created in multiple departments for advancement, improved organizational structure in several areas, and departing employees being replaced with promoted internal applicants in many cases.

Focusing on internal movement and promotions without creating new capacity within the organization is an important consideration when balancing commitment to internal staff with sustainable workforce management. While promoting from within demonstrates a dedication to developing talent and recognizing employees' potential, it can also put pressure on existing resources and workload distribution. Without hiring new staff or adjusting workload expectations,

promoting internally may lead to increased pressure on current employees who are tasked with taking on additional responsibilities without support.

Goal 3: LABC has strong collaborative relationships

People in need of LABC services benefit from client-focussed collaboration across legal service organizations. LABC is one of many providers of legal services to people facing barriers to accessing the legal system in British Columbia. Goal 3 recognizes that strong collaborative relationships with service providers and stronger partnerships with others in the legal system will enable LABC to deliver sustainable, comprehensive client-centred legal services – with fewer gaps and overlaps.

Lawyers are key providers of quality legal aid services to clients and one of LABC's primary service provider relationships, which is reflected in two of the performance measures related to this Goal.

Objective 3.1: Collaborate with service providers to benefit our clients

Lawyers are a primary provider of legal aid services. At the same time, many LABC clients must navigate a complex, multi-provider environment to get the services they need to address their legal issues. More client-focussed collaboration should enable clients to move between legal and other service providers with greater ease and efficiency – increasing the likelihood of a better outcome.

Key results

- LABC consolidated all front-end client services into a single division – Legal Operations. This allowed for the beginnings of a systematized approach to engaging with our service partners by bringing together under one Vice President all managers and staff who engage in client-serving partnerships and engagements.
- As part of the development of the Legal Aid Navigators program, LABC worked with a consultant to conduct community services mapping across the justice, health and social services sectors in British Columbia.
- Legal Aid Navigators collaborated with local service providers to provide on-site services to clients of various agencies in the Lower Mainland, including Belkin House, Harbour Light, Impact North Shore, MOSAIC, and Options Community Services (Surrey office).
- In collaboration with the Corrections branch of the Ministry of Public Safety and Solicitor General (Corrections Branch), Legal Aid Navigators co-locate their services at several BC Community Corrections office locations throughout the Lower Mainland to provide services to clients with the goal of preventing breaches of bail conditions or probation terms.
- LABC entered into a data sharing agreement with the Ministry of Attorney General, Court Services Branch (CSB) for sharing of electronic court records relating to criminal cases in BC.

Summary of progress made in 2023/24

LABC re-organized to create a single division for client operations, allowing for collaborative and defined engagement activities that put our clients at the centre. This division includes the new Legal Aid Navigator program, and coordinates to engage with other service providers. The success of the

Legal Aid Navigator program depends in part on the capacity of the Navigators to connect clients with services in a sustained way, and involves the development of relationships with a broad network of services and programs. Through the community services mapping process, approximately 5,000 service locations of relevance in B.C. were identified. Using a defined engagement strategy that outlined where Legal Aid Navigators could have the most impact, LABC connected with nearly 300 service partners in the social services and justice sectors. The consultant's community mapping report formed the basis for a systematic approach to engagement activities moving forward. The provision of on-site services at various Lower Mainland agencies and the co-location of Legal Aid Navigator services at several BC Community Corrections office locations (both described above) are two key results arising from the community services mapping process and report.

Also during 2023/24, LABC hosted six in-person Legal Aid Connect events in Campbell River, Victoria and Prince George. At these events, LABC engaged with 172 service providers and lawyers, presented our new strategic framework and sought feedback in two key areas: (1) the types of client outcomes LABC should be tracking; and (2) how to improve legal aid service delivery.

Objective 3.2: Strengthen our relationships with partners in the legal system

Our partners in the legal system include government ministries, Indigenous organizations and communities, and a variety of other organizations and professionals, including the Association of Legal Aid Lawyers. By strengthening these relationships and working together, we can help clients achieve better outcomes.

Key results

- LABC supported the implementation of the FNJS through information sharing and contracting the BCFNJC to provide duty counsel services in Merritt.
- In collaboration with our partners in the legal system, LABC supported the expansion of the virtual bail program to the Vancouver Coastal and Fraser regions.
- LABC again collaborated with the Native Courtworker and Counselling Association of British Columbia on grant-funded projects to provide three Gladue education sessions in Parksville in April 2023, and in Vancouver (two sessions) in May and June 2023.
- LABC supported Indigenous Courts in B.C. through provision of Elder Honoraria for the Elders who attend and participate in the Indigenous Courts around the provinces, and by providing dedicated duty counsel services for the Indigenous Courts.

Summary of progress made in 2023/24

LABC participated in a series of in-depth information sharing meetings with the BCFNJC throughout the summer and into the fall of 2023. Each meeting focused on a different subject matter area (examples: criminal, child protection and family law; case management; virtual bail; mental health law; Brydges advice service) with LABC sharing information on our service delivery model and operational procedures. LABC provided background material on each subject area, building a library of resources for the BCFNJC to use and refer to as they develop their own service delivery model(s) and procedures. LABC also started contracting services to the BCFNJC. In the spring of 2023, LABC and the BCFNJC started a pilot project in which one of the lawyers with the Indigenous Justice Centre in

Merritt provided criminal duty counsel advice services at regular sittings of the provincial court in Merritt.

During 2023/24, LABC implemented the final phases of virtual bail, making changes to our duty counsel structure and procedures to align with the virtual bail process, providing weekday daytime duty counsel services for virtual bail in the Vancouver Coastal and Fraser regions and adding evening bail services in the Fraser region. This work involved extensive collaboration with various branches within the Ministry of Attorney General and with Crown Counsel, the Corrections Branch, and Court Services, and coordinating with the Criminal Defence Advocacy Society (CDAS) in relation to communications and training relating to virtual bail.

In relation to the use of MS Teams in virtual bail, LABC worked to define protocols and processes and train lawyers on the use of MS Teams. LABC created materials to communicate with and train duty counsel lawyers, and supported duty counsel lawyers in adapting to the technology changes.

Through the Office of the Chief Judge (OCJ), LABC participated in ongoing work with the Corrections Branch to promote better access to and timely communications between lawyers and accused persons in custody. LABC also participated in ongoing monthly user meetings aimed at continuous improvement of technology and processes for virtual bail in all five provincial court regions.

LABC was also involved in other initiatives through the OCJ, participating in the planning to create a new court location in ʕaaḥuusʔatḥ (Ahousaht), and to implement a forensic liaison in the North region to have forensic nurses and psychologists conduct quick assessments of accused persons in custody regarding their release from custody. LABC also participated in the Justice Operations Committee led by one of the Associate Chief Judges in the OCJ. That committee meets approximately every six weeks to discuss and oversee improvements in criminal court processes; other committee members include Corrections, CDAS and the Association of Legal Aid Lawyers (ALL). Through the OCJ, LABC also provided feedback on proposed changes to criminal practice directives for both the Provincial Court and the Supreme Court of British Columbia.

Throughout 2023/24 LABC participated on the Steering Committees for both Downtown Community Court and the Drug Treatment Court. Those two Steering Committees review mandates, governance and operations for each court. LABC is also a member of the court user committees for three Lower Mainland provincial courts: Port Coquitlam, Surrey, and Vancouver Youth Court. LABC also attended periodic meetings with the Crown and Corrections leads on the Repeat Violent Offender Intervention Initiative (REVOII), part of the Safer Communities Action Plan, to discuss the implementation of REVOII and its impact on LABC clients.

Starting in fall 2023, LABC planned a criminal law conference with ALL, CDAS, BCFNJC and the UBC Innocence Project at the Allard School of Law. The primary target audience for the conference was lawyers up to 5 years of call. The conference, held in May 2024, had 130 registrants, 100 attending in person and 30 attending virtually.

During 2023/24, LABC's Indigenous Services department substantially completed a federally funded French translation project *Making Gladue Principles More Accessible Through French*. Due to organizational changes within LABC, this project is anticipated to end in the first quarter of the 2024/25 fiscal year with the final completion of the work to be done through an agency in Québec.

May 2023 marked the 10th anniversary of the Indigenous Courts in Kamloops and Duncan. LABC attended the celebration events that were held in Kamloops and Duncan.

Performance measure(s) and related discussion

Performance Measure	Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
3a LABC tariff lawyer retention rate[1,2]	—	84%[3]	Baseline set[3]	83%

Data source: LABC client information system (reported by fiscal year as annual measure)

[1] PM 3a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measures introduced in 2023/24 Service Plan.

[3] The metric calculation was determined during 2023/24 and the baseline (84%) was set in 2023/24 using 2022/23 data.

The tariff lawyer retention rate has not changed significantly, with the 2023/24 Actual only one percentage point lower than the 2022/23 Actual. When broken down by years of call, the retention rate has decreased for lawyers 0 to 5 years of call, over 15 to 20 years of call, and over 25 years of call, while the rate has increased for lawyers over 5 to 10 years of call, over 10 to 15 years of call, and over 20 to 25 years of call. Lawyers 0 to 5 years of call showed the biggest decrease in retention rate, from 80.9% in 2022/23 to 78.2% in 2023/24, while lawyers over 10 to 15 years of call had the biggest increase in retention rate, from 84.4% in 2022/23 to 91% in 2023/24.

The report from the lawyer roster, recruitment and retention review conducted in 2023/24 contains recommendations for developing a recruitment and retention strategy that should improve the tariff lawyer retention rate over time.

Performance Measure	Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
3b Percent of tariff lawyers who said LABC was easy to work with on behalf of the client[1,2]	—	—[2]	Baseline set[3]	—[3]
3c Percent of agencies who say that LABC was easy to work with on behalf of the client[1,2]	—	—[2]	Baseline set[3]	—[3]

Data sources: For PM 3b –proposed ongoing LABC Tariff Lawyer Survey (reported by fiscal year as annual measure). For PM 3c – proposed annual survey of various agency stakeholders (reported by fiscal year as annual measure)

[1] PM 3b and PM 3c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measure introduced in 2023/24 Service Plan.

[3] New survey methodology was not developed during 2023/24 as planned.

LABC postponed the development and implementation of the new survey methodology for performance measure 3b to the 2024/25 fiscal year due to other tariff lawyer surveys that were conducted during 2023/24 (lawyer survey for the lawyer roster, recruitment and retention review, and another lawyer survey for a research project relating to criminal law clients with complex needs). LABC was concerned about survey fatigue from over-surveying lawyers.

LABC did not develop the new survey methodology for performance measure 3c during 2023/24. The length of time and the technical requirements involved in developing the new survey methodologies for multiple performance measures introduced in the 2023/24 Service Plan were

longer and more complex than was realized when LABC decided to develop nine new surveys in one year. LABC did not have the necessary capacity to develop all nine surveys in 2023/24.

LABC will develop and implement the new survey methodology for performance measure 3b in 2024/25. In relation to performance measure 3c, LABC is currently considering whether a survey of various agency stakeholders is the best tool for measuring the strength of our collaborative relationships with other service providers, particularly in light of our learnings about surveys in 2023/24.

Although LABC does not have data to report for performance measures 3b or 3c, LABC worked extensively with legal and non-legal service providers and with our partners in the legal system during 2023/24, thereby building stronger collaborative relationships and partnerships to benefit clients and help them achieve better outcomes. Collaborative work done in 2023/24 included:

- Collaborative and defined engagement activities through LABC's new single division for client operations, including Legal Aid Connect events at which LABC engaged with and sought feedback from service providers and lawyers.
- Legal Aid Navigators collaborated with local service providers to provide on-site services to clients of various agencies in the Lower Mainland.
- Legal Aid Navigators co-located their services at various BC Community Corrections office locations to provide services to clients with the goal of preventing breaches of bail conditions or probation terms.
- LABC supported the implementation of the FNJS through information sharing and contracting the BCFNJC to provide duty counsel services in Merritt.
- In collaboration with our partners in the legal system, LABC supported the expansion of the virtual bail program to two more regions.
- LABC supported Indigenous Courts in B.C. through provision of Elder Honoraria and by providing dedicated duty counsel services for the Indigenous Courts.

Additional details about this work are included above under Objectives 3.1 and 3.2.

Goal 4: LABC is a responsive organization

In a fast-changing environment, LABC must have agile systems and processes to deliver quality services to clients when and where they need them. We also need the right data to drive continuous improvement. We invest in direct client services and organizational infrastructure to achieve the best outcomes for our clients. Objectives 4.1 and 4.2 highlight modernization of our IT and data management as essential to serving our clients better over the long term.

Objective 4.1: Assess and demonstrate our impact to continuously improve our services

Reliable data on the impact of LABC services on client outcomes is essential to identify what's working, what isn't, and why. Assessing and sharing results with service providers, partners, and the public will build accountability, demonstrate value, and guide improvements.

Key results

- LABC developed a Strategic Key Performance Indicators (KPI) Framework, identifying 14 strategic KPIs, and began designing and implementing the data collection and reporting required to monitor and report on those strategic KPIs.

Summary of progress made in 2023/24

During 2023/24, LABC identified the strategic KPIs listed below. These KPIs were developed in consultation with LABC managers, data owners and subject matter experts. They are impact KPIs recommended for near term implementation, with longer term outcome KPIs to be developed over time.

1. Percentage improved client experience with LABC
2. Increase in percentage of clients provided LABC services for interrelated needs, or referred to other services for interrelated needs (performance measure (PM) 1a)
3. Percentage improved client experience with lawyer
4. Percentage improved client experience with Legal Aid Navigator
5. Percentage improved staff retention rate (PM 2a)
6. Percentage improved employee engagement score (PM 2b)
7. Percentage increased internal promotions or lateral changes (expanded PM 2c)
8. Percentage improved tariff lawyer retention rate (PM 3a)
9. Percentage improved tariff lawyer experience with LABC
10. Percentage improved service provider/partner agency experience with LABC
11. Percentage improved client application experience
12. Global Diversity, Equity and Inclusion Benchmarks: progress to proactive level
13. Employee Equity Variance (replacing PM 5a)
14. Client Equity Variance (replacing PM 5b)

LABC has made a strategic commitment to being a responsive organization and has identified assessing and demonstrating our impact to continuously improve our services a strategic priority. To advance that strategy, LABC must develop meaningful, measurable KPIs, collect the necessary data, report out, and use this evidence to drive continuous improvement and better outcomes. As part of this work, LABC developed new client survey methodology to gather data on clients' experiences with LABC services and processes. Three client experience surveys were developed and deployed during 2023/24, and three other client experience surveys were developed and approved, and are expected to be deployed early in 2024/25. Development of one other client experience survey was started, and is expected to be completed and deployed in 2024/25.

Objective 4.2: Leverage technology to optimize our operations and service delivery

In an era of hybrid service delivery and flexible workplaces, the importance of technology to internal process efficacy as well as service quality has never been greater. By investing in our IT infrastructure, LABC will be better able to support our justice partners to modernize the court system and expand the digital delivery of services for clients.

Key results

- Partially automated the LABC duty counsel scheduling to improve coordination and create efficiencies in the scheduling process.
- Enhanced the lawyer portal to enable lawyer-initiated online criminal applications.

Summary of progress made in 2023/24

An interim duty counsel scheduling system went into service in June 2023. The efficacy of this interim solution is being reviewed, and the requirements and knowledge gained will inform a larger organizational scheduling project in a future year. It is expected that this interim solution will be utilized until a more robust, corporate wide scheduling system is identified through LABC's Digital Transformation Program (previously referred to as the IT strategy roadmap).

Enhancements to the lawyer portal were deployed in May 2023. The portal now accepts applications on-line and they are automatically assessed based on application criteria. This has reduced the time for these applications to be processed, allowing eligible applications to be approved and issued contracts in minutes.

One of the key strategies under Objective 4.2 in our 2023/24 Service Plan was to integrate the Large Case Management (LCM) and Watson databases into the main LABC client information system. The LCM and Watson projects both fall within our larger Digital Transformation Program. During 2023/24 LABC worked to bring in a number of resources to support, execute and manage this Program. That work completed in the fourth quarter of 2023/24 and allowed us to proceed with the LCM and Watson projects in a methodical and efficient manner. These two projects both had their business cases approved and proceeded to the planning stages within the 2023/24 fiscal year. They are expected to be completed within the 2024/25 fiscal year.

Performance measure(s) and related discussion

Performance Measure	2020/21 Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
4a Percent of clients who say the application process was straightforward[1,2]	71%	66%[3]	75%	83%

Data source: Ongoing LABC Client Survey (reported by fiscal year as annual measure)

[1] PM 4a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measure introduced in 2023/24 Service Plan. Baseline set using results from the biennial LABC client survey conducted in 2020/21.

[3] 2022/23 Actual is results from the biennial LABC client survey conducted in Q4 of 2022/23.

Of the clients who responded to the survey, 83% agreed or strongly agreed that the application process was straightforward, exceeding the baseline by 12 percentage points and the target by 8 percentage points. However, as noted above (in discussion of performance measure 1b), the response rate to the client experience surveys launched during 2023/24 was not high enough to constitute a representative sample of LABC clients. LABC is working on ways to increase the response rate going forward.

Goal 5: LABC has a culture of Truth and Reconciliation, Equity, Diversity and Inclusion

Building a culture of Truth and Reconciliation, Equity, Diversity and Inclusion (EDI) is integral to living our core beliefs, fulfilling our mission to strengthen client-centred legal help for British Columbians experiencing barriers accessing the legal system, and advancing our vision of BC's legal system transformed, by the way LABC represents our clients, into one more equitable and inclusive. LABC will begin this work by implementing initiatives and measuring our progress against Global Diversity, Equity and Inclusion Benchmarks (GDEIB) as prioritized by our EDI Council.

Objective 5.1: Embed Truth and Reconciliation, Equity, Diversity and Inclusion throughout every aspect of LABC

Integrating Truth and Reconciliation and EDI throughout every aspect of the organization is critical to building that culture within LABC, and we prioritize ongoing resources to achieve that.

Key results

- Established and staffed a department of Truth and Reconciliation and EDI (TR&EDI).
- Launched the GDEIB Validation project to identify recommended actions for LABC to implement to achieve a "proactive" status in prioritized areas of the GDEIB.
- The TR&EDI department launched a strategic project to disaggregate client, employee, board, job candidate and private bar lawyer outcomes by race, gender, sexual orientation and disabilities to monitor for any inequities.
- All LABC executives completed required EDI and Truth and Reconciliation training for leaders.
- The LABC Board of Directors reviewed and revised its governance structure, approving an updated Governance Manual and committee structure with a new mandate to provide oversight and guidance on matters relating to human resources, Truth & Reconciliation, and Equity, Diversity and Inclusion, amongst others.

Summary of progress made in 2023/24

LABC's new TR&EDI department was established and staffed with a Manager, a TR&EDI Specialist, a Data Analyst, and a Legal Administrative Assistant. They launched the GDEIB Validation project, and engaged with staff and leadership, examined organizational culture, consulted with LABC staff committees, and reviewed organizational documents. A draft report with findings was started in 2023/24 and is in progress.

The TR&EDI department also launched a strategic project to disaggregate outcomes for key populations by race, gender, sexual orientation and disabilities to monitor for any inequities. Internal consultation and design of the data collection tool and process were completed in 2023/24. Data collection from the key populations is expected to begin in September 2024.

During 2023/24, LABC held two organization wide townhalls to communicate the Goal 5 strategy. It featured LABC executive and managers speaking to the strategic initiatives and basis for the strategy, responses to employee questions on the strategy, and sharing on how various areas of the

organization are actively advancing Goal 5. The townhalls were opened, witnessed and closed by elder Linda Williams of Sḵwx̱wú7mesh Úxwumixw and Elder Sam George of səlilwətaɬ Nation. The TR&EDI department offered training on anti-black racism delivered by Ethiopian-Canadian anti-racism educator Selam Debs as part of commemorating Black History Month. Truth and Reconciliation and EDI was embedded in the LABC board governance review with the board competency framework now incorporating competencies that support Goal 5.

The TR&EDI team introduced organization-wide gender and sexual diversity training to LABC to further the vision of LABC as providing inclusive, trauma-informed, and anti-oppressive services. This training included learning resources on best practices from industry experts with lived experience of systemic barriers and past clients of LABC to support positive experiences for staff and the client, while supporting complete and accurate demographic data collection.

Performance measure(s) and related discussion

Performance Measure	Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
5a Percentage improvement of EDI perspectives integrated by LABC Leadership[1,2]	—	—	Baseline set[3]	—[4]
5b Percentage improvement of Truth & Reconciliation perspectives integrated by LABC Leadership[1,2]	—	—	Baseline set[3]	—[4]

Data source: Proposed Semi-annual LABC Employee Survey (reported by fiscal year as annual measure)

[1] PM 5a and 5b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

[2] New performance measures introduced in 2023/24 Service Plan.

[3] These performance measures were replaced by two new performance measures in the latest service plan.

[4] During 2023/24, LABC decided to replace these two performance measures and therefore did not proceed with collecting data from employees on these two measures.

These two performance measures would have assessed employees' perceptions of EDI and Truth and Reconciliation perspectives being integrated by LABC leadership. They are subjective measures that would be difficult to action and remedy. With the added capacity and expertise in Truth and Reconciliation and EDI at LABC in 2023/24, it was recommended to replace these performance measures with more concrete measures that will leverage disaggregated data and focus on equity in the organization. The recommendation to replace these performance measures was based on distinguishing the means from the ends in EDI, that is, rather than measuring activities intended to improve equity, to measure equity itself. Disaggregation of data will assist measuring equity itself, which is the goal of the new performance measures. LABC decided to replace these two performance measures as recommended, and therefore did not proceed with collecting data from employees on these two measures.

Financial Report

For the auditor's report and audited financial statements, see Appendix C. These documents can also be found on the Legal Aid BC website.

Discussion of Results

The following discussion of LABC's financial results for the year ending March 31, 2024 should be read in conjunction with LABC's audited financial statements including accompanying notes. The financial statements have been prepared in accordance with the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia based on the Canadian Public Sector Accounting Standards (PSAS).

Revenue

LABC receives the majority of its revenue from the following sources: the Provincial government, the Law Foundation of British Columbia, and the Notary Foundation of British Columbia. Total revenue for 2023/24 was $142.1 million compared to the 2022/23 total revenue of $122.5 million. The provincial government provides the largest portion of revenue. In 2023/24, the Provincial government provided $122.4 million, the Federal government provided $13.4 million, and funding from other sources was $6.3 million (2022/23 Provincial $112.0 million, Federal $6.8 million, other $3.7 million).

Government of British Columbia funding

The funding received from the provincial government is governed by a three-year Memorandum of Understanding (MOU) between LABC and the Ministry of Attorney General. The MOU outlines the roles and responsibilities for LABC and the ministry, the types of services LABC 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, cases for which total 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 exceeds $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, LABC must first apply any Category A surplus to the shortfall. LABC must then transfer funds from the Deferred Contribution Fund, if any, to offset any remaining shortfall. If a shortfall remains, LABC must enter into a discussion with the Ministry of Attorney General.
- **Category C:** Within the approved budget within which a case will be accounted for where the total of the fees and disbursements exceeds $175,000, or where the case is one in which the rate payable to counsel exceeds LABC's enhanced fee rate. These cases are funded through a special funding agreement with the Ministry of Attorney General.

Other Funding

Both the Law Foundation and the Notary Foundation provide annual grants to LABC. The Law Foundation and the Notary Foundation funds are not included in the MOU. The Notaries Act requires the Notary Foundation to contribute 55 percent of its revenue to LABC. The Notary Foundation provided $8.7 million to LABC in 2023/24, compared to $5.1 million in 2022/23. The funding from the Notary Foundation in 2023/24 was deferred for the Digital Transformation Program. The Law Foundation provided $4.6 million in 2023/24 ($2.5 million in 2022/23).

Expenses

LABC's expenses totalled $142.1 million in 2023/24, an increase of $19.6 million from 2022/23. The increase was due to an increase in demand mainly in Family and Immigration and Refugee areas of law for both representation and advice services. Of the total expenses, $102.4 million was for the tariff programs, $22.9 million for salaries and benefits, $3.2 million for Premises, Board and Amortization, and $13.6 million for other costs. See Audited Financial Statements — Note 10, Expenses by object.

Tariff and Program expenses

The financial statements are prepared in accordance with Canadian PSAS, and as a result, expenses are consolidated and reported by the program. 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 tariff services and direct support costs.

To determine the costs for tariff, LABC 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 tariff accrual and corresponding tariff expenses are subject to change within a range of plus or minus ten percent from the amounts recorded in the financial statements due to uncertainties regarding both timing and costs. The estimate of this level of variability is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. The estimated tariff liability at the end of 2023/24 is $15.8 million (2022/23 $13.9 million).

The society does not record a liability, and related accounts receivable, for certain legal services performed but not yet billed to the society as the amount cannot be estimated reliably. For these legal cases, the related costs are fully reimbursed to the society based on the terms of agreements with either the Province of British Columbia or the Government of Canada.

Financial Summary

($ millions)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
Revenues				
Contributions from Provincial Government	112.0	128.4	122.4	(6.0)
Contributions from Federal Government	6.8	7.1	13.4	6.3
Other Income & Recoveries	10.5	12.0	6.3	(5.7)
Total Revenue	**122.5**	**140.4**	**142.1**	**1.7**
Expenses				
Criminal Tariff	59.3	68.8	64.9	3.9
Family Tariff	28.9	31.8	36.8	(5.0)
Child Protection Tariff	6.2	6.4	6.7	(0.3)
Immigration and Refugee Tariff	6.8	8.2	11.6	(3.4)
Federally Funded Initiatives	3.1	1.9	1.2	0.7
Parents Legal Centres	6.1	6.4	6.2	0.2
Publications	1.8	1.6	1.1	0.5
Community Engagement	0.8	1.5	2.0	(0.5)
Indigenous Services	0.7	1.4	0.9	0.5
Administration	8.8	12.4	10.7	1.7
Total Expenses	**122.5**	**140.4**	**142.1**	**(1.7)**
Annual Surplus (Deficit)	**0.0**	**0.0**	**0.0**	**–**
Total Liabilities	**28.6**	**0.0**	**35.4**	**–**
Capital Expenditures	**1.2**	**2.0**	**0.3**	**1.7**
Accumulated Surplus	**0.9**	**0.9**	**0.9**	**–**

[1] The above financial information was prepared based on current Generally Accepted Accounting Principles.

[2] Consistent with Public Sector Accounting Standards (PSAS) and section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, when expenses support a range of service delivery activities they are allocated to those service activities.

[3] For a detailed breakdown of Administration, see Appendix C Auditor's Report and Audited Financial Statements — Note 11, Administration expense.

Variance and Trend Analysis

LABC's revenue increased by $19.6 million during the fiscal year compared to last year. This increase was primarily driven by additional provincial funding under the Shared Recovery Mandate for compensation increases and funding for the Crown-led Bail program. LABC also received additional funding from the Department of Justice Canada for Immigration and Refugee services and the Law Foundation, which contributed to the overall revenue growth.

The increase in costs was due to an increase in demand mainly in Family and Immigration and Refugee areas of law for both representation and advice services. Family demand increase is driven by higher inflation economic conditions and recent changes in financial eligibility to align with the current Market Basket Measure. Immigration and Refugee demand continues to increase impelled by geopolitical situation in the Middle East and Central America. Part of the increase in revenue is attributed to the Federally funded projects: Online Application for Criminal Clients, Duty Counsel Scheduling, Criminal Justice Navigators, and a Safer Community Action Plan. In addition to the increased volume of contracts, there was a 6.75 percent tariff billing rate increase and collective agreements salary increase.

Risks and Uncertainties

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

The biggest tariff risk is criminal as it is the largest proportion of tariff program expense (54.2 percent). The MOU outlines three categories of criminal cases and the funding to help mitigate the risk of the larger cases (Category B and Category C).

Immigration and Refugee is funded directly by the Department of Justice and is subject to budget availability and provincial and territorial allocation. The service demand is driven by Federal policies and geopolitical events.

Capital Expenditures

Capital expenditures are required to ensure the continued operations of LABC. These expenditures include information systems, cyber security, lawyer billing systems, leasehold improvements, and office equipment. There was one major capital project in 2023/24. It was the Online Application for Criminal Clients for $0.8 million. See Audited Financial Statements – Schedule 1 – Tangible Capital Assets.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
Indigenous Justice: Work with the BC First Nations Justice Council (BC FNJC), the Ministry of Attorney General, the Ministry of Public Safety and Solicitor General and affected ministries on the BC First Nations Justice Strategy (FNJS) and related initiatives such as the transition of Indigenous justice services.	• Supported the implementation of the FNJS through information sharing and contracting the BCFNJC to provide duty counsel services in Merritt (see Goal 3, Objective 3.2 – Key results).
Family Law: Work with the Ministry of Attorney General, affected ministries and stakeholders to identify the best ways and tools to improve access to justice for low income families. This includes support for the Early Resolution and Case Management Process, and new Provincial Court Family Rules; and any related strategies, initiatives or additional early resolution sites.	• LABC worked with the Ministry of Attorney General and the Office of the Chief Judge to support the Early Resolution Model and Family Management Conferences under the new Provincial Court Family Rule (see Letter from the Board Chair & CEO).
Justice Recovery Initiative: Align legal aid service delivery approaches with transformative changes in the justice sector focussed on efficient, timely and accessible legal services, leveraging technology and new efficiencies where possible. This includes working with Ministry of Attorney General, affected ministries and relevant stakeholders to deliver core services digitally and the development of systems to support online mobile access to legal aid services.	• LABC supported the expansion of the virtual bail program to the Vancouver Coastal and Fraser regions (see Goal 3, Objective 3.2 – Key results). • Enhanced the lawyer portal to enable lawyer-initiated online criminal applications (see Goal 4, Objective 4.2 – Key results).
Administration Costs: Set a goal for reducing administration costs as an amount of funding received from LABC funding partners, where administration costs are defined as all LABC costs that are not incurred in direct legal service delivery to LABC clients or the public, and where the goal for amount of funding spent on administration costs is lower than current levels. Include in LABC's annual report or another public report LABC's administration cost actuals and progress towards administrative cost goals.	• This is an ongoing priority on which LABC continues to make progress.

Appendix B: Other Performance Highlights

Representation Contracts Issued

This table shows the number of contracts issued (contract count) for representation services, by contract issued date.

Area of Law	Contract Count		
	2021/22	2022/23	2023/24
Criminal	20,716	21,973	23,039
Family	5,577	6,736	7,864
CFCSA[1, 2]	2,061	2,070	2,174
Immigration	1,605	3,074	5,006
Appeals of Administrative Tribunal Decisions[3]	52	38	35
Total	30,011	33,891	38,118

* All volumes in this table reflect both standard and appeal contracts (based on contract issued date).

[1] LABC provides services to eligible clients facing child protection issues under the CFCSA.

[2] Includes PLC cases and contracts referred to the private bar.

[3] These are judicial appeals and prerogative writ applications that do not fit strictly into other areas of law but involve a challenge to the applicant's liberty or security. Most are prison law cases, but some mental health law cases and cases involving liberty interests are included.

Legal Aid Applications

This table shows the number of applications for representation services (service requests) by interview date, and the percentage of those applications that were approved.

Area of Law	2021/22		2022/23		2023/24	
	Service Requests	Percentage Approved	Service Requests	Percentage Approved	Service Requests	Percentage Approved
Criminal	21,460	82.3%	21,851	84.4%	22,021	86.8%
Family	8,531	49.4%	8,933	59.3%	9,087	65.4%
CFCSA[1, 2]	2,435	66.1%	2,386	70.1%	2,317	74.7%
Immigration	1,876	75.6%	3,343	84.4%	5,448	85.4%
Appeals of Administrative Tribunal Decisions[3]	106	43.4%	125	25.6%	96	27.1%

Area of Law	2021/22		2022/23		2023/24	
	Service Requests	Percentage Approved	Service Requests	Percentage Approved	Service Requests	Percentage Approved
Total	34,408	72.2%	36,638	77.1%	38,969	80.7%

* All volumes in this table reflect both standard and appeal service requests (based on interview date). An individual applicant may make more than one application during the year being reported on.

[1] LABC provides services to eligible clients facing child protection issues under the CFCSA.

[2] Includes PLC cases and contracts referred to the private bar.

[3] These are judicial appeals and prerogative writ applications that do not fit strictly into other areas of law but involve a challenge to the applicant's liberty or security. Most are prison law cases, but some mental health law cases and cases involving liberty interests are included.

The lower approval rate for family applications in 2021/22 reflects an increase in the number of applicants denied for financial eligibility that year.

Legal Advice Services

LABC 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 by phone and by situating duty counsel lawyers in courthouses.

	2021/22	2022/23	2023/24
Criminal Advice Services			
Criminal duty counsel client assists[1]	60,138	63,751	66,384
Indigenous Court duty counsel client assists[2]	651	684	693
Brydges Line calls handled	19,924	20,598	20,250
Family Advice Services			
Family duty counsel client assists[1]	18,826[3]	21,399	26,143
Expanded family duty counsel Victoria unique clients	755	799	967
Family LawLINE unique clients	4,836	4,365[4]	3,903
Immigration Advice Services			
Immigration duty counsel client assists[1]	744	1,152	1,469

[1] Client assists represents the number of times clients have been assisted rather than the unique number of clients. An individual client can receive services multiple times.

[2] Data is also included in the criminal duty counsel client assists data.

[3] Volume of assists in one duty counsel location is under represented in 2021/22 due to the introduction of a new tracking system.

[4] This was reported as 4,356 in the 2022/23 Annual Service Plan Report due to a transposition error.

Appendix C: Auditor's Report and Audited Financial Statement

Financial statements of

Legal Aid BC

March 31, 2024

Legal Aid BC

March 31, 2024

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Management's Report

Management's Responsibility for the Legal Aid BC Financial Statements

The financial statements of Legal Services Society, which is referred to in these financial statements under its operating name of Legal Aid BC, as at and for the year ended March 31, 2024 (the "financial statements"), have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Finance Committee. The Board of Directors reviews internal financial statements on a quarterly basis and external audited financial statements yearly. The Board of Directors also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the annual financial statements. The external auditors have full and free access to the financial records of Legal Aid BC and meet with management and the Board of Directors when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Legal Aid BC

Steven Veinot, CPA, CMA, SCMP
Vice President, Corporate Services & Chief Financial Officer

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Independent Auditor's Report

To the Directors of
Legal Aid BC

Opinion

We have audited the financial statements of Legal Aid BC (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Society for the year ended March 31, 2024 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Society in complying with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
May 27, 2024
Vancouver, British Columbia

Statement of financial position

as at March 31, 2024

	2024	2023
Financial assets		
Cash *(note 17)*	$ **17,439,730**	$ **11,161,348**
Accounts receivable *(note 17)*		
Government of British Columbia *(note 14)*	**5,627,957**	**5,173,946**
Government of Canada	**990,369**	**845,474**
Other	**8,195,617**	**7,519,830**
Total financial assets	**32,253,673**	**24,700,598**
Liabilities		
Accounts payable and accrued liabilities *(note 17)*		
General *(note 5a)*	**1,896,612**	**6,247,559**
Tariff *(note 5b)*	**19,047,240**	**16,492,930**
Deferred contributors *(note 9)*	**13,807,324**	**5,076,108**
Employee future benefits *(notes 6(b) and 17)*	**183,000**	**184,200**
Long-term liabilities *(notes 7and 17)*	**486,383**	**615,693**
Total liabilities	**35,420,559**	**28,616,490**
Net debt	**(3,166,886)**	**(3,915,892)**
Non-financial assets		
Tangible capital assets *(Schedule 1)*	**3,730,141**	**4,621,144**
Prepaid expenses	**376,212**	**234,215**
Total non-financial assets	**4,106,353**	**4,855,359**
Accumulated surplus *(note 8)*	$ **939,467**	$ **939,467**
Contractual obligations *(note 13)*		
Economic dependence *(note 15)*		
Contingent liabilities *(note 16)*		

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

Approval of the financial statements by:

Allan Seckel, KC
Chair of the Board of Directors

Sarf Ahmed, FCA
Chair of the Finance Committee

Statement of operations and accumulated surplus

for the year ended March 31, 2024

	Budget *(note 12)*	**2024**	2023
Revenue			
Government of British Columbia *(notes 9 and 14)*	$ 121,284,000	$ **122,378,788**	$ **111,966,575**
Federal Government	9,055,000	**13,360,480**	**6,834,895**
Law Foundation	4,550,000	**4,635,000**	**2,463,311**
Department of Justice — Canada	—	**24,963**	**31,398**
Notary Foundation	356,731	—	—
Investment	480,000	**928,880**	**550,554**
Miscellaneous	115,000	**783,508**	**655,006**
Total revenue	135,840,731	**142,111,619**	**122,501,738**
Expenses *(notes 10, 14)*			
Criminal tariff	66,563,127	**64,878,197**	**59,345,471**
Family tariff	32,686,199	**36,802,853**	**28,865,225**
Child protection tariff	6,348,085	**6,679,570**	**6,188,783**
Immigration and refugee tariff	7,101,561	**11,606,616**	**6,834,895**
Federally Funded Initiatives	1,942,000	**1,188,270**	**3,061,029**
Parents Legal Centres	6,353,568	**6,213,516**	**6,117,621**
Publishing	1,898,685	**1,089,123**	**1,779,170**
Community engagement	1,220,080	**1,990,505**	**789,727**
Indigenous services	1,447,643	**915,862**	**755,459**
Administration *(note 11)*	10,279,783	**10,747,107**	**8,764,359**
Total expenses	135,840,731	**142,111,619**	**122,501,738**
Surplus / (Deficit) for the year	—	—	—
Accumulated surplus at beginning of year	939,467	**939,467**	**939,467**
Accumulated surplus at end of year *(note 8)*	939,467	$ **939,467**	$ **939,467**

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

Statement of changes in net debt

for the year ended March 31, 2024

	Budget *(note 12)*	2024	2023
Surplus / (Deficit) for the year	$ —	$ —	$ —
Acquisition of tangible capital assets	(9,185,000)	**(275,074)**	**(1,155,263)**
Amortization	1,029,000	**1,166,077**	**1,065,029**
	(8,156,000)	**891,003**	**(90,234)**
Acquisition of prepaid expenses	—	**(509,107)**	**(322,776)**
Use of prepaid expenses	—	**367,109**	**287,007**
	—	**(141,998)**	**(35,769)**
Decrease (increase) in net debt	(8,156,000)	**749,005**	**(126,003)**
Net debt at beginning of year	(3,915,892)	**(3,915,892)**	**(3,789,888)**
Net debt at end of year	$ (12,071,892)	$ **(3,166,887)**	$ **(3,915,892)**

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

Statement of cash flows

for the year ended March 31, 2024

		2024		2023
Cash provided by (applied to) operating activities				
Deficit for the year	$	—	$	—
Items not involving cash:				
Amortization		**1,166,077**		**1,065,029**
Long term liabilities		**(129,309)**		**(142,419)**
Changes in non-cash working capital:				
Accounts receivable		**(1,274,692)**		**(5,745,759)**
Accounts payable, accrued liabilities and deferred contributions		**6,934,577**		**4,890,661**
Prepaid expenses		**(141,997)**		**(35,769)**
Employee future benefits		**(1,200)**		**(7,000)**
Total change from Operating activities		**6,553,456**		**24,743**
Cash applied to capital activities				
Purchase of tangible capital assets		**(275,074)**		**(1,155,263)**
Total change from Capital activities		**(275,074)**		**(1,155,263)**
Increase (decrease) in cash		**6,278,382**		**(1,130,520)**
Cash at beginning of year		**11,161,348**		**12,291,868**
Cash at end of year	$	**17,439,730**		**11,161,348**
Supplemental disclosure of non-cash transactions				
Deferred contributions not yet received	$	**6,210,000**		$4,640,000

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, 2024

1. Overview
Legal Services Society, which is referred to in these financial statements under its operating name of Legal Aid BC, was established under the Legal Services Society Act on October 1, 1979 (as revised on May 31, 2007). Legal Aid BC 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. Legal Aid BC operates within the framework of a Memorandum of Understanding (MOU) with the province. The MOU outlines the roles, budget, and planning processes as well as prioritization for allocating funding. The purpose of Legal Aid BC is to:

- assist individuals in resolving 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 respecting legal aid and access to justice for individuals in British Columbia.

Legal Aid BC is not subject to income taxes.

Legal Aid BC's largest risk continues to be fluctuating demand and costs for services. Legal Aid BC cannot predict the demand for tariff services with a high degree of certainty, nor the pace at which cases move through the court system and are ultimately billed. The inability to control demand (socioeconomic and morphing court procedures) continues to be the most significant risk to Legal Aid BC meeting financial targets.

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. This section requires the accounting policies and practices of government organizations to conform to generally accepted accounting principles for senior governments in Canada, as modified by any alternative standard or guideline that is made by the Treasury Board.

In November 2011, a Treasury Board regulation was issued that requires tax-payer supported organizations to adopt the accounting policies for restricted contributions described in note 3(a) These accounting policies are significantly different from Canadian Public Sector Accounting Standards (“PSAS”) which require that government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Such liability is reduced, and an equivalent amount of revenue is recognized, as the liability is settled.

2. Basis of presentation (continued)

The accounting policy described in note 3(a) is different from PSAS with respect to the timing of revenue recognition for government transfers. The impact on the financial statements of Legal Aid BC as of and for the year ended March 31, 2024 is significant as aggregate contributions of $13,807,324 (2023 - $5,076,108) have been deferred.

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 occur. 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.

Government transfers received for the purpose of developing or acquiring a depreciable tangible capital asset are deferred and recognized as revenue at the same rate as the amortization, and any impairment, of the tangible capital asset. Other government transfers are recognized as revenue in the period they authorized, any eligibility criteria are met and when any stipulation or restriction the transfer is subject to is met.

Restricted contributions received or receivable are deferred and amortized into revenue as the related expenses are incurred.

(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 Legal Aid BC and an estimate of services performed by lawyers but not yet billed to Legal Aid BC.

(d) Employee future benefits

i. Legal Aid BC employees belong to the Municipal Pension Plan, which is a multi-employer contributory pension plan. Legal Aid BC records its pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting).

ii. The cost of non-vested sick leave benefits is actuarially determined using the projected benefit method and management's best estimate of salary escalation, future utilization of the benefits, long-term inflation rates, and discount rates.

3. Significant accounting policies (continued)

(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.

The estimated useful lives of assets are re-assessed on an annual basis. Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to Legal Aid BC 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 write-downs (if any) are accounted for as expenses in the statement of operations.

(f) Lease inducements

Lease inducements are recognized on a straight-line basis over the term of the lease as a reduction in premises expense.

(g) Prepaid expenses

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

(h) Financial instruments

Legal Aid BC financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Accounts receivable and accounts payable and accrued liabilities are initially recorded at fair value and subsequently measured at cost. Investments, which may comprise guaranteed investment certificates, provincial bonds, corporate bonds, and structured bank notes, are initially recorded at fair value and subsequently measured at amortized cost. Any premium or discount related to a financial instrument measured at amortized cost is amortized over the expected life of the instrument using the effective interest method.

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

3. Significant accounting policies (continued)

(h) Financial instruments (continued)

The fair values of Legal Aid BC cash, accounts receivable, and accounts payable and accrued liabilities generally approximate their carrying amounts due to their short term to maturity.

(i) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial statements include the tariff liabilities and expenses (note 18). Other areas where estimates are made include allowances for doubtful accounts receivable, estimated useful lives of tangible capital assets and the resulting amortization, 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

As of March 31, 2024, Legal Aid BC held no investments (2023 — $nil).

5. Accounts payable and accrued liabilities

(a) General

		2024		2023
Trade payables	**$**	**579,817**	$	4,884,394
Payroll payables		**1,316,795**		1,363,166
Total	**$**	**1,896,612**	$	6,247,559

(b) Tariff

		2024		2023
Submittals approved, not paid	**$**	**498,311**	$	440,513
Submittals not approved		**2,736,460**		2,135,777
Accrual *(note 18)*		**15,812,469**		13,916,640
Total	**$**	**19,047,240**	$	16,492,930

5. Accounts payable and accrued liabilities (continued)

Legal Aid BC uses an actuarial model to estimate legal services performed but not yet billed to Legal Aid BC. Management estimated this liability to be approximately $15,812,469 (2023 — $13,916,640). This estimate, included in the above table, incorporates average case costs and service billings for similar cases, based on historical experience over a two-year period. Actual costs could differ from this estimate (notes 3(i) and 18).

Legal Aid BC does not record a liability, and related accounts receivable, for certain legal services performed but not yet billed to Legal Aid BC as the amount cannot be estimated reliably. For these legal cases, the related costs are fully reimbursed to Legal Aid BC based on the terms of agreements with either the Province of British Columbia or the Government of Canada.

6. Employee future benefits

(a) Pension plan

Legal Aid BC and its employees contribute to the Municipal Pension Plan (jointly trusteed pension plan). The Board of Trustees for this plan, 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 of December 31, 2021, the Municipal Pension Plan had approximately 227,493 active members and 118,048 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation, conducted as of December 31, 2021, showed the plan's basic account, which pays lifetime pensions, was 103.9 percent funded with actuarial assets of $73.11 billion and actuarial liabilities of $70.37 billion. There is a surplus of $2.74 billion. In addition, the rate stabilization account, which was set up to help offset potential future contribution rate increases, has a balance of about $2.5 billion.

Legal Aid BC paid $1,348,056 (2023 — $1,204,319) for employer contributions to the plan during the year ended March 31, 2024.

(b) Non-vested sick leave

Employees are credited days per year, ranging from six to ten 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 agreements.

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 and employee unused sick bank is not

paid out at retirement. The benefit cost and liabilities related to the plan are included in the financial statements.

7. Long-term liabilities

Lease inducements

Lease inducements were provided under an operating lease by the property owner to finance tenant improvements.

	2024	2023
Leasehold inducements	**$ 486,383**	$ **615,693**
Less: current portion	**(126,010)**	**(129,310)**
Long-term portion	**$ 360,373**	$ **486,383**

8. Accumulated surplus

The accumulated surplus is restricted by Legal Services Society Act and approval by the Board of Directors.

9. Restricted contributions

2024

	Opening deferred contribution	Approved budget	Additional contributions	Recognized in operations	Closing deferred contribution
Government of British Columbia — Category B	$ —	$ 3,292,000	$ 823,824	$ 4,115,824	$ —

2023

	Opening deferred contribution	Approved budget	Additional contributions	Recognized in operations	Closing deferred contribution
Government of British Columbia — Category B	$ —	$ 3,292,000	$ 394,052	$ 3,686,052	$ —

9. Restricted contributions (continued)

Legal Aid BC Memorandum of Understanding (MOU) with the Ministry of the Attorney General provides for restricted funding for exceptional matters commencing with the 2003 fiscal year. The MOU was renewed effective April 1, 2020, and provides 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 is 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 exceeds $75,000 and is 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, Legal Aid BC 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 exceeds $175,000, or where the case is one in which the rate payable to counsel exceeds Legal Aid BC enhanced fee rate. These cases are funded through a special funding agreement with the Ministry of the Attorney General.

In addition to the contributions described above, in 2024 Legal Aid BC recognized and deferred contributions of $8,731,216 (2023 - $5,076,108) related to projects for which the associated expenditures have not yet occurred.

10. Expenses by object

The following is a summary of expenses by object:

	2024 Budget	2024 Actual	2023 Actual
Lawyer fees	$ 70,661,761	$ 76,371,178	$ 62,149,362
Duty counsel fees	17,475,696	17,163,792	14,057,575
Disbursements	6,459,424	8,890,395	6,540,545
Total tariff costs	**94,596,881**	**102,425,365**	**82,747,482**
Salaries and benefits	24,466,644	22,890,267	20,170,373
Grants and contracted services	6,620,602	6,618,225	9,866,939
Computers	3,107,718	3,113,206	2,333,321
Premises	2,007,200	1,787,867	3,002,581
Local agents	2,710,700	2,581,900	1,911,858
Amortization	1,029,000	1,166,077	1,065,067
Office	502,025	678,011	679,990
Miscellaneous	155,841	98,227	515,768
Board expenses	139,205	233,251	76,429
Travel	504,916	519,223	131,930
Total	**$ 135,840,731**	**$ 142,111,619**	**$ 122,501,738**

11. Administration expense

The administration expense includes the following expenditures in support of legal aid:

	2024	2023
Executive Office	$ 2,558,249	$ 1,507,652
Finance and Office Services	3,229,401	2,938,877
Strategic Policy, Planning and Human Resources	2,627,001	2,207,998
IT Operation Services	2,332,456	2,109,832
Total	**$ 10,747,107**	**$ 8,764,359**

12. 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 March 28, 2023, and submitted to the Ministry of the Attorney General on March 28, 2023, and were approved on April 24, 2023.

13. Contractual obligations

Legal Aid BC has the following contractual obligations.

	Premises leases	Operating costs	Total
2025	1,656,049	3,031,981	4,688,030
2026	1,361,302	—	1,361,302
2027	1,369,886	—	1,369,886
2028	1,424,194	—	1,424,194
2029	1,068,145	—	1,068,145
Thereafter	—	—	—
Total	**$ 6,879,576**	**$ 3,031,981**	**$ 9,911,557**

Operating costs are service delivery contracts that are renewed over several years.

At year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which Legal Aid BC is currently committed, is estimated by management to be approximately $50.3 million (2023 — $41.5 million). This estimate uses the same methodology as described in note 5 for tariff payables.

14. Related parties

Legal Aid BC 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 $124,320,784 (2023 — $111,966,575), and Legal Aid BC is responsible for providing legal aid to individuals throughout British Columbia. At year-end, the province owed Legal Aid BC $5,627,957 (2023 — $5,173,946).

Certain members of the Board of Directors provide tariff services to the Legal Aid BC. 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 $258,278 (2023 — $206,522).

15. Economic dependence

In 2024, Legal Aid BC received 87% (2023 — 91%) of its total revenue from the Province of British Columbia.

16. Contingent liabilities

The nature of Legal Aid BC activities is such that there is usually pending or prospective litigation at any time against Legal Aid BC. With respect to claims on March 31, 2024, management believes Legal Aid BC 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 Legal Aid BC's financial position or results from operations.

17. Risk management

Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. Legal Aid BC accounts receivable is due primarily from government organizations and other organizations with limited credit risk. Legal Aid BC cash is held at Canadian chartered banks and Canadian financial institutions. In management's opinion, Legal Aid BC is not exposed to significant credit risk.

Legal Aid BC regularly assesses the collectability of its receivables. At year-end, there were no significant accounts receivable that were past due or impaired. To the extent Legal Aid BC identifies an account where collection is doubtful, an allowance will be recorded as appropriate.

Legal Aid BC maximum exposure to credit risk is represented by aggregate financial assets of $32,253,673 (2023 - $24,700,598).

Liquidity risk

Liquidity risk is the risk that Legal Aid BC will not be able to meet its financial obligations as they fall due. Legal Aid BC 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, Legal Aid BC has a line of credit available with a maximum authorized limit of up to $1.0 million with a Canadian chartered bank. The interest rate per annum is the bank's prime rate. At March 31, 2024, Legal Aid BC has $nil drawn against this line (2023 — $nil).

The maturity of Legal Aid BC financial assets and liabilities as at year-end was as follows:

2024

	On demand	Up to 1 year	1 to 3 years	**Total**
Financial assets				
Cash	$ 17,439,730	$ —	$ —	$ 17,439,730
Accounts receivable	—	14,813,943	—	14,813,943
Total financial assets	**$ 17,439,730**	**$ 14,813,943**	**$ —**	**$ 32,253,673**
Liabilities				
Accounts payable and accrued liabilities	—	5,131,383	—	5,131,383
Tariff accrual	—	15,812,469	—	15,812,469
Other liabilities	—	14,116,334	360,373	14,476,707
Total liabilities	**$ —**	**$ 35,060,186**	$ **360,373**	**$ 35,420,559**

17. Risk management (continued)

Liquidity risk (continued)

2023

	On demand	Up to 1 year	1 to 3 years	**Total**
Financial assets				
Cash	$ 11,161,348	$ —	$ —	$ 11,161,348
Accounts receivable	—	13,539,250		13,539,250
Total financial assets	**$ 11,161,348**	**$ 13,539,250**	$ —	**$ 24,700,598**
Liabilities				
Accounts payable and accrued liabilities	—	8,823,850	—	8,823,850
Tariff accrual	—	13,916,640	—	13,916,640
Other liabilities	—	5,389,618	486,382	5,876,000
Total liabilities	**$ —**	**$ 28,130,108**	**$ 486,382**	**$ 28,616,490**

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. Legal Aid BC is not exposed to significant currency risk.

(b) Interest rate risk

Interest rate risk is the risk that Legal Aid BC cash flow will change due to future fluctuations in market interest rates. A change of 1% in market interest rates would have an impact of approximately $170,000 on interest revenue.

(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). Legal Aid BC is not exposed to significant other price risk.

18. Measurement uncertainty

Program area		Amount reported	Measurement uncertainty	Range
Tariff accrual (*note 5b*)	Min	$ 15,812,469	(1,581,247)	$ 14,231,222
	Max	$ 15,812,469	1,581,247	$ 17,393,716
Tariff and transcript expenses (*note 10*)	Min	$ 102,425,365	(1,581,247)	$ 100,844,118
	Max	$ 102,425,365	1,581,247	$ 104,006,612

Variability in the tariff accrual can arise from the rate at which cases proceed and unanticipated changes in the average cost per case. In management's opinion, the tariff accrual and corresponding tariff expenses are subject to change within a range of plus or minus ten percent from the amounts recorded in these financial statements due to uncertainties regarding both timing and costs. The estimate of this level of variability is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance.

During the year ended March 31, 2019, Legal Aid BC 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.

Schedule 1 – Tangible Capital Assets

2024

Cost

($000)	Balance, beginning of year	2024 Additions[1]	2024 Disposals	Balance, end of year
Furniture	**1,107**			**1,107**
Equipment	**688**			**688**
Computer equipment	**1,396**			**1,396**
Computer software	**5,868**	**275**		**6,143**
Client Information System	**5,811**			**5,811**
Leasehold improvements	**3,893**			**3,893**
Total	**18,763**	**275**		**19,038**

[1]Computer software additions represent work in progress and therefore are not amortized in the current fiscal year.

Accumulated amortization

($000)	Balance, beginning of year	2024 Additions	2024 Disposals	Balance, end of year
Furniture	**(1,107)**			**(1,107)**
Equipment	**(682)**	(7)		**(689)**
Computer equipment	**(1,338)**	(23)		**(1,361)**
Computer software	**(2,954)**	(643)		**(3,597)**
Client Information System	**(5,811)**			**(5,811)**
Leasehold improvements	**(2,250)**	(493)		**(2,743)**
Total	**(14,142)**	**(1,166)**		**(15,308)**

Net Book Value

($000)	2024	2023
Furniture	**$ -**	$ -
Equipment	**-**	6
Computer equipment	**34**	58
Computer software	**2,546**	2,913
Client Information System	**-**	-
Leasehold improvements	**1,150**	1,643
Total	**3,730**	4,621

Schedule 1 – Tangible Capital Assets (continued)

2023

Cost

($000)	Balance, beginning of year	2023 Additions	2023 Disposals	Balance, end of year
Furniture	**$ 1,107**			**1,107**
Equipment	**688**			**688**
Computer equipment	**1,396**			**1,396**
Computer software	**4,713**	1,155		**5,868**
Client Information System	**5,811**			**5,811**
Leasehold improvements	**3,893**			**3,893**
Total	**$ 17,608**	**1,155**		**18,763**

Accumulated amortization

($000)	Balance, beginning of year	2023 Additions	2023 Disposals	Balance, end of year
Furniture	**$ (1,106)**	(1)		**(1,107)**
Equipment	**(667)**	(15)		**(682)**
Computer equipment	**(1,260)**	(78)		**(1,338)**
Computer software	**(2,523)**	(431)		**(2,954)**
Client Information System	**(5,811)**			**(5,811)**
Leasehold improvements	**(1,709)**	(541)		**(2,250)**
Total	**$ (13,077)**	**(1,066)**		**(14,142)**

Net Book Value

($000)	**2023**	2022
Furniture	**$ -**	$ 1
Equipment	**6**	21
Computer equipment	**58**	136
Computer software	**2,913**	2,190
Client Information System	**-**	-
Leasehold improvements	**1,643**	2,183
Total	**4,621**	4,531