

# Family Responsibility Office

Follow-up to VFM Section 3.03, *2010 Annual Report*

## Background

All court orders for child and spousal support related to divorce or separation proceedings are automatically filed with the Family Responsibility Office (Office), whose job it is to enforce family-support obligations—aggressively if necessary—and remit support payments to their intended recipients on a timely basis.

The Office's clients are among society's most vulnerable; many of those who have their support orders enforced by the Office also collect social assistance, often because their former partners failed to pay spousal or child support.

Enforcing court orders for spousal and child support can be difficult, and while many willingly meet their support obligations, many others go to great lengths to avoid making their required payments. While acknowledging this, our 2010 audit found that the Office was still not successful in achieving its mandate of collecting unpaid child and spousal support payments. We had a similar conclusion the last time we audited this program. We concluded in our *2010 Annual Report* that the Office must take more aggressive enforcement action, enhance its case-management process, and improve its information technology and communications systems. As well, management needed to work to instill a culture

of achievement to make the needed changes. Some of our other observations at that time included:

- The Office was slow in following up, where necessary, and in registering completed court orders for family support. Such delays make cases in arrears much more difficult to enforce and can result in undue hardship on recipients awaiting support payments.
- Although the Office assigned responsibility for each case to an individual enforcement services officer, this case-ownership model continued to have significant shortcomings, including that payers and recipients did not have direct access to their assigned officer.
- Call volumes at the Office's toll-free call centre were so high that nearly 80% of calls never got through. Of those that did, one in seven callers hung up before the call was answered.
- The status of almost one-third of outstanding bring-forward notes—intended to trigger specific action on a case within one month—was “open,” indicating either that the notes had been read but not acted upon, or that they had not been read at all.
- For ongoing cases, the Office took almost four months from the time the case went into arrears before taking its first enforcement action. For newly registered cases that went straight into arrears, the delay was seven months from the issue of the court order.

- The Office acted in only one in four or one in five cases each year to, for example, take enforcement action, update case information, or track down delinquent payers.
- The Office had no quality control process or effective managerial oversight to assess whether enforcement staff have made reasonable efforts to collect outstanding amounts.
- The Office could not provide us with a detailed listing by individual account that added up to \$1.6 billion, which was the figure provided to us as the total outstanding arrears as of December 31, 2009.
- The statistical information supplied monthly to the Ministry of Community and Social Services did not provide a useful summary of the Office's successes and failures in collecting outstanding support payments or in achieving its other key operational objectives.
- Security weaknesses in the Office's information technology system put sensitive personal client information at risk of unauthorized access.
- On a positive note, accounting controls covering payments from support payers and the subsequent disbursement to intended recipients were generally satisfactory, and most support payments received were disbursed to clients within 48 hours of receipt.
- the results of its review of a pilot project in which a clerk employed by the Ministry of the Attorney General had been loaned to the Office to process documents passing between certain court districts and the Office and so reduce backlogs, the impact of the project on the Office's enforcement of family-support court orders, and whether the project will be expanded to other Ontario court districts;
- recent monthly statistics on calls to the call centre (calls answered, abandoned and blocked, broken down by local versus 1-800 calls) and the Office's efforts to report them quarterly on its website;
- recent monthly statistics on office staff absenteeism and attendance trends by branch;
- the Office's progress in obtaining suggestions for improvement from MPP constituency office caseworkers;
- the current status of outstanding bring-forward notes (notes requiring follow-up action on a case to be taken within a month's time), the date by which the Office is to finish revising its policies and procedures for the proper use of these notes, and the Office's plan to routinely check and ensure that staff are issuing the notes appropriately;
- how other jurisdictions approach the enforcement of support orders to payers whose financial circumstances have temporarily and/or unexpectedly declined;
- any steps the Office will take to determine whether enforcement officers are taking the most effective and appropriate enforcement actions, including using its new management system technology to proactively flag recommended enforcement actions;
- the Office's progress in negotiating with the Ministry of Health and Long-Term Care to have OHIP provide it with up-to-date payer contact information to help the Office enforce support orders;
- the best option for a caseload management model as determined by the Office's review

We made a number of recommendations for improvement and received commitments from the Office that it would take action to address our concerns.

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

The Standing Committee on Public Accounts held a hearing on this audit in March 2011. In May 2011, the Committee tabled a report in the Legislature resulting from this hearing. The report contained 16 recommendations and requested that the Office report back to the Committee with respect to the following:

of caseload management models in other jurisdictions;

- whether the Office is using its capability of determining at the end of each month if a payer has made his or her support payment, and if it is, whether the Office is sending a letter informing payers who have not paid that they are in arrears and have 15 days to respond or face further enforcement action, and if it is not, its reasons for not doing so;
- the results of the Office's analysis of support payments in arrears, including the amount the Office believes is recoverable and whether other jurisdictions can "write off" amounts deemed unrecoverable;
- highlights of the Office's expected September 2011 report on operational performance measures and its progress on instilling a more results-oriented culture in its workforce;
- whether the implementation of the Office's new case-management system is on schedule for spring 2012 and the timeline for the system's key phases;
- whether the case-management system will be able to search other ministries' databases—within the bounds of privacy laws—for contact information on support payers in arrears; and
- the Office's strategy for training its workforce on each phase of the case-management system and its plans for evaluating whether the system meets its business needs.

The Committee also recommended that the Minister of Community and Social Services request early in the next Parliament that a government motion be introduced to establish a Select Committee under Standing Order 112(a) to undertake a comprehensive and comparative review of the Office.

The Office formally responded to the Committee in September 2011. A number of issues raised by the Committee were similar to our observations. Where the Committee's recommendations are similar to ours, this follow-up includes the recent actions reported by the Office to address the concerns raised by both the Committee and our 2010 audit.

## Status of Actions Taken on Recommendations

On the basis of information provided by the Office, we concluded that it had made some progress on all of our recommendations, with significant progress being made on several of them. Significant improvements have been made in registering support obligations and in introducing a case-management client-service model, and further improvements are expected once implementation of the new case-management technology system is completed. Efforts to reduce payments in arrears and suspense account balances and to improve performance measurement are ongoing.

The status of action taken on each of our recommendations was as follows.

### REGISTRATION OF SUPPORT OBLIGATIONS FOR ENFORCEMENT

#### Recommendation 1

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

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

#### Status

In our 2010 Annual Report we noted that the Office received court orders, on average, 48 days after they had been issued by the courts, and there were no ongoing initiatives to encourage the courts to forward all support orders or separation agreements in a timely manner. We also found that on

average it took an additional 104 days for completed court orders to be registered in the Office's information system.

In its response to our report, the Office indicated that it had initiated direct outreach and was providing quarterly bulletins to the judiciary in an effort to improve the information exchange between the courts and the Office, and that it had refined the process it used for address verification to enable more timely registrations. It also indicated that it was initiating two pilot projects, one to provide courts with real-time electronic access to its database to expedite court decision-making on support arrears, and one to place a dedicated court clerk in its Office to speed up document flow.

The two pilot projects were initiated in September and October 2010, respectively. In the first, a high-volume court was given access to the Office's database in an attempt to expedite judicial decision-making by eliminating the need to adjourn cases until more financial information was obtained. The results were somewhat disappointing, as the Office's database was accessed only seven times by the court over the course of the 22-month pilot. In the second project, a court clerk was accommodated in the Office with ongoing access to the Office's database. The Office informed us that this project was much more successful, with the clerk often being able to process documents in substantially less time because it was no longer necessary to move between the Office and the courts. Many documents that typically took months to process were done within 24 to 48 hours. Although this project was originally planned to last only five months, the Office informed us that it had expanded it to include all main issuing courts in Ontario except the Superior Court of Justice in Toronto and the Ontario Court of Appeal.

In October 2010 the Office began to distribute a quarterly bulletin for the legal community, clients and other stakeholders to improve communication and information exchange with the courts. The bulletins contain details on new Office initiatives of possible interest to the courts; tips on drafting

support orders, dealing with licence suspensions and reinstatements, changing domestic contracts, enforcing support outside Ontario and other technical matters; and success stories about helping clients obtain needed support. At the time of our follow-up, six bulletins had been issued.

With respect to registrations, the Office informed us that it had conducted a blitz in January 2012 and successfully eliminated its backlog of case registrations. The Office's latest registration backlog report indicated that although another backlog developed in April and May 2012, it was fully addressed in June 2012. As of August 2012, the Office's backlog was minimal.

The Office also engaged a consulting firm in March 2011 to review its registration processes and help develop new policies and procedures for monitoring and following up on registration issues. The firm made a number of recommendations, and the Office informed us that it had implemented several key ones, including streamlining the routing of court orders, conducting trace-and-locate efforts to ensure the accuracy of client information, and calling new clients to let them know what to expect from the Office's support programs.

## CASE-MANAGEMENT MODELS

### Recommendation 2

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

### Status

In our 2010 Annual Report we concluded that the Office's case-ownership model had not been effective in improving the collection of unpaid support payments, for several reasons. Among these was that Ontario payers and recipients did not have direct access to their assigned enforcement service officer, and that each officer had been assigned on average a very formidable 1,377 cases.

In its response to our 2010 report, the Office indicated that it was moving to a proactive case-management model whereby a dedicated caseworker would be assigned for the life of each client's case and that clients would have easier access to their caseworkers and experience fewer blocked calls.

At the time of our follow-up, the Office informed us that it had completed an inter-jurisdictional survey of best practices to support payment collection in February 2011. Twenty jurisdictions responded to the survey, and information gathered from it was to be assessed as future business improvements were considered. The Office also informed us that it had established electronic payment transmission linkages with the provinces of British Columbia, Newfoundland, Prince Edward Island, Manitoba and Nova Scotia, and was working to set up similar mechanisms with the remaining provinces.

The Office also informed us that it had implemented a new case-management/client-service model in November 2011, which was based on its 2008 pilot project. The new model provides clients with direct access to the officer responsible for their case. The Office reported that it has been able to eliminate its call blockage problem since the model was implemented, and call wait times have been reduced from an average of eight minutes to an average of less than two minutes, while the number of calls handled has increased from approximately 48,000 per month to 80,000 per month.

## CALL-CENTRE OPERATIONS

### Recommendation 3

*Since the call centre remains the primary means by which clients communicate with the Family Responsibility Office, the Office should review its call-centre operations and take the steps necessary to ensure that all calls are answered within a reasonable time. It should also track and report the results of its efforts to improve call-centre operations.*

### Status

In our *2010 Annual Report* we noted that the Office was not regularly monitoring its call centre and therefore had little information with respect to the number of calls that were not getting through and the nature of the calls. A 2008 study found that 80% of calls were not getting through the Office's queuing system, and one in seven callers who did get through eventually hung up before being answered.

The Office agreed with our recommendations, and in its response to our report it indicated that it had just implemented a new telephone system in June 2010 that provided managers with information to refine the scheduling of call-centre staff and to monitor the number of calls not getting through. The Office also noted in its response that it had developed new customer-service standards that would provide benchmarks to measure progress and future performance.

At the time of our follow-up, the Office informed us that it had implemented new call-centre reporting and monitoring processes in December 2010, which incorporated performance indicators addressing wait-time management, call-taking standards, absenteeism and schedule adherence. It also informed us that it had implemented customer service standards and a feedback process for online clients in January 2011. In February 2011, the Office used its telephone system to collect information on call blockage rates, the analysis of which indicated a correlation between wait times and call blockage rates. The Office reported that it was able to reduce call blockage rates by 50% after this review. However, the implementation of the new case-management model in November 2011 moved the Office away from a call-centre business model and it has since been able to eliminate the problem of blocked calls altogether.

The Office also informed us that it began providing a new customer service training program for its staff in March 2012.

## BRING-FORWARD NOTES

### Recommendation 4

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

#### Status

In our 2010 Annual Report we noted that there were approximately 91,000 outstanding bring-forward notes awaiting resolution by enforcement officers, and that the number of bring-forward notes for a sample of these officers ranged from 123 to 1,358 per officer. Bring-forward notes are intended to trigger specific action on a case within one month. We also noted that the status of one-third of these notes was “open,” meaning they either had not been read or had not been acted upon, and that despite an Office target of addressing bring-forward notes within 30 days, about half of the notes had been outstanding for more than 90 days.

In its response to our report, the Office informed us it would conduct a blitz in the fall of 2010 to address outstanding bring-forward notes, and from that point on staff training and new performance measures would be developed to ensure that bring-forward notes were managed properly and followed up in a timely fashion.

At the time of our follow-up, the Office informed us that it had completed its blitz and had taken action on all outstanding bring-forward notes. It had also introduced a new policy and performance measurement mechanism to monitor and manage bring-forward notes, and all Office staff and managers had been trained on the new policy in June 2011. The Office said that it planned to eliminate the use of bring-forward notes after its new case-management system was implemented, replacing it with a process of system-generated and manually created service requests to streamline the follow-up process.

## SUPPORT-ENFORCEMENT ACTION

### Recommendation 5

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

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

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

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

#### Status

In our 2010 Annual Report we noted that approximately two-thirds of all support-payers were either in non-compliance or only in partial compliance with their support obligations and that enforcement actions were often neither timely nor effective. We found that it took on average almost four months after a case went into arrears before officers took their first enforcement action, and seven months for newly registered cases for which no child or spousal payments had ever been made. We also noted long gaps between enforcement actions, ranging from six months to five years (averaging two years) and that only 20% to 25% of the Office’s total cases were worked on in any given year.

The Office agreed with our recommendations, and in its response to our 2010 report indicated that it was updating its policies and procedures to make enforcement actions more consistent and effective. It also planned to implement new case-management technology in 2012 to enable more proactive enforcement actions, and was working with the

federal government, law enforcement agencies and other provincial ministries to obtain new tools and databases for locating defaulting payers.

At the time of our follow-up, the Office informed us that it had, with the assistance of an external consulting firm, reviewed its processes for default hearings and warrants of committal in 2009 and then implemented changes to both processes to improve quality control and oversight. It further informed us that in November 2010 it had begun discussions with the federal government and law enforcement organizations to gain access to new trace-and-locate tools, such as the Canadian Police Information Centre database. Although this request was eventually denied, in December 2010 the Office of the Registrar General agreed that the Family Responsibility Office could access its database to obtain reports of death registrations and name changes for help with locating clients and verifying deaths.

The Office indicated that it had completed a report profiling its arrears in February 2011, and in April 2011 had initiated a project with the Ministry of Health and Long-Term Care (MOHLTC) aimed at obtaining access to its Registered Persons Database containing the address information of Ontario health-card holders. The Office was granted access to make unlimited manual address-related queries of the database, through a dedicated resource at MOHLTC. In May 2011 the Office was granted further access to the databases of the Municipal Property Assessment Corporation and the Personal Property Security Registry. Finally, in August 2011 the Office's seven trace-and-locate specialists were granted unlimited access to the Registered Persons Database. Office management informed us that this tool has been found to be one of the most useful for locating payers, and has led to a significant improvement in the overall tracing success rate.

## CASELOADS

### Recommendation 6

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

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

### Status

In our *2010 Annual Report*, we noted that enforcement officers were each handling 1,377 cases on average, while enforcement staff in two other large provinces operated with average caseloads of 446 and 312, respectively. We further noted that the Office had never established standards for what a reasonable case load should be, and had no monitoring system in place for management to assess enforcement staff productivity.

In its response to our report, the Office informed us that efforts were underway to establish a new caseload-management model for staff, and that the work would be completed by the end of 2010. In addition, the new case-management system planned to be in place by the end of 2012 was expected to equip staff with better tools, such as automated reminders, and allow management to better monitor the effectiveness of enforcement actions.

At the time of our follow-up, the Office informed us that it had begun tracking productivity measures of enforcement staff in February 2011. These measures included how quickly calls were being answered, the timeliness and appropriateness of enforcement actions and the appropriate use of bring-forward notes.

## SUPPORT PAYMENTS IN ARREARS

### Recommendation 7

*To enable it to concentrate its efforts on those accounts most likely to yield results and to objectively measure the effectiveness over time of its enforcement activities, the Family Responsibility Office needs to obtain better data on support payments in arrears.*

### Status

In our *2010 Annual Report*, we found that the total amount of support payments in arrears as of December 31, 2009, was approximately \$1.6 billion—up 23% since our previous audit in 2003. The Office had minimal information on this balance, and could not provide us with the individual balances that accumulated to that total, or which portion of this balance was deemed uncollectible.

The Office agreed with our recommendation, and in its response to our 2010 report indicated that it had developed a number of performance measures to strengthen its collection function. These measures included the cost of collecting support payments, value of arrears owed, number of enforcement actions by type, and disbursement rates.

At the time of our follow-up, the Ministry of Community and Social Services informed us that it had conducted a cross-jurisdictional scan of arrears best practices in November 2010. After this, in December 2010, the Ministry launched a project to develop the capacity to gather improved data about arrears, client behaviour and enforcement effectiveness. The project had four deliverables: a profile of arrears, an assessment of arrears collectability, an assessment of the effectiveness of the Office's enforcement actions with respect to collection and compliance, and a guideline on how to better target cases to generate support payments. The profile of arrears was completed in February 2011, and in September 2011 the project team developed operational measures related to arrears, including the cost of collecting support payments, the number of enforcement actions by type, and disbursement rates.

The Office further informed us that it had begun updating policies and procedures related to managing and categorizing arrears in March 2012. The Office planned to complete this project in late 2012.

## PAYMENT PROCESSING

### Recommendation 8

*While the Family Responsibility Office is generally successful in processing and getting most support*

*payments to intended recipients on a timely basis, it should strengthen its internal controls by:*

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

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

### Status

In our *2010 Annual Report*, we noted that accounting controls over payments received and subsequently disbursed to recipients were generally satisfactory. However, we did find that some support payments were in “suspense” accounts awaiting resolution for various reasons, and that these accounts were not adequately controlled. For example, we found that the Office failed to follow up on or clear almost three-quarters of the items in one such account, totalling \$2.9 million, within the required 90 days of receipt, and that the average age of the balances in this account was more than nine months. Another suspense account that held \$2.1 million at the time of our audit contained balances with an average age of over three years. A third suspense account found not being properly addressed contained \$7.2 million. We also found that the investigations and decisions to release funds from these suspense accounts were often not adequately documented or approved.

In its response to our report, the Office indicated that it had assigned staff resources to follow up on its suspense account balances, and was planning to revise its financial policies to incorporate performance time frames in an effort to get payments to clients more quickly.

At the time of our follow-up, the Office informed us that it had realigned the accounting functions in July 2010 and added several financial staff to enhance the segregation of duties, increase its

analytical capacity and better monitor the client support payment process. In October 2010 the Office implemented new procedures for sorting and analyzing suspense account transactions and for documenting the reasons for holding or releasing funds in these accounts. Further, it developed new reports to allow daily monitoring of suspense account balances.

The Office also informed us that it had implemented a user-log policy for bring-forward notes in March 2011, which included expected time frames for action on the notes and for payment processing. In the fall of 2011 the Office initiated a trace-and-locate project for a sample of transactions in the miscellaneous suspense account and was able to close out some of the accounts and release payments to clients. The Office reported that, as of March 2012, it had reduced the suspense accounts by \$2.2 million (44%) and the miscellaneous account by \$1.4 million (19%) relative to the December 2009 balances.

With respect to interest on support payments in arrears, the Office informed us that it does not have the legislative authority to calculate interest, but that it does pursue interest where a court order includes an interest payment provision, when claimed by the recipient.

## PERFORMANCE MEASURES

### Recommendation 9

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

### Status

In our *2010 Annual Report*, we concluded that the Office did not have sufficient information to enable it to properly assess its success in meeting its operational objectives, or for identifying areas in need of improvement. We suggested a number

of areas where management information would be useful, such as the time required to disburse funds to intended recipients, the timeliness of various enforcement actions and the length of time accounts have been in arrears.

In its response to our report, the Office indicated that it had established a performance measurement framework and was working to develop operational measures for items such as the cost of collecting support payments and the time needed to respond to a changed support order.

At the time of our follow-up, the Office informed us that it had completed several performance measurement projects in 2010. The first was the implementation of an “Executive Dashboard” providing management with an overview of key Office performance indicators and measures showing whether the Office was achieving internal targets in areas such as customer service, operations and financial strength. In November 2010 the Office implemented operational performance measurement at the branch level to provide managers and directors with information to better manage their staff and business processes. In December 2010 it established a protocol for incorporating its performance measures into the new case-management system so that this information would still be available when the system went live.

The Office further informed us that it had recruited a senior manager of program effectiveness and quality assurance in October 2011 to bring greater focus and expertise to the areas of target-setting and performance measurement. In January 2012 the Office finalized a quality assurance framework incorporating the performance measures that had been developed.

The Office indicated that it would continue its work to further define and measure additional program performance indicators in the areas of collectability, enforcement effectiveness and case profiling.

## COMPUTER SYSTEMS

### Recommendation 10

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

### Status

In our 2010 Annual Report, we concluded that the Office's main business software was out of date and did not adequately support the administration of the Office, and a project to develop a new computer system had been discontinued after \$21 million had been spent on it. At the time of our audit the Office had been developing another new system, with an expected implementation date of April 2012 at a projected cost of \$49.4 million.

In response to our report, the Office indicated it had taken steps to mitigate risks related to its

legacy systems, including penetration testing on its firewalls and servers and the initiation of a project to investigate enterprise file-transfer processes to improve controls over information exchanges with external organizations. It also affirmed that it was on track to deliver a new case-management solution in 2012.

At the time of our follow-up, the Office informed us that it had established a quarterly password review process to better control and monitor system access, and in December 2010 it had its firewalls and services located in the Kingston data centre tested by OPS Corporate Security. The Office further informed us that it had expanded the use of its electronic file transfer service to securely exchange information with a number of external organizations in March 2011. We were also informed that the new case-management solution is close to completion and is expected to go live late in 2012.