

Chapter 4

Ministry of Community and Social Services

Section 4.03

Family Responsibility Office

Follow-up to VFM Section 3.03, 2003 Annual Report

Background

At the time of our 2003 audit, the Family Responsibility Office (Office), under the authority of the *Family Responsibility and Support Arrears Enforcement Act, 1996*, administered and enforced all court-ordered child and spousal support in Ontario, as well as court-ordered support from many other jurisdictions where the payers were resident in Ontario. The Office also enforced private separation agreements that are voluntarily registered with a court and filed with the Office. At March 31, 2005, the Office was administering approximately 186,350 family-support cases (approximately 180,600 in 2002/03).

During the 2004/05 fiscal year, the Office collected approximately \$612.3 million from support payers (approximately \$561 million in 2002/03) and forwarded a similar amount to support recipients. At the end of both March 31, 2005, and March 31, 2003, payment arrears totalled approximately \$1.3 billion, which represents an 8% increase since our 1999 audit. We also noted that approximately 23,000 support recipients, whose cases were in arrears totalling over \$200 million in 2003, were receiving provincial social assistance.

In 2003, we concluded that the Office did not have satisfactory systems and procedures in place for initiating contact and taking appropriate and timely enforcement action where payers were in arrears on their family-support obligations. It was our view that unless the Office took aggressive enforcement action, supported by effective case management and significantly improved information technology and communications systems, it was in grave danger of failing to meet its mandated responsibilities. Our specific findings included the following:

- Unlike most other provinces, which use a process of individual case management, Ontario did not assign each case to an individual caseworker. Therefore, no one individual had responsibility for or was held accountable for the administration of most cases.
- Since 1994, the number of caseworkers had declined by 20%, whereas the number of cases had increased from 126,000 to 180,000, with the result that the average number of cases per caseworker had steadily increased. For example, the average number of cases with outstanding work items assigned to senior caseworkers had been ranging from 600 to more than 1,300, averaging 890 cases per caseworker. By comparison,

the average caseloads in Quebec and Alberta were 400 and 335, respectively.

- The Office's practice of commencing enforcement action only after being notified by recipients of non-payment resulted in unreasonable delays in enforcement. On average, seven months elapsed between the time support fell into arrears and the time the Office initiated the first enforcement action.
- More than half the cases in arrears we reviewed had inordinately long gaps—often as long as two years—between enforcement actions.

Staff efforts to enforce support obligations and to provide responsive client services continued to be significantly hampered by the Office's inability to develop and implement the necessary improvements to its computer system. Although the Office indicated as far back as 1994 that the computer system must be replaced, the same computer system continued to be used even though it could not provide timely and appropriate information to facilitate client service or management of the program.

We also found that almost 90% of telephone calls made from outside the Greater Toronto Area to the Office's call centre were blocked and therefore not answered. As a result, clients had to call repeatedly in order to get through.

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

Current Status of Recommendations

According to information received from the Family Responsibility Office and the Ministry of Community and Social Services, some progress has been made in implementing the recommendations we made in our *2003 Annual Report*. Further progress

on several recommendations depends on the successful implementation of a new case management system to be completed by October 2006. The current status of action taken on each of our recommendations is as follows.

ENFORCING SUPPORT OBLIGATIONS AND RELATED MATTERS

Case Registration

Recommendation

To ensure that the Office fulfills its responsibilities to collect and forward support payments to families, it should ensure that it receives all the required information for registering and enforcing support obligations on a timely basis and promptly initiate follow-up action when it does not.

Current Status

In May 2005, the Ministry announced the selection of the successful vendor for the development and implementation of a new case management system referred to as the new Integrated Service Delivery Model (ISDM). This system is to be able to identify incomplete registrations and generate letters to follow up with the appropriate parties on any missing registration information.

Although the Office indicated in 2003 that it would review and redesign the filing package to help clients better understand what information was required, it had not yet done so at the time of our follow-up because it wanted to ensure compatibility with the new case management system.

The Office was also in the process of developing an enhanced three-phase outreach plan to increase the Office's visibility and to promote greater client service to payers and recipients. Specifically, under phase 1, the Office has developed and distributed new outreach materials that help explain the roles and responsibilities of recipients and payers. Phase 2 is to reach out to targeted stakeholder groups to explain in more detail how the Office

works. Phase 3 is to build on phase 2 by maintaining ongoing stakeholder communications.

Document Scanning

Recommendation

In order for all necessary case documentation to be available on a timely basis for administering cases and for answering telephone inquiries, the Office should ensure that:

- *all necessary case documentation is scanned;*
- *scanned documents are of an acceptable quality;*
and
- *system downtime is minimized.*

Current Status

The Office purchased new scanners in November 2003. We were advised that all documents that should be scanned are now scanned and that the scanned documents are of good quality even when the original document contains blue ink (we found in 2003 that the Office's scanning equipment could not scan blue ink). According to the Office, there is no longer any system downtime with the new scanners.

Case Management Model

Recommendation

To help ensure that effective and timely enforcement actions are taken, the Office should review its case management practices and consider assigning the responsibility for each case to an individual caseworker.

Current Status

The new Integrated Service Delivery Model (ISDM), whose upcoming implementation was announced in May 2005, is to operate as a case management tool. Under the ISDM, cases are to be assigned to individual members of case teams based on their experience level. This system is to also assign a "buddy backup" to each case-team mem-

ber. ISDM technology is expected to be in place by October 2006.

Caseloads

Recommendation

To help improve the administration of family-support cases in a timely and effective manner, the Office should establish criteria and standards for manageable caseloads and staff accordingly to ensure that the standards are met.

Current Status

A recently announced service delivery system, which is to be in place by October 2006, has been designed to be able to streamline case management processes and to actively monitor caseloads.

The new system is also to have the ability to produce reports to facilitate caseload management (including, for example, reports on the number of cases per caseworker and the specific cases assigned to each caseworker, as well as various statistical analyses). As a result, management will be able to assess the adequacy of current staffing levels under the new, more streamlined case management process.

Bring-forward Notes

Recommendation

To help ensure that client inquiries and enforcement actions are dealt with appropriately, the Office should ensure that all caseworkers conduct the necessary follow-up work on a timely basis.

Current Status

We were advised that the Office's new service delivery system, to be in place by October 2006, will have the capability to create for individual caseworkers an automatic reminder to follow up on an action taken in a case—this "case action item" is similar to a bring-forward note but is automatically generated by the system rather than by

the caseworker. The system is also to be capable of monitoring whether or not the case action items have been acted on and listing those items that are outstanding for longer than a specific time period. These capabilities should help ensure timely follow-up work.

Support Enforcement Action

Recommendation

To help ensure the effectiveness of its enforcement actions in collecting support arrears, the Office should:

- *identify accounts in arrears on a more timely basis and initiate contact with the defaulting payer as soon as possible;*
- *adhere to the established timetable for the prescribed enforcement steps in a timely manner; and*
- *ensure that supervisory staff monitor case files for compliance with the prescribed steps and established timetable and where necessary take corrective action.*

Current Status

Legislative amendments aimed at strengthening the Office's authority to enforce support orders and to find defaulting payers were introduced in the House through Bill 155 in December 2004. On June 13, 2005, this bill received royal assent as the *Family Responsibility and Support Arrears Enforcement Amendment Act, 2005*.

The province announced through the 2004 provincial budget that \$40 million would be invested over the next four years to improve the ability of the Office to identify, track down, and collect support payments that are in arrears.

We were informed that in November 2004 the Office implemented an Arrears File Review project to reduce the \$1.3 billion in arrears. This project involved a team of 40 additional temporary staff dedicated to reviewing cases with arrears over \$50,000 and cases not yet assigned to a caseworker. At the beginning of the project, 38,828 cases rep-

resenting about \$640 million in arrears outstanding were selected for review. As of March 29, 2005, 12,291 of these cases had been reviewed, and 1,941 of those cases were closed for various reasons—such as, for example, terminated orders or the fact that no arrears were outstanding. Also, 7,925 enforcement actions were taken, which resulted in a total of \$26 million being collected.

In addition to the above, the Office took two other initiatives: a credit-bureau initiative in January 2004 and a trace-and-locate initiative in February 2004.

Under the credit-bureau initiative, the Office mailed letters to support payers with payments in arrears to encourage them to enter into voluntary payment arrangements with the Office or have their arrears reported to a credit bureau. Between January 2004 and March 2005, the Office sent out about 87,000 letters to payers owing approximately \$820 million. As a result of these letters, the Office received \$112 million in payments.

The trace-and-locate initiative involves the investigation of the Office's returned mail in order to locate payers, update the Office database with the correct payer information, and take applicable enforcement actions. By March 31, 2005, about 32,500 pieces of returned mail had been reviewed, resulting in 16,600 payer addresses being updated.

Payment Processing

Recommendation

To ensure that internal controls are strengthened and that all support payments received are forwarded to the intended recipient on a timely basis, the Office should:

- *follow up on and resolve all items in both the identified and unidentified suspense accounts on a timely basis; and*
- *adequately document the basis on which initially unidentified receipts were identified and management approval of the release of such funds.*

Current Status

The Office advised us that many of the items in the identified suspense account relate to single payments that are required to be manually pro-rated and allocated to different related accounts, which is a time-consuming process. At the time of our follow-up, the Office had implemented an automated process that speeds up the allocation of identified suspense account items and should free up staff time to clear unidentified suspense account items on a more timely basis.

The Office also expected that the new service delivery model will better document the basis on which initially unidentified receipts were identified and management approval of the release of such funds.

Interest on Arrears

Recommendation

To help ensure compliance with support orders and to encourage prompt payment from payers, the Office should compute and charge interest on arrears for those cases where the court orders stipulate that interest is applicable.

Current Status

The *Family Responsibility and Support Arrears Enforcement Amendment Act, 2005*, which received royal assent on June 13, 2005, included an amendment that enables the Office to automatically calculate and collect interest on arrears based on a standard rate for all cases. The rate will be subject to revision either annually or semi-annually.

The Office expected that its new service delivery model, to be in place by October 2006, would be able to automatically calculate and record interest due on outstanding payments.

Customer Service

Recommendation

Since the call centre is the primary means whereby clients communicate with the Office, the Office should review its call-centre operations and take the steps necessary to ensure that all calls are answered or responded to within a reasonable period of time.

Current Status

The Office advised us that it implemented in September 2004 monthly “snapshot” reports that compare the number of calls handled, the number of calls abandoned, the average speed of answer, and the average waiting time for abandoned calls.

Based on an analysis of the results, which indicated that a low volume of calls were being received between 5 p.m. and 7 p.m., the call-centre hours were reduced in November 2004 to the peak calling hours of 8 a.m. to 5 p.m., Monday to Friday. This reduction in hours enabled more resources to be devoted to answering more calls and reducing wait times during the peak calling hours.

In addition, we were informed that calling staff resources were realigned so that customer service clerks, who answer general inquiries, increased their time spent at the call centre from 4.5 hours per day to 6 hours per day.

Call-centre Alternatives

Recommendation

To help alleviate the demand for information and services through the Office’s call centre, the Office should consider expanding access to detailed account information and the range of services available through the automated telephone line and website.

Current Status

We were informed that the Office’s automated telephone line was improved in 2004. Improvements included a new phone script and the ability for callers to skip those sections of the script that they already know. In addition, the Office

now distributes Personal Identification Numbers (PINs) to recipients and to payers so that they can access their case-specific information on the phone. Approximately 151,250 PINs had been issued by April 30, 2005.

Website improvements have also been implemented that include a new easy-to-remember Internet address and on-line program forms. As well, a new section on “Employers and Income Sources” answers frequently asked questions, provides information on electronic payment options, and gives mailing addresses for payments and other correspondence.

Computer System

Recommendation

We urge that the process of implementing the needed computer support for the Office’s operations be significantly accelerated.

Current Status

In May 2005, the Ministry announced the selection of the successful vendor to develop and implement the Office’s service delivery system. The new system is expected to be in place in October 2006.

PERFORMANCE MEASUREMENT

Reporting Program Effectiveness

Recommendation

To help ensure that and be able to assess whether family-support obligations are effectively enforced and that areas in need of improvement are identified, the Office should measure and report on additional results indicators, such as:

- *the number of cases with significant arrears not assigned to a caseworker and therefore not actively enforced;*
- *the timeliness of enforcement actions taken on assigned accounts;*

- *the number of telephone calls to the call centre that were blocked and therefore not answered;*
- *the aging of support arrears and an assessment of their collectibility; and*
- *the nature and number of complaints received.*

Current Status

The current information system cannot:

- identify cases in arrears that are not assigned to caseworkers and therefore not actively enforced;
- track the timeliness of enforcement actions taken on accounts that have been assigned;
- monitor the number of blocked calls;
- age cases that are in support arrears; and
- track the nature and number of complaints received.

According to the Office, the new service delivery system should be able to address these concerns when it is implemented.

As well, the Office informed us that it continues to work with other enforcement jurisdictions in Canada on developing baseline data to identify performance measures and establish guidelines and standards.

Assessment of Client Satisfaction

Complaints

Recommendation

To help increase client satisfaction and the effectiveness of services provided, the Office should:

- *log complaints from all sources to ensure that all complaints are addressed; and*
- *categorize and analyze the complaints received from all sources to identify areas most in need of improvement.*

Current Status

We were informed that the Office fully implemented a document-management system called Correspondence Control Management Mercury on June 10, 2005. According to the Office, this system can track complaints, report accurately on issues

that arise in correspondence, and identify trends in client and stakeholder correspondence. However, it will take several months of data input before the Office can fully utilize these capabilities.

Client Satisfaction Surveys

Recommendation

To aid in the assessment of both customer satisfaction and effectiveness of services provided, the Office should regularly conduct client satisfaction surveys that identify areas that are working well and those in need of improvement.

Current Status

The Office received Deputy Minister approval in mid-February 2005 to conduct the survey, and the selection of a market research consultant was finalized in July 2005. The Office anticipates that the survey will be conducted in late fall 2005.