# ANNUAL REPORT 2017/18

*Delivering Access to Justice for Low-Income Manitobans* 



Legal Aid Manitoba L'Aide Juridique du Manitoba

### **Management Counci**

Tim Valgardson, *Chair* James McLandress, *Vice-Chair* Herbert Peters Diane Stevenson Aileen Madden Kim Milne Mark O'Neill Lisa Settee Brenda Gunn

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### Governance/

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### **Area Directors**

Cathy Sherman *Winnipeg*  Theresa McDonald *Rural* 

### Letter to the Minister



### Legal Aid Manitoba L'Aide Juridique du Manitoba

### FORTY-SIXTH ANNUAL REPORT LEGAL AID MANITOBA Fiscal Year Ending March 31, 2018

The Honourable Cliff Cullen Minister of Justice Attorney General Room 104 – Legislative Building Winnipeg MB R3C 0V8

Dear Sir:

Pursuant to Section 28 of *The Legal Aid Manitoba Act*, I am pleased to submit the Forty-Sixth Annual Report for the year ending March 31, 2018.

Detailed statistical information relating to clients, cases and costs is included. The report of the Auditor General and financial statements are attached. Also included is the Audited Statement of Compensation Paid to Council Members and Employees and the Statement of Private Bar Fees and Disbursements in excess of \$50,000 in accordance with Section 2 and 4 of *The Public Sector Compensation Act*.

Respectfully submitted,

**TIMOTHY VALGARDSON** Chair Legal Aid Manitoba Management Council





Created a new web-based electronic application and website providing more points of client access to our services and links to resources provided by other access to justice stakeholders

2% **INCREASE IN DEMAND FOR SERVICES** 

3%

**INCREASE IN FULL REPRESENTATION CERTIFICATES** 

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**Our Public Interest Law** Centre (PILC) published a report on Access to Justice in Manitoba

3TRATEGIC PLAN 2018/19 – 2023/24

COMPLETED A NEW STRATEGIC PLAN FOR 2018/19 - 2023/24

SETTING OUT A VISION FOR THE FUTURE AND GUIDANCE

FOR DECISION-MAKING THAT WILL POSITIVELY



Provided cross-cultural competency training to enhance staff's capacity to effectively deliver services

Appeared in the Supreme Court of Canada on behalf of the Council of Canadians with Disabilities



Awarded the Manitoba Service Excellence Award for our Mental **Health Duty Counsel Project** 

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### **Message from the Chair**

A foundational aspect of every successful organization is a strategic plan that:



effectively appropriates its human and financial resources; and

underpins its direction, and aspirational goals.

I am pleased to advise that during 2017/18, Management Council took the initiative to ensure that Legal Aid Manitoba (LAM) has such a plan by engaging in a collaborative process that resulted in the creation of our Strategic Plan for 2018/19 - 2023/24.

When I became the Chair of LAM's Management Council in November 2012, I recognized that the 2012/13 - 2017/18 Strategic Plan would be instrumental in moving LAM to a new level of delivering access to justice for low-income Manitobans in an accountable and transparent manner. Core elements of the plan were sound and remained relevant through 2012/13 - 2017/18.

Yet as we began 2017/18, it was time for LAM to:



refresh its Strategic Plan; and

in consultation with stakeholders, set out clear aspirations for our shared work ahead.

Management Council's focus throughout the planning process was to ensure that moving forward, LAM would continue to meet its legislated mandate of delivering access to justice for low-income Manitobans in an accountable and transparent manner with an emphasis on the following identified priorities:

openness;

ethical standards;



performance outcomes; and



fiscal responsibility.

Our new Strategic Plan is the result of the collaborative efforts of a dedicated team of senior managers, frontline staff and stakeholders

Tim Valgardson, Chair

### Strategic Plan: 2018/19 - 2023/24

The best, most effective and innovative strategic plan is one driven by the aspirations of those who live and breathe it every day. Our new Strategic Plan is the result of the collaborative efforts of a dedicated team of senior managers, frontline staff and stakeholders who are committed to advancing our strategic objectives and increasing access to justice.

**66** Justice shouldn't be decided on who has enough money to hire a lawyer.**77** 

—FOCUS GROUP PARTICIPANT Thompson, Manitoba Public Interest Law Centre Justice Starts Here: A One-Stop Shop Approach for Achieving Greater Justice in Manitoba

### **Strategic Direction**

As we continue to work together with staff and stakeholders to move LAM forward, our Strategic Plan 2018/19 - 2023/24 focuses on four strategic goals:



expanding access to justice and providing fair and equal access to eligible applicants across the province;



providing client-focused, high-quality, cost-effective services while promoting innovation;



meeting the highest standards of public administration in Manitoba, including the highest standards of transparency and accountability; and



providing more and better services in a more cost-effective way.

*Our Strategic Plan sets out a vision for the future and provides guidance for decision-making* 

### **Operational Areas of Focus**

LAM is committed to meeting the specialized needs of low-income Manitobans. To that end, we have developed a list of strategic areas of focus that are fundamental to achieving our strategic objectives:



The exchange of ideas during the planning process stimulated an innovative restatement of our goals as we respond to the challenges we face and the opportunities we have before us. On behalf of Management Council, I want to thank all who participated in the process for their commitment to this effort as we work together to achieve our strategic objectives in the years to come.

Our Strategic Plan 2018/19 - 2023/24 sets out a vision for the future and provides guidance for decision-making that will have a profound and positive impact on the delivery of access to justice for low-income Manitobans.

TIM VALGARDSON Legal Aid Manitoba Management Council Chair

### **Message from the Executive Director**

It is often said that access to justice is more than just representation. I suppose that is true; but it is in my view, a dangerous comment. Dangerous because putting the focus on "more than representation" often results in an actual reduction in necessary representation for low-income people, with representation replaced by pamphlets and internet advice. The provision of full representation to the poor in basic areas of legal aid coverage is by far the biggest contributor to access to justice, and must be achieved before the focus shifts to the many, albeit important, add-ons, and other gaps in legal services where representation is not required.

Legal Aid plans have not achieved the provision of full representation to the poor in basic legal aid coverage areas in many jurisdictions. Some provinces show upwards of 80% unrepresented in family law courts. It is provinces such as these who have focused on the "more than representation" approach without redressing the issues of fairness in the justice system and access to justice for low-income persons.



Legal Aid Manitoba (LAM) continues to focus first on providing full representation services to the poor and working poor in basic civil and criminal coverage areas. This focus has allowed us to continue to enjoy the highest financial eligibility guidelines, the widest coverage, the highest certificate representation per capita, the lowest administrative costs, and the lowest costs per case among the provinces.

We have achieved these results over the last decade without significant increases to our funding. We have assiduously avoided duplicating the information services competently provided by other Manitoba service providers. We strictly focus on our representation mandate and innovations to improve these services. It is what LAM does well, and what no other provincial agency does at all.

66 All Canadians - no matter their means should have the right to a fair trial and access to a modern, efficient justice system.

### Access to Justice Innovations

—THE HONOURABLE JODY WILSON-RAYBOULD Minister of Justice and Attorney General of Canada

Throughout fiscal year 2017/18, LAM developed and implemented several initiatives to advance LAM's strategic plan, including:

our continued migration towards a paperless environment with upgrades to our information systems architecture - allowing for greater storage of document imaging and overall system speed;

the creation of a new web-based electronic application (e-application) available for use by the public - providing another point of client access to our services in a cost-effective and efficient manner, especially for people in remote or rural areas;

the creation of a new website, providing another point of client access that provides:

- information about all of LAM's services including those delivered by our Public Interest Law Centre (PILC); and
- links to other service providers and information regarding the services they deliver;



the creation of a program for asylum seekers detained by the Canada Border Services Agency (CBSA) which provides on-demand representation services to individuals detained by the CBSA on short notice, safeguarding rights and ensuring fairness in proceedings;



providing cross-cultural competency training to enhance staff's capacity to work effectively with refugees in Manitoba;



participating in the Province's bargaining with staff attorneys which resulted in the signing of a new collective agreement that maintains wage parity with Crown prosecutors; an important factor for staff lawyer recruitment and retention, particularly in remote and rural areas; and The provision of full representation to the poor in basic areas of legal aid coverage is by far the biggest contributor to access to justice



providing support and assistance to the Province in its negotiations with the Federal Government for increased funding in criminal and immigration matters. We continue to advocate for Federal funding to return to the 50% level in criminal law. We also continue to advocate for a Federal 50% funding scheme for basic area family/civil law coverage and national standards for breadth of coverage and financial guidelines in legal aid services.

Given responsible use of public resources, and a commitment to basic fairness to low-income people in legal need, the Province continues to fund LAM such that full representation remains available to poor and working poor Manitobans in legal aid core areas.

I am proud of the strides LAM has taken to ensure that low-income Manitobans have access to the basic right to representation services which is a cornerstone of a fair and balanced justice system.

As justice system actors and stakeholders attempt to address the problems that exist in the current justice system, we will continue to create innovative approaches that ensure low-income people have access to fairness through representation.

GIL CLIFFORD Executive Director

**66** If I had a wish that some genie would fulfil, I'd say it would be to somehow impress... people involved in the justice system and governance - with the vital importance of ... making sure people are represented.



### The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be:

- contravention of federal or provincial legislation;
- an act or omission that endangers public safety, public health or the environment;
- gross mismanagement; or,
- · knowingly directing or counselling a person to commit a wrongdoing.

The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the *Act*, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the *Act*, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the *Act*, and must be reported in a department's annual report in accordance with section 18 of the *Act*.

There were no disclosures under section 10 or section 14 of *The Public Interest Disclosure (Whistleblower Protection)* Act during the period between April 1, 2017 and March 31, 2018. The activity under the Act is set forth in the disclosure reporting matrix below:

Information required annually (per section 18 of the <i>Act</i> )	Fiscal year 2017/18		
The number of disclosures received and the number acted on and not acted on. subsection $18(2)(a)$	NIL		
The number of investigations commenced as a result of a disclosure. subsection 18(2)(b)	NIL		
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. subsection $18(2)(c)$	NIL		

**BRUCE GAMMON** 

Legal Director & Designated Officer under *The Public Interest Disclosure (Whistleblower Protection) Act* Legal Aid Manitoba

66 Access to Justice is achieved through fair processes and fair outcomes. A fair process means a justice system that is transparent, affordable and as easy to navigate as possible. A fair outcome results from a person having the opportunity to be heard in a meaningful way.

> —ALLISON FENSKE and BEVERLY FROESE Public Interest Law Centre Justice Starts Here: A One-Stop Shop Approach for Achieving Greater Justice in Manitoba

### **Delivering Access to Justice**

We are committed to improving access to justice and to reducing unreasonable court delays. In response to the Supreme Court ruling on R v. Jordan, our government is undertaking a system-wide review focused on improving the efficiency of the entire system.

—GOVERNMENT OF MANITOBA Speech from the Throne November 21, 2016

In Manitoba, there is a continuum of legal and non-legal services provided by publicly funded, non-profit, volunteer based organizations, that strive to meet the different legal needs of the poor and working poor.

At one end of the continuum is a basic need for legal information and education services. This basic need is met by a number of organizations throughout Manitoba. Legal Aid Manitoba (LAM) does not duplicate the services provided by these organizations.

At the other end of the continuum is the need for highly specialized legal advice and/or representation services that require the skill, knowledge and expertise provided by lawyers.

LAM delivers access to justice by specializing in providing legal advice and/or representation services.

66 Winnipeg Harvest is proud to partner with Legal Aid Manitoba to ensure low-income voices are heard and justly represented in Manitoba. Their work is instrumental in creating an accessible and fair justice system for all.

----KAREN TAYLOR-HUGHES Executive Director Winnipeg Harvest

### Poverty Law 2017/18

We provided a range of poverty law services, including disputes involving housing and government benefits and *Mental Health Act* detentions

### In the Public Interest

The Public Interest Law Centre: 35 Years of Building Relationships, Affirming Rights & Protecting the Environment

The Public Interest Law Centre (PILC) was established in 1982 to fulfil the mandate under section 4 of *The Legal Aid Manitoba Act*, C.C.S.M. to provide assistance to groups on public interest matters.

Working in close partnership with lawyers from the private bar and with community organizations such as the Consumers Association of Canada (Manitoba Branch), the Council of Canadians with Disabilities and Barrier-Free Manitoba, PILC has earned widespread recognition for its evidence-based approach to issues relating to consumers, the environment, and removing barriers for vulnerable groups. The Centre's creative approach to law reform, and

service delivery earned national recognition in a study of innovative approaches to Legal Aid conducted for the Canadian Bar Association.

PILC and its team were recognized with a Province of Manitoba Service Excellence Award in 2017 as well as a commendation from the Clerk

of the Executive Council in 2016. The PILC team has also been the recipient of honours from the University of Winnipeg (2017), the Manitoba Bar Association (2017), the Canadian Bar Association (2015) and the Manitoba Law Society (2013). A 2015 stakeholder survey highlighted strong reviews regarding the quality of the Centre's work with "high praise" coming "not only from clients but from Government, the Judiciary, the Academy and from private bar lawyers". In March 2018, the CEO of The Law Society of Manitoba noted the "important advocacy work" of the Centre and described the PILC staff as "committed, creative, capable".

PILC staff have appeared before the Supreme Court of Canada on at least nine occasions. Their most recent (and successful) appearance was in October 2017 on a matter relating to the Canadian Transportation Agency. Among the many achievements of PILC are significant roles in:

- the cessation of work on the \$10.5 billion Conawapa hydro-electric generating station following an adverse report by the Manitoba Public Utilities Board;
- the innovative development by Enbridge Inc. of Indigenous monitoring of the impacts of pipeline construction in response to a directive by the National Energy Board based upon the recommendation of a PILC client;
- recognition by the Manitoba Court of Appeal that post-apprehension child-welfare hearings have disproportionate, adverse impacts on First Nation Children;
- agreements by municipalities to eliminate barriers to community living options for adult persons with intellectual disabilities;
- rebates to Manitoba consumers of over half a billion dollars of surplus revenues collected by Manitoba Public Insurance;
- a negotiated settlement removing barriers to the medical profession for Internationally Trained Medical Graduates which has improved access to quality medical services throughout Manitoba; and
- a regulatory change to the definition of family for purposes of Employment Insurance compassionate care benefits following the launch of a legal challenge.

PILC is also working closely with First Nation Elders and Knowledge Holders on a series of collaborative projects hosted by the Turtle Lodge in Sagkeeng Anicinabe and aimed at promoting dialogue between Government, Industry and First Nation people on the relationship between Indigenous laws, the environment, and economic activity. Members of the Provincial Cabinet have attended gatherings at Turtle Lodge in November 2016 and July 2017. The model developed in support of this conversation is expected to be used in future efforts focusing on healthy Indigenous families.

PILC staff have appeared before the Supreme Court of Canada on at least nine occasions. Their most recent (and successful) appearance was in October 2017 on a matter relating to the Canada Transportation Agency.

# *PILC and its team were recognized with a Province of Manitoba Service Excellence Award*

### Innovative Delivery of Public Services

Central to the PILC model is the ability to stretch scarce resources through collaboration with private bar and community partners, significant cost recovery and innovative service delivery.



In recent years, PILC clients have benefited from the donation of an estimated \$225,000 annually in time from private bar lawyers as well as academics and students. Each year the contribution of the private bar to PILC is recognized in a major Manitoba Bar Association award presented by a member of the Manitoba Court of Appeal.



Due to its focus on cost recovery, the percentage of PILC expenditures as a total of Legal Aid Manitoba (LAM) expenditures has ranged between 0.8% (2016) to 3.0% (2015) over the past three years. Sources of cost recovery have included the Canadian Mental Health Commission, the Federal Office of Consumer Affairs, the Federal Privacy Commissioner, the Canadian Radio-Television and Telecommunications Commission (CRTC), the National Energy Board, the Clean Environment Commission and the Manitoba Public Utilities Board.



A significant source of cost recovery totalling in the hundreds of thousands of dollars annually comes from awards from regulatory tribunals for making significant contributions to their deliberations. As just one example, PILC was awarded over \$100,000 in costs from the CRTC in 2017/18 for its work in seeking to address barriers to internet service for Northern and remote Manitoba First Nations. Over the last two years, the Centre has leveraged over \$450,000 worth of in-kind donations from the private bar, academics and students and generated over \$1.5 million in additional revenues.



Apart from the services delivered by its lawyers and pro bono private bar partners, PILC has also assisted in mitigating overall cost pressures for LAM through the delivery of services by its advocates. For example in 2018/19, PILC advocates will begin offering advocacy services before the Immigration and Refugee Board in response to a significant increase in demand with the objective of reducing Legal Aid reliance on more expensive lawyer delivered services. Similarly, the Residential Tenancy Branch has also recognized the value of PILC advocates in improving both hearing efficiency and alternative dispute resolution prospects.

<complex-block>

### Waves of Asylum Seekers

### **Immigration and Refugee**

What started as a blip in the summer of 2015 has turned into a wave of asylum seekers crossing the Canada / United States border primarily on foot due to:

- a fear of mass deportations from the United States;
- a general perception by claimants that they have a better chance of having their refugee claim approved in Canada than in the United States; and
- on-again, off-again travel bans in the United States targeted at Muslim-majority countries.

The number of people seeking assistance with refugee claims jumped from 180 (170 certificates) in 2015/16 to 1,189 (939 certificates) in 2017/18 – the largest influx seen in Legal Aid Manitoba's (LAM's) history. The refugee determination process is a complicated one that has far reaching consequences for refugee claimants and their families. The process decides whether claimants will be granted status to stay in Canada or be required to leave. LAM provides crucial representation services through a network of private bar and staff lawyers.

To address the growing demand for legal refugee services, LAM has partnered with Welcome Place, a refugee settlement agency in Winnipeg where all asylum seekers coming into Manitoba are initially taken for processing. During summer 2017 LAM provided a staff person to assist claimants with applying for legal aid and completing the Basis of Claim Form, a critical document in the claim process, and provided training to volunteers pertaining to taking legal aid applications. This action resulted in a faster, more effective service to applicants.

LAM began offering training to its lawyers, intake staff and advocates specific to interacting with new immigrant / asylum seeker arrivals

LAM created a program, in conjunction with the Immigration and Refugee Board of Canada, to provide on-demand representation services to individuals detained by the Canada Border Services Agency on short notice thus safeguarding rights and ensuring fairness in proceedings.

LAM successfully authored a business case proposal to the Federal Government that resulted in additional funds flowing to the Province to aid with the increase in demand for legal services.

During the year, LAM began offering training to its lawyers, intake staff and advocates specific to interacting with new immigrant / asylum seeker arrivals and navigating through the various Immigration and Refugee Board (IRB) processes. LAM has also offered two full-day Professional Education Programs for Counsel in conjunction with the IRB and the United Nations Human Rights Council. In addition, the ground work was laid for a pilot project that would see advocates rather than lawyers represent claimants at Refugee Protection Division (RPD) hearings. It is anticipated that this change will be cost-effective while still providing a similar level of assistance at this early stage.

The Immigration and Refugee Board of Canada would like to acknowledge the outstanding work of Legal Aid Manitoba this year in working with our stakeholders to provide education and information to refugee law practitioners and for providing representation for all detainees in the Province of Manitoba.

> —KARIN MICHNIK and ALICE TANG Assistant Deputy Chairpersons Refugee Protection and Immigration Divisions Western Region, Immigration and Refugee Board of Canada



## **Performance Measurement: Supporting the Delivery of Results and Access to Justice**

### **Financial Eligibility Guidelines**

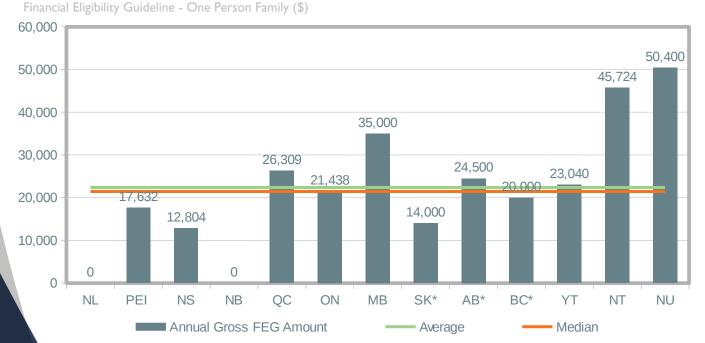
Legal Aid Manitoba's (LAM's) financial eligibility guidelines are designed to provide a greater number of Manitobans with incomes near the poverty line with the opportunity of obtaining legal representation services (see Figure 1). We are able to extend our eligibility guidelines through the Agreement to Pay program which recovers the cost of the services provided at legal aid rates.

Family Size	"Free" Legal Aid Gross Family Income	Agreement to Pay Gross Family Income	Poverty Line [2018 Stats Canada Low-Income Cut Off (LICO) before tax]
I.	\$0 - 23,000	\$23,000 - 35,000	\$24,949
2	\$0 - 27,000	\$27,000 - 45,000	\$31,061
3	\$0 - 31,000	\$31,000 - 50,000	\$38,185
4	\$0 - 34,000	\$34,000 - 54,000	\$46,362
5	\$0 - 37,000	\$37,000 - 57,000	\$52,583
6	\$0 - 40,000	\$40,000 - 60,000	\$59,304
More than 6	\$0 - 43,000	\$43,000 - 60,000	\$66,027

FIGURE I

LAM's financial eligibility guidelines are the highest among the provincial legal aid plans for a single person and for all family sizes. Figure 2 shows the financial eligibility guidelines for a one person family across Canada.

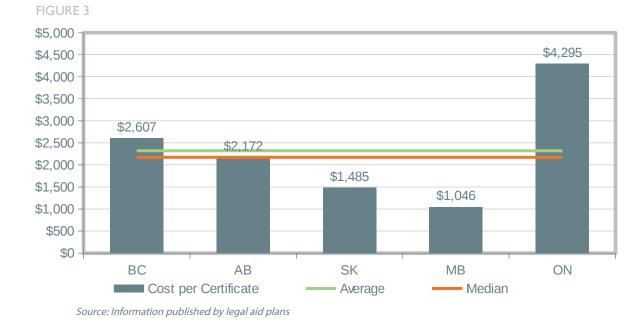
FIGURE 2



\* Jurisdictions that calculate financial eligibility guidelines on a net income amount were adjusted to the gross amount for the comparative purposes. Source: Information published by legal aid plans

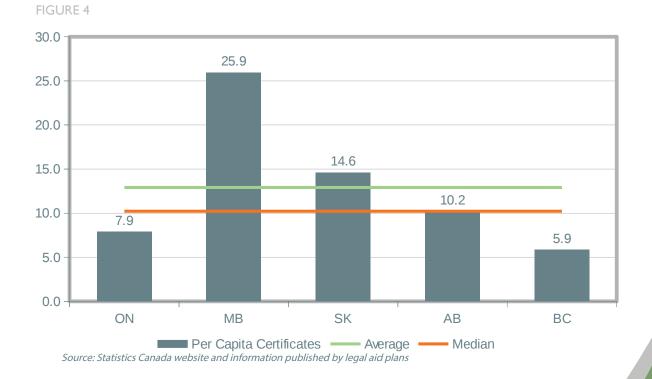
### **Cost-Effective Delivery of Services**

LAM is focused on innovations and practices that lead to overall efficiency in the delivery of full representation legal services, while still providing effective legal representation. As a result, our cost per certificate is the lowest when compared to other legal aid plans (see Figure 3) even as we provide more full representation certificates per capita than any other legal aid plan (see Figure 4).



**66** A critical barrier to the public's access to the justice system is the cost of legal services, which **79** can be prohibitive not only for the poor but also for the middle class.

-----REPORT OF THE ACCESS TO LEGAL SERVICES WORKING GROUP Action Committee on Access to Justice in Civil and Family Matters



### **Scope of Service Details**

Scope of services provided by legal aid plans across Canada:

Legal Aid Manitoba's (LAM's) purpose is to serve the public interest by providing low-income individuals and groups with fundamental and essential legal "advice" and "representation" services that:

- fulfil Manitoba's constitutional obligation to ensure procedural and substantive fairness in the administration of justice; and
- address the constitutional principles of "fairness" and "efficiency" in the areas of:
  - Criminal defence (adult and youth);
  - Child Protection;
  - Family Law;
  - Immigration and Refugee;
  - Poverty Law issues including disputes involving housing issues, government benefits and *Mental Health Act* detentions; and
  - Public Interest (Indigenous, consumer and environmental).

LAM provides more representation services to more people, in more areas of law, than any other provincial legal aid plan (see Figure 5).

FIGURE 5	NL	PE	NS	NB	QC	ON	MB	SK	AB	вс	ΥT	NT	NU
Legal Information		~	~			~				~	~		
Legal Advice (not Duty Counsel)	~	~	~			~	~			~	~		~
Criminal Representation													
Likelihood of jail	~	V	~	~	~	<b>v</b>	×	<b>v</b>	~	~	~	~	<b>v</b>
Loss of means of earning a living	~	V	~	~	~	<b>v</b>	V	~	~	~	~	~	~
Youth	~		~	~	~	<b>v</b>	1	~	~	~	~	~	~
Traffic/By-law Offences (unrelated to other CC charges)	~					V	~				~		~
Other factors						1				2			
Mental Health Reviews	~	<b>v</b>	~		~	<b>v</b>	<ul> <li>✓</li> </ul>		~	~	~		~
Institutional Disciplinary Hearings			~		~	~	~		~	~	~		~
Family Representation													
Simple Divorce	~	<b>v</b>	~		~	~	<ul> <li>✓</li> </ul>				~		<b>v</b>
Divorce with corollary	~		~		~	~	×	~	~	~	~		~
Property Division (never alone)	~	~	~		~	~	×		~	~	~		<b>v</b>
Family Maintenance Act	~	~	~	~	~	~	1	~	~	~	~	~	~
Emergency Protection	~	~	~	~	~	~	×	~	~	~	~	~	~
Child Welfare	~	~	~	~	~	~	×	~	~	~	~	~	<b>v</b>
Civil Representation													
Mental Health Act	~	~	~		~		×		~		~		<b>v</b>
Income Support	~	~	~	~	~	V	×	~	~	~	~	~	~
Residential Tenancy			~				×				~		<b>v</b>
Public Interest													
Indigenous, Consumer, Environmental, Human Rights			~			✓ 3	~						✓ 4
Law Reform/Test Cases			~			~	×						
Immigration - Refugee/ Deportation	~				~	~	~		~	~			

<sup>1</sup> Member of vulnerable group i.e. First Nation, mental health or addiction issues
 <sup>2</sup> Indigenous and case impacts your ability to follow traditional livelihood
 <sup>3</sup> Consumer Law Excluded

<sup>4</sup> Consumer and Environmental Law Excluded

Source: Statistics Canada website and information published by legal aid plans

### **Central Administrative Expenditures**

LAM delivers services in a cost-effective and efficient manner by removing waste and inefficiencies from its processes and structure using sound business practices and principles.

LAM's administrative costs, as a percentage of total expenditures, are the lowest among all legal aid plans across Canada. As a result, a greater number of Manitobans living near the poverty line can access LAM's essential advice and representation services (see Figure 6).

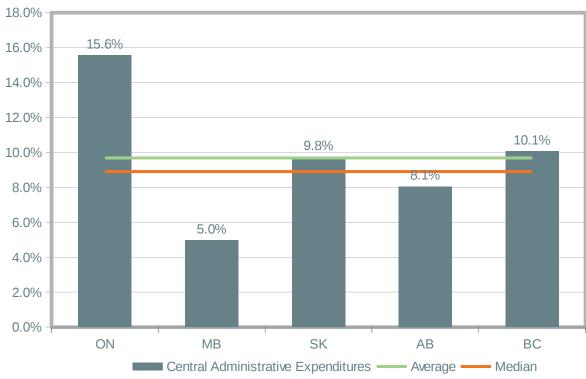


FIGURE 6

Source: Information published by legal aid plans

# Image: Additional additi

### **Stakeholder Engagement and Corporate Responsibility**

Legal Aid Manitoba (LAM) serves the public interest by providing quality legal advice and representation services to eligible low-income individuals and groups in an accountable and transparent manner, with an emphasis on:

- openness;
- ethical standards;
- performance outcomes; and
- fiscal responsibility.

Stakeholders play a key role in LAM's strategic planning and implementation process. Stakeholder engagement ensures that Management Council's oversight of LAM emphasizes the following principles:

### 1. Transparency

The principle that LAM will conduct its business in an accessible, clear and visible manner and that its activities are open to examination by its stakeholders.

### 2. Accountability

The principle that LAM is obligated to demonstrate and take responsibility for its actions, decisions and policies, and that it is answerable to the public at large.

In consultation with stakeholders, we will continue our efforts to advance LAM's strategic objectives, and increase access to justice.

### The Law Society of Manitoba

The purpose of The Law Society of Manitoba is to uphold and protect the public interest in the delivery of legal services with competence, integrity and independence. One of our strategic objectives is to demonstrate leadership in the advancement, promotion and facilitation of increased access to justice for all Manitobans. To help us achieve that goal we are working to increase and improve collaboration with other justice system stakeholders including Legal Aid Manitoba. Representatives from Legal Aid Manitoba are on the Society's Access to Justice Committees and the organization's input on access issues is invaluable as its lawyers and administrative law advocates come into daily contact with Manitobans who require legal advice and representation. Without the assistance of those lawyers and advocates, many members of the public - including some of Manitoba's most vulnerable persons - would have to attend hearings on their own. It is fair to say that those kinds of circumstances put access to justice out of reach of the poor and working poor.

Legal Aid has demonstrated a real commitment to improve access by increasing its income guidelines, putting its application form online to expedite the appointment of counsel and introducing an Agreement to Pay program which affords legal representation to a wider range of people. Simply put, Legal Aid Manitoba provides an essential public service and The Law Society is pleased to continue its collaboration with the organization to improve access to justice in this province.

### **Manitoba Bar Association**

The Manitoba Bar Association (MBA) fully supports the work of Legal Aid Manitoba (LAM). It is through publiclyfunded legal aid programs that the justice system remains fair and accessible to our community's most vulnerable and disadvantaged citizens. The MBA commends LAM in ensuring that Manitoba is a fair and just society by providing legal representation to low-income Manitobans covering a broad spectrum of matters, including criminal matters, family matters, immigration matters, and matters of interest to the public (through the Public Interest Law Centre).

> ----MELISSA BEAUMONT President Manitoba Bar Association



**Mental Health Review Board** 

The Mental Health Review Board deals primarily with people who are involuntary patients in mental health facilities. Most applicants to the board are being deprived of their personal liberties and freedoms when they apply. Legal Aid Manitoba has adopted an innovative process to help ensure every applicant who wants counsel to help them at a hearing before the board can exercise that right. It plays a critical role in people's lives during a very vulnerable time, ensuring applicants are heard, and helps ensure rights are protected and respected while the board seeks to balance liberties with the need for individuals to receive treatment.

> —EILEEN O'DONNELL Administrator Mental Health Review Board

### **Inclusion Winnipeg**

Access to justice is restricted for marginalized groups of people, and people with intellectual disabilities experience discrimination and barriers to justice at a significantly higher rate than most citizens. Together with the people we support, Inclusion Winnipeg is grateful for the work the Public Interest Law Centre carries out on their behalf.

This year, Inclusion Winnipeg, a member of the Coalition of Vulnerable Persons, celebrated the court ruling on the *Stadler* case that paved the way for the Social Services Appeal Board to hear *Charter* cases. It truly was "a victory for those who believe in fairness and equal treatment for all Manitobans". It was a step closer to full access to the *Charter* for people who continue to be represented at the highest level of complaints to the Human Rights Commission.

The Public Interest Law Centre (PILC - an office of Legal Aid Manitoba) fills a significant gap in our community for people who would not otherwise have their voice heard. Representing people who are denied eligibility to the services they require such as the Community Living Disability Services is another example of the important and critical work that the PILC team does to benefit people with intellectual disabilities and their families. We believe when those individual cases are won we move closer to greater access for all.

Thank you. We couldn't do the work or see the results without you and we look forward to another year of collaboration in pursuit of justice.

—JANET FORBES Executive Director Inclusion Winnipeg

### **Court of Queen's Bench of Manitoba (Family Division)**



Legal Aid Manitoba (LAM) affords invaluable legal services to thousands of low-income members of our community. A good deal of the legal services given by LAM relates to family law and child protection issues. Through the legal advice and assistance those individuals receive from LAM, they are empowered to not only access justice but also to advance, protect and enforce their legal rights and those of their children. The parties benefit immeasurably, and so does the Court. The board members and staff of LAM deserve to be commended and supported by the broader community in which its good work is carried out.

### **Council of Canadians with Disabilities (CCD)**

Throughout 2017, the Council of Canadians with Disabilities (CCD) continued to greatly benefit from Public Interest Law Centre's (PILC – an office of Legal Aid Manitoba) generous support and solidarity with persons with disabilities. PILC lawyer, Joëlle Pastora Sala, continued to serve on the CCD's Human Rights Committee and provide her expertise to help guide the CCD's strategic litigation and human rights advocacy. The CCD was also grateful for PILC's pro bono intervention in *Delta Airlines v. Lukas* before the Supreme Court of Canada and in *Finlay v. Sunwings Airlines* before the Canadian Transportation Agency.

The interests of persons with disabilities are best served when we develop strong partnerships with organizations like PILC and Legal Aid Manitoba, with a specific mandate to promote access to justice for members of historically disadvantaged groups who develop an expertise, in substantive and in form, in representing us throughout the years. We are so grateful for this gesture of solidarity.

—ANNE LEVESQUE Chair, Human Rights Committee Council of Canadians with Disabilities

### **Canadian Automobile Association (CAA) Manitoba**

On behalf of CAA Manitoba, it is with great respect that I write to congratulate the Public Interest Law Centre of Manitoba (PILC- an office of Legal Aid Manitoba) on its 35<sup>th</sup> anniversary of providing a valuable public service in our province.

PILC's dedication to serving the community and those most vulnerable is clear. Many voices would go unheard and many people would be under-represented without the services of your passionate lawyers and advocates.

CAA Manitoba is pleased to have worked with PILC numerous times over the past two decades. The support, feedback and sage advice from PILC to our organization has been invaluable. Chief among our interactions has been as a fellow intervener at the Manitoba Public Insurance General Rate Application before the Public Utilities Board. CAA Manitoba has participated in these hearings for 23 years and we appreciate that PILC has become increasingly focused on better road safety programming to ensure auto insurance rates are fair and reasonable. We can confidently say that thanks to PILC's involvement at these hearings, Manitobans can have more faith that their interests are being looked after.

The hard-working, principled PILC team take on legal challenges with enthusiasm, and are fortunate to have Dr. Byron Williams on the team. Dr. Williams' passion for law, and his experience and leadership are a boon to his colleagues and the community through PILC. Whether the team is providing mentorship to young lawyers or advocating on behalf of clients, PILC's unwavering compassion and work is not only inspiring, it makes a positive impact on our city, province and nation at large.

Once again, congratulations on 35 years of serving our community and enhancing the lives of countless Manitobans. We look forward to working with the Public Interest Law Centre of Manitoba for many years to come.

> —MICHAEL R. MAGER, FCPA, FCMA President CAA Manitoba

### **Provincial Court of Manitoba**



The Judges of the Provincial Court of Manitoba see on a daily basis the service that Legal Aid Manitoba provides to those charged with criminal offences, involved in family court proceedings and child protection proceedings. The Provincial Court is grateful for the legal assistance that is provided to those most vulnerable in our society. Legal Aid Manitoba plays an important role in the delivery of a justice system that is accessible and fair to all.



### **Criminal Defence Lawyers Association of Manitoba (CDLAM)**

The Criminal Defence Lawyers Association of Manitoba (CDLAM) represents the majority of the criminal defence lawyers currently practicing in Manitoba. Our mandate is:

- to foster, maintain and encourage the integrity, independence and expertise of the defence lawyer in criminal cases;
- to properly represent the interests of all criminal lawyers in the Province of Manitoba in their communication with the Bar, the judiciary, legislative bodies, and the public while preserving the adversarial system and maintaining independent and able practice of criminal defence law;
- to promote the study and research in the practice of criminal defence law and the related arts;
- to disseminate by lecture, seminars and publications the advancement of the knowledge of the law as it relates to the field of criminal defence practice;
- to promote the proper administration of criminal justice;
- to provide a forum for the material exchange of information regarding the administration of criminal justice; and
- to honour and safeguard the legal rights enshrined in the *Canadian Charter of Rights and Freedoms* and to promote the interests of accused persons in the judicial and correctional systems.

Our organization is committed to a strong working relationship with Legal Aid Manitoba as we understand the importance of an independent and properly funded legal aid system. The services provided by Legal Aid Manitoba are integral to the fair and proper functioning of the criminal justice system in Manitoba. We continue to work together to ensure that counsel are compensated appropriately for the work they do on behalf of their clients.

Both organizations are committed to the goal of access to justice for low-income individuals and recognize the importance of safeguarding the rights of the accused in the criminal justice system. A fair and balanced system would not be possible without the efforts of our two organizations.

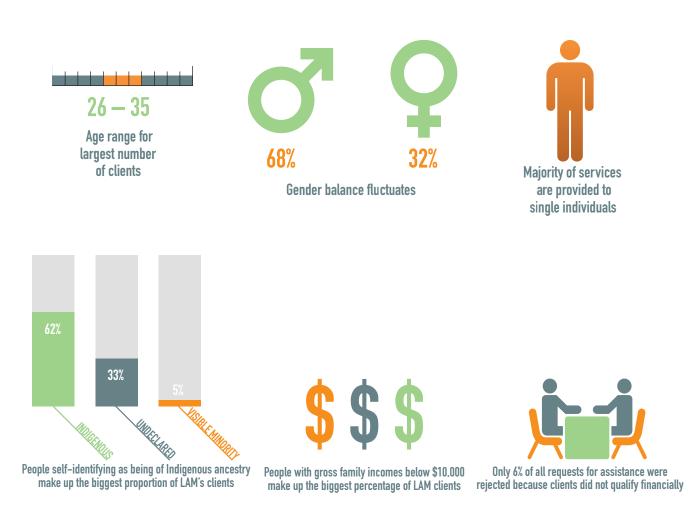
—JODY OSTAPIW President Criminal Defence Lawyers Association of Manitoba

### Who We Serve

Legal Aid Manitoba (LAM) provides legal services to low-income adults and youth in Manitoba who:

- qualify financially; and
- have a case with merit.

LAM collects statistics on the age, gender, family size, ethnicity and income of people that receive legal aid services. Over the years, statistics show:



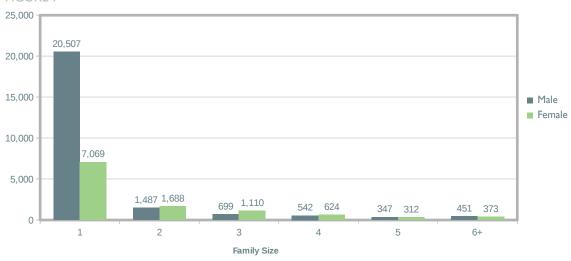
The focus must be on the people who need to use the system; all people, especially members of immigrant, aboriginal and rural populations and other vulnerable groups.



-ACCESS TO CIVIL AND FAMILY JUSTICE A Roadmap for Change; Action Committee on Access to Justice in Civil and Family Matters

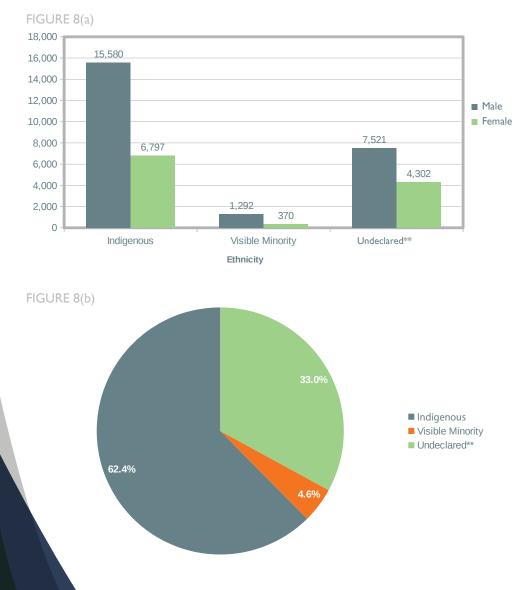
### **Client Family Size by Gender Distriution**

Majority of services are provided to single individuals. FIGURE 7



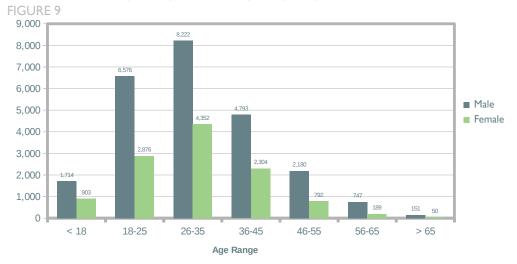
### **Ethnicity by Gender Breakdown**

People self-identifying as Indigenous are the biggest percentage of Legal Aid Manitoba (LAM) clients. Undeclared\*\* in Figures 8(a) and 8(b) represent all other ethnicities and people who did not declare as being Indigenous or a Visible Minority.



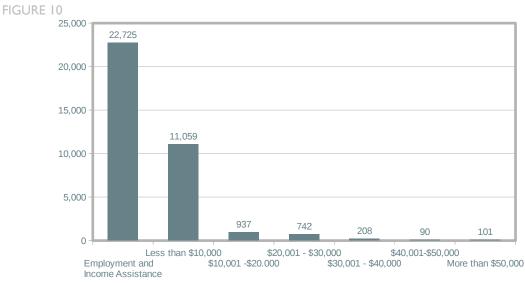
### **Client Age by Gender Distribution**

LAM's client base falls primarily in the 26-35 year age range.



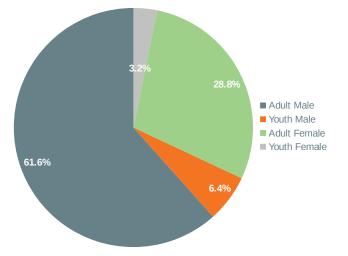
### **Income Breakdown**

People in receipt of Employment and Income Assistance benefits and those with gross family incomes below \$10,000.00 make up the biggest percentage of LAM clients.



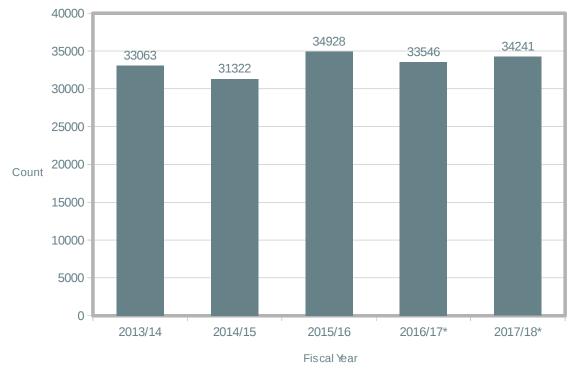
### **Client Breakdown**

Adult males make up the biggest proportion of LAM clients (62.0%). FIGURE 11



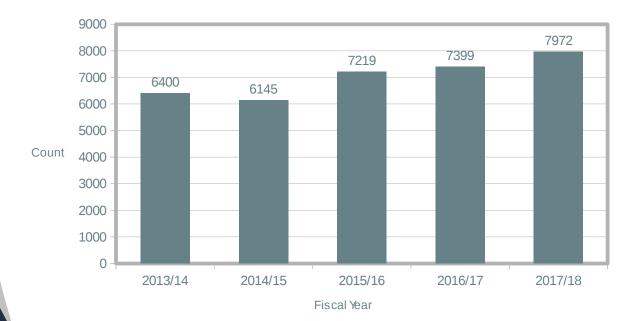
### **Service Delivery Outcomes**

FIGURE 12 Applications Received



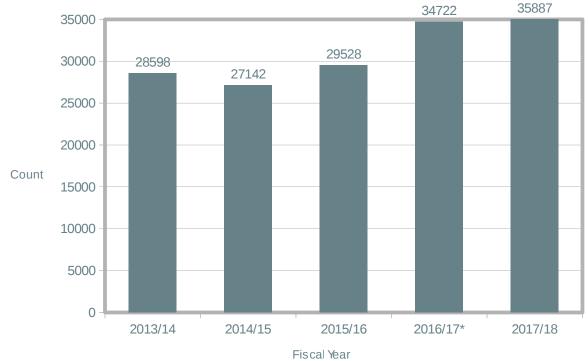
\* Legal Aid Manitoba no longer tracks subsequent legal matters as separate applications. FY 2016/17 statistics were adjusted eliminating subsequent legal matters.





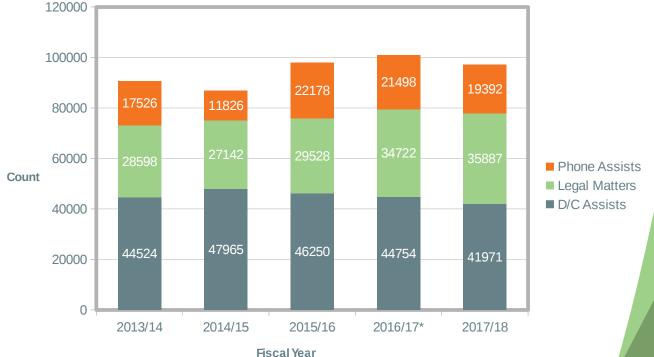


Legal Matters Approved and Issued



<sup>\*</sup> FY 2016/17 statistics were readjusted to include University of Manitoba CLC matters into legal matters issued.



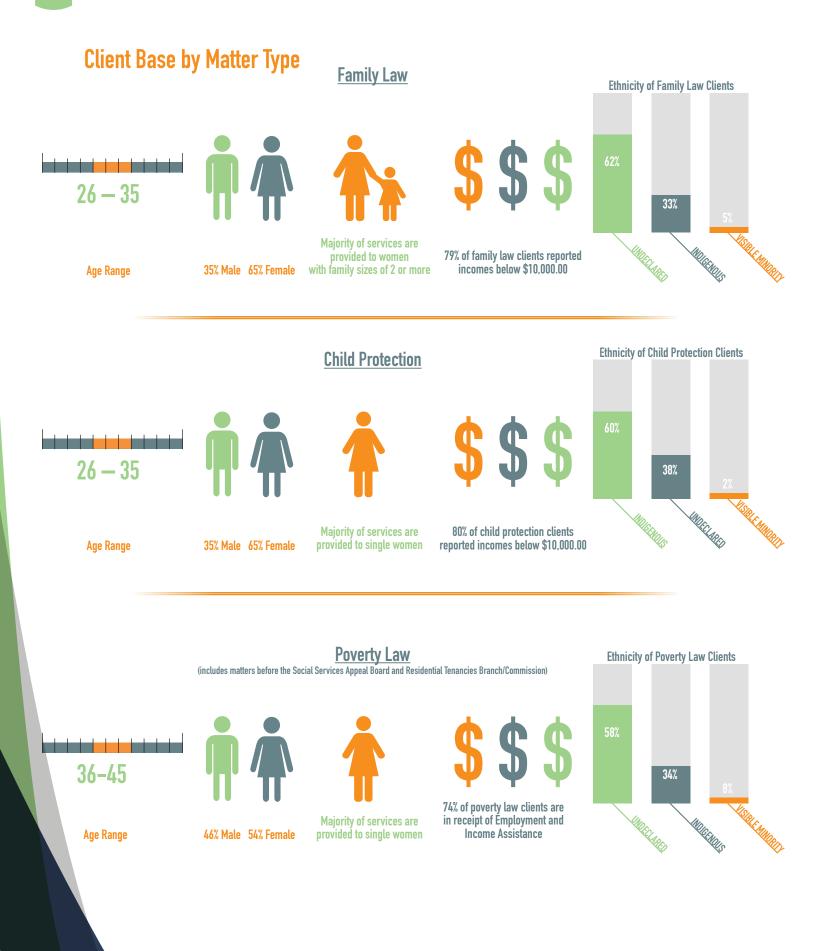


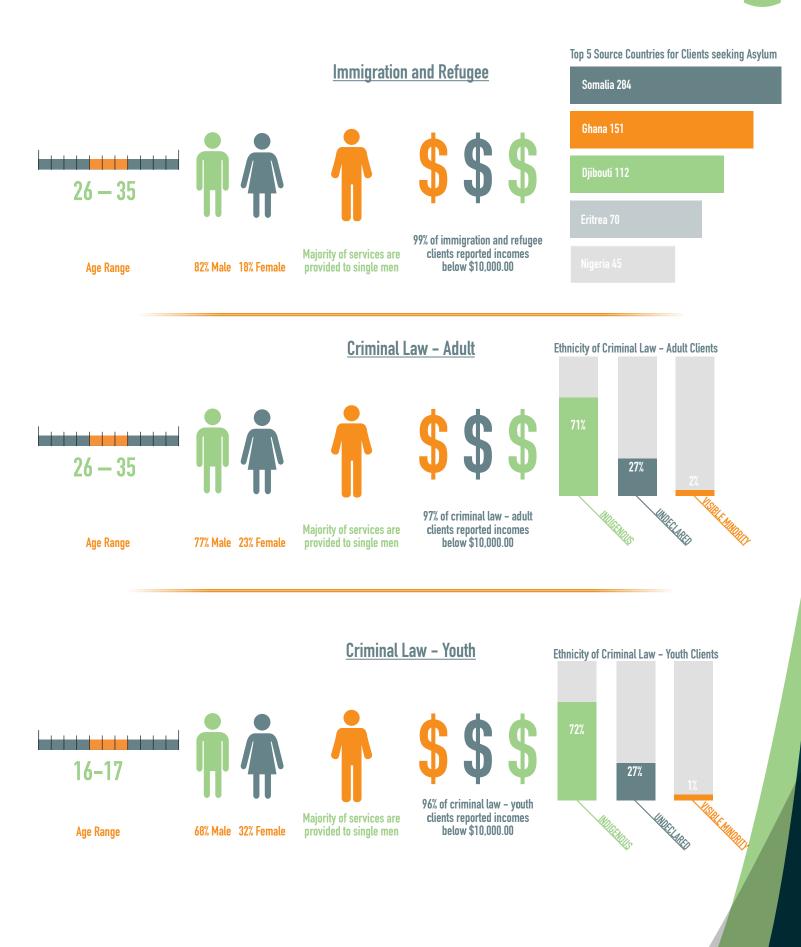
\* FY 2016/17 Drop-In/Phone Assist statistics were readjusted moving University of Manitoba CLC matters to legal matters issued.

LAM provides duty counsel services to individuals, regardless of their financial circumstances, in many rural circuit points, and the service has been re-introduced in Winnipe to ensure immediate access to justice where the assistance of legal coursel is reasonably required to prevent a miscarriage of justice and/or fulfil the *Charter* right to coursel primarily in the areas of criminal defence and child protection. Duty coursel services include:

- meeting with unrepresented persons at court to provide urgent advice and assistance as needed;
   remanding matters from time to time for the appointment or retention of counsel;

prejudice the interests of the Accused, or where a Judge directs that assisting with impromptu bails, guilty pleas, and negotiated settlements with the Crown where a remand for counsel would significantly prejudice the interests of the Accused, or where a Judge directs that assistance be provided for the instant sitting of the court.





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### Journey to Reconciliation Pimohtéwin tati mínowastánowahk

The Canadian Constitution recognizes three groups of Indigenous Peoples, each with unique cultural practices, heritages, beliefs, protocols and languages.



Descendants of the original inhabitants of Canada who have lived here for thousands of years.



### MÉTIS

Descendants of communities that have historic links to the fur trade with a unique mixed First Nations and European heritage.



### INUIT

Inuit are the Indigenous Peoples of the Arctic, living mainly in Northern Quebec, Northwest Territories, Nunavut and Labrador.



The justice committee program in Pukatawagan was developed to assist members of our community to focus on their lives for a better future. We hope our members learn from their actions and apply those lessons in everyday life. Foremost, we aim to maintain our language, customs, values, beliefs, and culture. All my relations. Legal Aid Manitoba's support for our pursuit of these community goals demonstrates a spirit of respect, engagement, inclusivity and reconciliation.

> —LLOYD DANIELS Community Justice Worker of Nihithawak Justice Committee Based out of Mathias Colomb Cree Nation

### Access to justice concerns remain particularly acute for Indigenous people in Manitoba as they are over-represented in the criminal justice and child welfare systems and experience poverty well above the provincial average.

—ALLISON FENSKE and BEVERLY FROESE Public Interest Law Centre Justice Starts Here: A One-Stop Shop Approach for Achieving Greater Justice in Manitoba

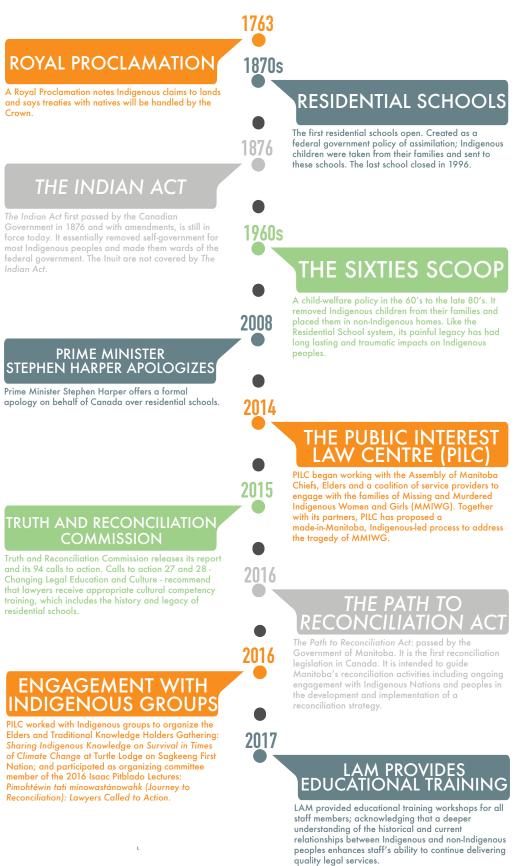
The provision of services to Indigenous peoples and communities is a sizable core component of Legal Aid Manitoba's (LAM's) mandate. As an organization, LAM promotes the following principles:

- Respect: Respect for Indigenous nations, Indigenous Peoples and all Manitobans that access our services;
- Engagement: Engagement with Indigenous nations, Indigenous Peoples and other key stakeholders to inform our strategic planning and implementation; and
- Action: Concrete and constructive action that improves access to our advice and representation services for Indigenous and non-Indigenous Manitobans in the areas of criminal defence, child protection, family, immigration and refugee, public interest and poverty law matters.

LAM is committed to ongoing engagement with Indigenous Peoples and communities to ensure that they are treated fairly, respectfully and equitably in the justice system.



### Journey to Reconciliation: Connecting the Past, Shaping the Future



### **Statistics**

Community Law Centre (CLC) Statistics									
	Supervising Attorney			Support Staff	Total				
Winnipeg Offices:									
Agassiz CLC	I.	4	0	I.	5	П			
Child Protection Law Office	I.	2	I.	I.	2	7			
Criminal Duty Counsel Office	T	5	0	0	I.	7			
Phoenix CLC	T	4	0	I.	3	9			
Public Interest Law Centre	I.	3	3	- I	2	10			
Regency CLC	T	3	0	I.	2	7			
Riel CLC	T	4	0	I.	2	8			
Riverwood CLC	T	4	0	I.	2	8			
University of Manitoba CLC	T	0	0	0	I.	2			
Willow CLC	T	3	0	I.	4	9			
Outlying Offices:									
Amisk CLC, Dauphin	I.	3	0	0	3	7			
Northlands CLC, The Pas	I.	2	0	2	2	7			
Thompson CLC, Thompson	T	3	I.	2	2	9			
Westman CLC, Brandon	T	2	0	0	3	6			
All Community Law Centres	14	42	5	12	34	107			

Service Delivery Volumes	2017/18	2016/17
Application Services		
Applications Received 1	34,241	33,546
Applications Rejected	7,972	7,399
Legal Matters Issued (Opened Cases)		
Criminal Adult	23,898	23,062
Criminal Youth	3,180	3,537
Family	4,740	4,596
Child Protection	2,176	2,232
Immigration	939	308
University of Manitoba Community Law Centre	525	580
Civil <sup>2</sup>	429	407
Total Legal Matters Issued (a) <sup>3</sup>	35,887	34,722
LM issued to Private Bar	25,781	24,591
LM issued to Staff	10,106	10,131
Other Services		
Duty Counsel Assists (b)	41,971	44,754
Drop-In and Phone Assists (c) <sup>4</sup>	19,392	22,498
TOTAL ASSISTS (a + b + c) <sup>5</sup>	97,250	100,974
Legal Matters Closed		
Criminal Adult	24,431	22,096
Criminal Youth	3,457	3,613
Family	5,023	4,426
Child Protection	2,498	2,010
Immigration	543	216
University of Manitoba Community Law Centre	529	646
Civil	129	172
Total Legal Matters Closed	36,610	33,179
LM closed by Private Bar	26,129	22,914
LM closed by Staff	10,481	10,265

<sup>1</sup> Up to 2016/17, LAM reported additional legal matters originating from the same application as additional applications. Beginning in 2017/18, LAM is reporting actual applications received to increase transparency and to increase comparability of statistics with other legal aid plans across the country. FY 2016/17 applications have been restated.

<sup>2</sup> Civil includes the following legal matters: Residential/Landlord Tenant claims, mental health matters, Workers Compensation claims, Public Interest Law Centre, Employment and Income Assistance matters, civil appeals, other civil and administrative matters.  $^3$  LAM uses a mixed-model service delivery system. In 2017/18, the ratio of private bar to staff services was 72:28 (71:29).

<sup>4</sup> Includes assists provided through LAM's application centres, *Brydges* On-Call and general assistance calls. FY 2016/17 statistics were readjusted moving University of Manitoba Community Law Centre matters to legal matters issued.

<sup>5</sup> At the end of March 31, 2018 a total of 97,250 (100,974) people were assisted either on a formal or informal basis. This represents a decrease of 3.7% over the previous fiscal year. For 2017/18, LAM observed decreases in duty counsel assists and drop-ins/phone assists, but experienced a 3% increase in legal matters issued.

# Financial Overview

#### Sources of Funding

During 2017/18, Legal Aid Manitoba (LAM) received funding from three sources:

- 1. Funds appropriated by the Provincial Government through Manitoba Justice.
- 2. Statutory and discretionary grants from the Manitoba Law Foundation.
- 3. Contributions from clients, costs awarded by the Court on behalf of clients, project funding, interest earned on monies invested, and miscellaneous receipts.

The Government of Canada reimbursed the Province for some of the legal aid expenditures on federal criminal matters (adult and youth) and immigration and refugee matters. The contribution agreement expired on March 31, 2018.

#### **Distribution of Funding**

LAM divides its budget into three areas: direct legal service provided through staff; direct legal services provided through the private bar; and administration. The table below shows the distribution.

#### Significant Pressures

Volume Increase – increases in some criminal adult and youth matters, mainly in administrative charges increased the cost of services provided by the private bar over the past year. The private bar continues to absorb the majority of these increases.

Immigration and Refugee Matters (I&R) – the significant increase in applications from asylum seekers that began in November, 2016 continued into 2017/18. The number of legal matters increased by 305% over 2016/17 and the cost of providing I&R services increased by 219% compared to last year. There has been a slow down of applicants since February, 2018 but it is yet unknown if this trend will continue into 2019.

The Legal Aid Lawyers' Association and the Province concluded negotiations of a new collective bargaining agreement covering the period March, 2014 to March, 2019. Retroactive pay and benefits were accrued in 2017/18. This increase was funded from LAM's accumulated surplus.

	2018 (\$000's)	2017 (\$000's)
Operating Fund Revenue:		
Appropriation	\$33,983	\$32,278
Manitoba Law Foundation	\$1,274	\$1,274
Other – 1	\$2,236	\$3,001
Total	\$37,493	\$36,553
<b>Operating Fund Expenses:</b> Private bar – 2	\$16,546	\$14,865
Direct legal services – 3	\$21,141	\$19,256
Administration – 4	\$1,716	\$1,804
Total	\$39,403	\$35,925
Excess (deficiency) of revenue over expense	-\$1,910	\$628

- 1 Other includes client and third party recoveries, net of bad debt expense and collection fees.
- 2 Private bar fees and disbursements include an accrual for cases outstanding at year end.
- 3 Direct legal services expenditures include salaries and benefits, travel, provision of legal services, taxation, collection and other legal expenses.
- 4 Administration include Management Council, the Executive Management Committee, and other administrative expenses for Winnipeg.

# **Responsibility for Financial Reporting**

The accompanying financial statements of Legal Aid Manitoba are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards for the year ended March 31, 2018.

As management is responsible for the integrity of the financial statements, management has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss.

The responsibility of the Auditor General is to express an independent professional opinion on the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

-ijb

GIL CLIFFORD Executive Director Legal Aid Manitoba

July 11, 2018

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# **Auditor's Report**



To the Legislative Assembly of Manitoba To the Management Council of Legal Aid Manitoba

We have audited the accompanying financial statements of Legal Aid Manitoba, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Legal Aid Manitoba as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Office of the Andrew General

Office of the Auditor General July 11, 2018 Winnipeg, Manitoba

> 500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169 www.oag.mb.ca

# **Statement of Financial Position**

#### Statement of Financial Position as at March 31, 2018

	2018		_	2017		
ASSETS						
Current Assets						
Cash	\$	\$4,182,525	¢	\$3,861,336		
Short-term investment	Ψ	2,846,189	Ψ	2,815,256		
Client accounts receivable (Note 3)		163,330		159,147		
Receivable from the Province of Manitoba		2,476,025		3,460,000		
Other receivables (Note 4)		386,647		122,742		
Prepaid expenses		227,695		240,851		
		10,282,411		10,659,332		
Capital Assets (Note 5)		235,493		291,096		
Long-term receivable – charges on land (Note 6)		829,621		825,069		
Long-term receivable – severance – Province of Manitoba (Note 7)		716,166		716,166		
Long-term receivable – pension – Province of Manitoba (Note 14)		27,732,851		26,035,448		
		29,278,638		27,576,683		
	\$	39,796,542	\$	38,527,111		
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	\$	3,650,266	\$	2,560,094		
Accrued vacation pay		1,365,005		1,219,142		
Deferred revenue from clients		715,379		643,027		
	3	5,730,650	-	4,422,263		
Provision for employee future benefits (Note 8)		3,186,824		3,012,904		
Provision for employee pension benefits (Note 14)		27,732,851		26,035,448		
		30,919,675		29,048,352		
Net Assets		005 400		001 000		
Invested in Capital Assets		235,493		291,096		
Externally Restricted Net Assets (Note 15)		78,559		78,559		
Internally Restricted Net Assets – Access to Justice (Note 16)		1,500,000 600,000		1,500,000 600,000		
Internally Restricted Net Assets – Mega Case Fund (Note 17) Unrestricted Net Assets						
Unrestricted Net Assets		732,165	-	2,586,841		
		3,146,217		5,056,496		
	\$	39,796,542	\$	38,527,111		
Approved by the Management Council						

Chairperson Bin Tulue Council Mem Council Member

# **Statement of Operations**

# Statement of Operations for the year ended March 31, 2018

	 2018	2017
Revenue		
Province of Manitoba (Note 9)	\$ 33,983,102 \$	33,811,277
Manitoba Law Foundation (Note 10)	1,273,701	1,273,629
Contribution from clients	787,038	613,313
Recoveries from third parties	1,514,157	914,262
Judgement costs and settlements	342,327	275,850
Interest income	48,252	33,019
Other	7,867	11,814
	 37,956,444	36,933,164
Expense Private bar fees and disbursements (Note 13) Legal aid certificates Duty counsel services Transcripts	 15,972,474 454,852 119,244 16,546,570	14,367,137 383,587 114,439 14,865,163
Community Law Centres, Schedule 1 Public Interest Law Centre, Schedule 1	15,721,770 1,928,189	14,657,064 1,552,663
University of Manitoba Community Law Centre, Schedule 1	212,579	200,854
General and Administrative, Schedule 1	 5,457,615	5,029,399
	 39,866,723	36,305,143
Excess (Deficiency) of revenue over expense	\$ (1,910,279) \$	628,021



# **Statement of Changes in Net Assets**

# Statement of Changes in Net Assets for the year ended March 31

			201	8			2017
	Invested in Capital Assets	Externally Restricted Net Assets (Note 15)	Internally Restricted Net Assets (Note 16)	Internally Restricted Net Assets (Note 17)	Unrestricted Net Assets	Total	Total
Balance, Beginning of Year Excess (deficiency) of	\$ 291,096	78,559	1,500,000	600,000	2,586,841	5,056,496	4,428,475
revenue over expense	-	-	-	-	(1,910,279)	(1,910,279)	628,021
Capital Asset Additions	8,853	-	-	-	(8,853)	-	-
Capital Asset Amortization	(64,456)	-	-	-	64,456	-	-
BALANCE, END OF YEAR	\$ 235,493 \$	78,559	\$ 1,500,000 \$	600,000 \$	732,165 \$	3,146,217 \$	5,056,496

# **Statement of Cash Flow**

# Statement of Cash Flow for the year ended March 31

	2018			2017		
Cash Flow Provided by (Used In) Operating Activities:						
Excess (Deficiency) of revenue over expense	\$	(1,910,279)	\$	628,021		
Add items not affecting cash						
Amortization		64,456		78,787		
Changes in working capital:						
Client accounts receivable		(4,183)		7,803		
Province of Manitoba receivable		983,975		(10,000)		
Other receivables		(263,905)		54,007		
Prepaid expenses		13,156		(2,292)		
Accounts payable and accrued vacation pay		1,236,035		82,339		
Deferred revenue		72,352		234,974		
Charges on land		(4,552)		(12,488)		
Long-term funding commitments - pension		(1,697,403)		(1,470,678)		
Severance liability		171,320		106,829		
Sick leave liability		2,600		(24,200)		
Provision for employee pension benefits		1,697,403		1,470,678		
		360,975		1,143,780		
Cash Flow Used in Investment Activities:						
Increase in short term investment		(30,933)		(25,668)		
Purchase of capital assets		(8,853)		(70,805)		
		(39,786)		(96,473)		
Net Increase in Cash for the Year		321,189		1,047,307		
Cash - Beginning of Year		3,861,336		2,814,029		
Cash - End of Year	\$	4,182,525	\$	3,861,336		
Supplemental Cash Flow Information		2018		2017		
Interest Received	\$	48,252	\$	33,019		

# Schedule of Expenses

SCHEDULE 1

Schedule of Expenses for the year ended March 31

	Community Law Centres	w Centres	Public Interest Law Centre	aw Centre	University of Manitoba Community Law Centre	Manitoba w Centre	General and Administrative	ministrative	Total	_
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Advertising	\$13,798	\$16,898	\$0	\$0	\$0	\$0	\$0	\$236	\$13,798	\$17,134
Amortization	38,852	29,414	2,653	2,753	629	1,019	22,322	45,601	64,456	78,787
Bad debts	0	0	0	0	0	0	458,827	372,780	458,827	372,780
Bank charges	0	0	0	0	0	0	4,197	3,980	4,197	3,980
Collection costs	0	0	0	0	0	0	4,374	7,629	4,374	7,629
Computer costs	38,420	29,489	644	6,915	0	1,494	18,921	14,270	57,985	52,168
Council expenses	0	0	0	0	0	0	86,901	84,923	86,901	84,923
Duty counsel	229,606	219,416	4,283	4,094	819	538	120	720	234,828	224,768
Equipment maintenance	73,545	66,810	6,262	5,419	1,503	1,503	19,631	25,089	100,941	98,821
File disbursements	254,554	227,489	686,358	399,815	9,448	8,872	27,153	25,175	977,513	661,351
Library	89,059	79,838	13,014	12,829	829	971	2,588	1,446	105,490	95,084
Meetings	6,333	4,050	13,459	2,974	1,237	362	27,145	39,733	48,174	47,119
Office expenses	226,033	241,164	13,327	13,155	6,327	6,441	70,065	61,225	315,752	321,985
Office relocation	1,165	8,886	0	0	0	0	0	0	1,165	8,886
Pension costs (Note 14)	790,711	796,309	63,447	59,585	10,716	10,730	1,849,562	1,624,262	2,714,436	2,490,886
Premise costs	1,199,755	1,208,974	103,935	100,163	140	167	284,656	277,727	1,588,486	1,587,031
Professional fees	229,363	230,016	19,912	19,800	20	60	142,759	167,674	392,054	417,550
Salaries, benefits, and levy	11,922,959	10,883,223	960,067	886,768	174,159	161,903	2,161,702	2,093,484	15,218,887	14,025,378
Severance benefits	85,681	112,095	0	0	0	0	188,362	106,829	274,043	218,924
Sick leave provision	0	0	0	0	0	0	2,600	(24,200)	2,600	(24,200)
Staff development	58,114	103,016	4,283	6,008	1,359	75	12,169	12,181	75,925	121,280
Staff recruitment	27,832	34,649	261	205	222	455	188	177	28,503	35,486
Telephone	268,811	204,294	21,189	17,893	2,579	2,665	58,125	76,896	350,704	301,748
Transcripts	14,966	17,143	0	0	72	24	0	0	15,038	17,167
Travel	152,213	143,891	15,095	14,287	2,520	3,575	15,248	11,562	185,076	173,315
TOTAL	\$15,721,770	\$14,657,064	\$1,928,189	\$1,552,663	\$212,579	\$200,854	\$5,457,615	\$5,029,399	\$23,320,153	\$21,439,980

# **Notes to Financial Statements**

## LEGAL AID MANITOBA

Notes to Financial Statements for the year ended March 31, 2018

### 1. <u>Nature of the Corporation</u>

Legal Aid Manitoba (the Corporation) was established by an Act of the Legislative Assembly of Manitoba.

The purpose of the Corporation, as set out in the Act, is to service the public interest by:

- a) Providing quality legal advice and representation to eligible low-income individuals;
- b) Administering the delivery of legal aid in a cost-effective and efficient manner; and
- c) Providing advice to the Minister on legal aid generally and on the specific legal needs of low-income individuals.

The Corporation is economically dependent upon the Province of Manitoba. Other revenue sources include the Manitoba Law Foundation, individual clients, and third party agencies.

#### 2. <u>Significant Accounting Policies</u>

#### a) <u>Basis of Presentation</u>

The financial statements are prepared in accordance with the Canadian standards for government not-for-profit organizations ("GNFPO") including Public Sector Accounting Handbook 4200 series as issued by the Canadian Public Sector Accounting Standards Board.

#### b) <u>Financial Instruments</u>

The Corporation's financial instruments include cash, short term investments, client accounts receivable, receivable from the Province of Manitoba, other receivables, long-term receivables, and accounts payable.

Financial assets and liabilities are recognized at cost or amortized cost.

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of revenue and expense in the period the gain or loss occurs.

#### c) <u>Use of Estimates</u>

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

# Notes to Financial Statements for the year ended March 31, 2018

Estimates include the allowance for doubtful accounts, accrual for private bar fees and the provision for employee future benefits and provision for employee pension benefits. Actual results could differ from these estimates.

#### d) <u>Revenue Recognition</u>

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### e) <u>Short-Term Investments</u>

Short-term investments consist of Guaranteed Investment Certificates with maturity dates within one year or that are expected to be cashed within one year.

#### f) <u>Recognition of Contributions from Clients</u>

Clients may be required to pay a portion or all of the legal costs incurred on their behalf by the Corporation based on the clients' ability to pay.

i) Agreements to Pay – Partial

Clients who are able to pay, sign an agreement to pay for their portion of the applicable legal costs. The amount the client is required to pay is specified on the Legal Aid Certificate. The revenue and receivable are recognized when the service is provided.

ii) Agreements to Pay – Full

Under terms of Agreements to Pay - Full, clients are required to pay all of the legal costs and an administration fee of 25% of the Corporation's cost of the case. The maximum administration fee is \$300. The revenue and receivable are recognized based on the date of the lawyer's billing which coincide with when the service is provided.

iii) Charges on Land

Charges on land are registered under section 17 of the *Corporations Act* in a land titles office against property owned by clients. The revenue and receivable are recognized at the later of the date the lien is filed or the date of the lawyer's billing which coincide with when the service is provided. Collection of these accounts in the future is dependent on the client disposing of the property or arranging for payment.

# Notes to Financial Statements for the year ended March 31, 2018

### g) <u>Allowance for Doubtful Accounts</u>

The allowances for doubtful accounts are determined annually based on a review of individual accounts. The allowances represent management's best estimate of probable losses on receivables. Where circumstances indicate doubt as to the ultimate collectability of an account, specific allowances are established for individual accounts. In addition to the allowances identified on an individual account basis, the Corporation establishes a further allowance representing management's best estimate of additional probable losses in the remaining accounts receivable.

### h) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization of capital assets is recorded on a straight-line basis over the estimated useful lives of the capital assets as follows:

- Furniture and office equipment 10 years
- Computer hardware & software 4 years
- Leasehold improvements over the term of the lease

### i) <u>Pension Plan</u>

Employees of the Corporation are pensionable under the *Civil Service Superannuation Act.* The Civil Service Superannuation Plan is a defined benefit pension plan. The Corporation accrues a provision for the liability for the employer's share of employee pension benefits, including future cost of living adjustments, based on actuarial calculations. When actual experience varies from actuarial estimates, the adjustment is amortized over the expected remaining service life of the employee group (EARSL) which is currently 15 years (2017 – 15 years). Amortization commences the year following the year when the actuarial gain or loss arises.

j) <u>Severance Liability</u>

The Corporation records the estimated liability for accumulated severance pay benefits for their employees. The amount of this estimated liability is based on actuarial calculations. The periodic actuarial valuation of this liability may determine that an adjustment is needed to the actuarial calculation when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are recognized on a straight-line basis over the expected average remaining service life (EARSL) of

# Notes to Financial Statements for the year ended March 31, 2018

the related employee group. Amortization commences the year following the year when the actuarial gain or loss arises.

### k) Sick Leave Liability

The Corporation records the estimated liability for accumulated sick leave benefits for their employees. The amount of this estimated liability is based on actuarial calculations. The periodic actuarial valuation of this liability may determine that an adjustment is needed to the actuarial calculation when actual experience is different from that expected and/or because of changes in actuarial assumptions used.

### 3. <u>Client Accounts Receivable</u>

	2018	2017
Agreements to Pay – Partial	\$ 24,211 \$	25,402
Agreements to Pay – Full	 320,209	299,877
	344,420	325,279
Less: Allowance for Doubtful Accounts	181,090	166,132
Client accounts receivable	\$ 163,330 \$	159,147

### 4. <u>Other Receivables</u>

	2018	2017
Court costs	\$ 1,105,003 \$	802,898
Child and Family Services agencies	104,724	74,177
Employment and Income Assistance	63,420	20,267
GST recoverable, and miscellaneous	197,291	15,832
	1,470,438	913,174
Less: Allowance for Doubtful Accounts	1,083,791	790,432
Other receivables	\$ 386,647 \$	122,742

# Notes to Financial Statements for the year ended March 31, 2018

### 5. <u>Capital Assets</u>

	2018 Cost Accumulated Amortization			2017			
					Cost		cumulated nortization
Furniture and office equipment	\$	289,546	\$	248,585 \$	287,278	\$	234,713
Computer hardware & software		330,253		274,721	328,161		245,451
Leasehold improvements		232,353		93,353	232,353		76,532
	\$	852,152	\$	616,659 \$	847,792	\$	556,696
Net book value			\$	235,493		\$	291,096

#### 6. Charges on Land

	2018		2017
Charges on land	\$ 2,008,904 \$	5	1,849,884
Less: Allowance for Doubtful Accounts	1,179,283		1,024,815
Charges on land	\$ 829,621 \$	5	825,069

#### 7. Long-term Receivable - Severance Benefits

The amount recorded as a receivable from the Province of Manitoba for severance pay was initially based on the estimated value of the corresponding actuarially determined liability for severance pay as at March 31, 1998. Subsequent to March 31, 1998, the Province provides annual grant funding for severance expense. As a result, the change in the severance liability each year is fully funded. The interest component related to the receivable is reflected in the funding for severance expense. The receivable for severance pay will be paid by the Province when it is determined that the cash is required to discharge the related severance pay liabilities.

#### 8. <u>Provision for Employee Future Benefits</u>

	2018	2017
Severance benefits	\$ 2,815,224 \$	2,643,904
Sick leave benefits	371,600	369,000
	\$ 3,186,824 \$	3,012,904

# Notes to Financial Statements for the year ended March 31, 2018

#### Severance benefits

Effective April 1, 1998, the Corporation commenced recording the estimated liability for accumulated severance pay benefits for their employees. The amount of this estimated liability is based on actuarial calculations. The periodic actuarial valuation of this liability may determine that an adjustment is needed to the actuarial calculation when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are recognized on a straight-line basis over the expected average remaining service life (EARSL) of the related employee group. Amortization commences the year following the year when the actuarial gain or loss arises.

An actuarial report was completed for the severance pay liability as at March 31, 2018. The Corporation's actuarially determined net liability for accounting purposes as at March 31, 2018 was \$2,815,224 (2017 - \$2,643,904). The report provides a formula to update the liability on an annual basis.

Severance pay, at the employee's date of retirement, will be determined using the eligible employee's years of service and based on the calculation as set by the Province of Manitoba. The maximum payout is currently 23 weeks at the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of 9 years of service and that the employee is retiring from the Corporation.

	2018	2017
Balance at beginning of year	\$ 2,383,900 \$	2,395,237
Benefits accrued	141,067	118,049
Interest accrued on benefits	143,034	143,714
Benefits paid	(102,723)	(152,404)
Actuarial (gain) loss	(150,878)	(120,696)
Balance at end of year	 2,414,400	2,383,900
Unamortized actuarial gains (losses)	400,824	260,004
	\$ 2,815,224 \$	2,643,904

The Corporation's severance costs consist of the following:

	2018		2017	
Benefits accrued	\$	141,067 \$	118,049	
Interest accrued on benefits		143,034	143,714	
Amortization of actuarial losses (gains)		(10,058)	(42,839)	
	\$	274,043 \$	218,924	

# Notes to Financial Statements for the year ended March 31, 2018

Significant long-term actuarial assumptions used in the March 31, 2018 valuation, and in the determination of the March 31, 2018 present value of the accrued severance benefit obligation were:

	2018	2017
Annual rate of return		
Inflation component	2.00%	2.00%
Real rate of return	4.00%	4.00%
	6.00%	6.00%
Assumed salary increase rates		
Annual productivity increase	0.75%	0.75%
Annual general salary increase	2.00%	2.00%
Service, merit, & promotion (SMP) – average	1.00%	1.00%
	3.75%	3.75%

#### Sick leave benefits

Effective April 1, 2014, the Corporation commenced recording the estimated liability for sick leave benefits for their employees that accumulate but do not vest. The amount of this estimated liability is based on actuarial calculations.

An actuarial report was completed for the sick leave liability as at March 31, 2018. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include an annual rate of return of 6.00% and a salary increase rate of 3.75%. The Corporation's actuarially determined net liability for accounting purposes as at March 31, 2018 was \$371,600 (2017 - \$369,000).

# Notes to Financial Statements for the year ended March 31, 2018

## 9. <u>Revenue from the Province of Manitoba</u>

	2018	2017
Grant	\$ 19,534,939 \$	19,117,021
Salaries and other payments	12,266,679	12,445,046
Health and post secondary education tax levy	261,526	267,486
Employer portion of employee benefits	1,919,958	1,918,624
Other government agencies	0	63,100
	\$ 33,983,102 \$	33,811,277

Grant revenue from the Province of Manitoba includes the Corporation's share of provisions recorded for unfunded pension liabilities.

### 10. <u>Revenue from the Manitoba Law Foundation</u>

	2018	2017
Statutory grant	\$ 1,007,701 \$	1,007,629
Public Interest Law Centre	180,000	180,000
University Law Centre	86,000	86,000
	\$ 1,273,701 \$	1,273,629

A statutory grant, pursuant to subsection 90(1) of the *Legal Profession Act*, is received annually from the Manitoba Law Foundation. The Corporation's share under the Act is 50% of the total interest on lawyers' trust accounts as received by the Foundation or a minimum of \$1,007,629, whichever is greater. In the event that interest received by the Foundation in the preceding year, after deduction of the Foundation's operational expenses, is not sufficient to pay the statutory minimum of \$1,007,629 to the Corporation, the Act provides for pro-rata sharing of the net interest.

Other grants from the Manitoba Law Foundation are received pursuant to subsection 90(4) of the *Legal Profession Act*. These grants are restricted for the Public Interest Law Centre and the University Law Centre. At March 31, 2018, all funds received through these grants have been spent in the current year.

Notes to Financial Statements for the year ended March 31, 2018

#### 11. Lease Commitments

The Corporation rents facilities under operating leases. Unpaid remaining commitments under the leases, which expire at varying dates are:

2019	\$ 1,146,614
2020	1,099,030
2021	1,103,774
2022	1,084,881
2023	754,957
Thereafter	 2,399,108
	\$ 7,588,364

### 12. Related Parties Transactions

The Corporation is related in terms of common ownership to all Province of Manitoba created departments, agencies and crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

### 13. Private Bar Fees and Disbursements

			2018	2017	
	 Fees	Di	sbursements	Total	Total
Legal aid certificates	\$ 14,933,427	\$	1,039,047	\$ 15,972,474 \$	14,367,137
Duty counsel services	454,852		0	454,852	383,587
Transcripts	0		119,244	119,244	114,439
	\$ 15,388,279	\$	1,158,291	\$ 16,546,570 \$	14,865,163

### 14. <u>Provision for Employee Pension Benefits</u>

Pension costs consist of benefits accrued, interest accrued on benefits and experience (gain) loss. This liability is determined by an actuarial valuation annually with the balances for the intervening periods being determined by a formula provided by the actuary. The most recent valuation was completed as at December 31, 2017. The actuary has projected the pension obligation to March 31, 2018.

# Notes to Financial Statements for the year ended March 31, 2018

	2018	2017
Balance at beginning of year	\$ 27,955,942 \$	25,425,066
Benefits accrued	895,648	899,266
Interest accrued on benefits	1,673,715	1,521,876
Benefits paid	(1,017,033)	(1,020,208)
Actuarial (gain) loss	43,826	1,129,942
Balance at end of year	29,552,098	27,955,942
Unamortized actuarial gains (losses)	(1,819,247)	(1,920,494)
	\$ 27,732,851 \$	26,035,448

The Corporation's pension costs consist of the following:

	2018	2017
Benefits accrued	\$ 895,648	\$ 899,266
Interest accrued on benefits	1,673,715	1,521,876
Amortization of actuarial (gains) losses	 145,073	69,744
	\$ 2,714,436	\$ 2,490,886
Employee contributions for the year	885,728	892,217

The key actuarial assumptions were a rate of return of 6.00% (2017 – 6.00%), 2.00% inflation (2017 – 2.00%), salary rate increases of 3.75% (2017 – 3.75%) and post retirement indexing 2/3 of the inflation rate. The projected benefit method was used and the liability has been extrapolated to March 31, 2018.

The Province of Manitoba has accepted responsibility for funding of the Corporation's pension liability and related expense which includes an interest component. The Corporation has therefore recorded a receivable from the Province equal to the estimated value of its actuarially determined pension liability 27,732,851 (2017 – 26,035,448), and has recorded revenue for 2017/18 equal to its increase in the unfunded pension liability during the year of 1,697,403 (2017 – 1,470,678). The Province makes payments on the receivable when it is determined that the cash is required to discharge the related pension obligation.

### 15. Externally Restricted Net Assets - Wrongful Conviction Cases

During the fiscal year ended March 31, 2006 the Province of Manitoba approved a reallocation of \$130,000 from the Corporation's unrestricted net assets. This funding was provided for section 696 applications under the Criminal Code for wrongful conviction appeals. In the current fiscal year, the Corporation did not incur any expenses (2017 -

# Notes to Financial Statements for the year ended March 31, 2018

nil) for private bar fees and disbursements related to wrongful conviction cases. The balance remaining is \$78,559.

### 16. <u>Internally Restricted Net Assets – Access to Justice Initiatives</u>

Effective the fiscal year ended March 31, 2015, the Management Council internally restricted \$1,500,000 of the accumulated surplus for the purpose of implementing access to justice initiatives and addressing the low financial eligibility guidelines. These funds are not available for other purposes without approval by the Management Council.

### 17. Internally Restricted Net Assets – Mega Case Fund

Effective the fiscal year ended March 31, 2016, the Management Council internally restricted \$600,000 of the accumulated surplus to fund legal aid services to eligible individuals charged with indictable offences that are complex and costly. These funds are not available for other purposes without approval by the Management Council.

#### 18. <u>Public Sector Compensation Disclosure</u>

For the purposes of the *Public Sector Compensation Disclosure Act*, all compensation for employees, Management Council members, and the private bar fees and disbursements from the Corporation is disclosed in a separate statement.

#### 19. <u>Financial Risk Management</u>

The Corporation has potential exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;
- Interest rate risk; and
- Foreign currency risk

The Corporation manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance. The Corporation's Management Council has overall responsibility for the establishment and oversight of the Corporation's objectives, policies and procedures for measuring, monitoring and managing these risks.

# Notes to Financial Statements for the year ended March 31, 2018

### Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Corporation to credit risk consist principally of cash and accounts receivable.

The maximum exposure of the Corporation to credit risk at March 31, 2018 is:

Cash		\$ 4,182,525
Short-terr	m investment	2,846,189
Client ac	counts receivable	163,330
Receivab	le from the Province of Manitoba	2,476,025
Other rec	eivables	386,647
Long-terr	n receivables:	
• (	Charges on land	829,621
• 5	Severance - Province of Manitoba	716,166
• F	Pension - Province of Manitoba	27,732,851
		\$ 39,333,354

Cash: The Corporation is not exposed to significant credit risk as the cash is held by a large financial banking institution.

Short-term investment: The Corporation is not exposed to significant credit risk as the short-term investments consists of a Guaranteed Investment Certificate held by a large financial banking institution.

Client accounts receivable includes clients that contribute toward the cost of their case under the Agreements to Pay – Partial and Agreements to Pay – Full payment programs based on a contract. The Corporation manages its credit risk on these accounts receivables which are primarily small amounts held by a large client base. It is typically expected that clients will settle their account based on their payment program. The Corporation establishes an allowance for doubtful accounts that represents its estimate of potential credit losses.

Receivable from the Province of Manitoba: The Corporation is not exposed to significant credit risk as the receivable is from the provincial government.

Other receivables include court costs, Child and Family Services agencies, Employment and Income Assistance, and miscellaneous. The Corporation is exposed to significant credit risk related to court costs and therefore, an allowance of 95% is set up to recognize the likelihood of collection. In the case of receivables from Child and Family Services agencies and Employment and Income Assistance, they are funded through

# Notes to Financial Statements for the year ended March 31, 2018

the Province of Manitoba. Miscellaneous includes GST and other recoverable costs. GST is received quarterly and other recoverable costs are usually paid within 90 days of receipt of an order to pay by the courts or other authority.

Long-term receivable – charges on land: The Corporation manages its credit risk on these accounts receivables which primarily consists of small amounts held by a large client base for which payment is secured by a lien on property. The Corporation establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is calculated on a specific identification basis and a general provision based on historical experience.

Long-term receivables – severance and pension – Province of Manitoba: The Corporation is not exposed to significant credit risk as the receivables are with the provincial government.

The Corporation establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, client analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

The change in the allowance for doubtful accounts during the year was as follows:

	2018	2017
Balance, beginning of the year	\$ 1,981,380	\$ 1,764,500
Provision for bad debts	458,827	372,780
Amounts written off	 3,957	(155,900)
Balance, end of the year	\$ 2,444,164	\$ 1,981,380

#### Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due.

The Corporation manages liquidity risk by maintaining adequate cash balances. The Corporation prepares and monitors detailed forecasts of cash flows from operations and anticipated investing and financing activities. Identified funding requirements are requested, reviewed and approved by the Minister of Finance to ensure adequate funding will be received to meet the obligations. The Corporation continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting.

Notes to Financial Statements for the year ended March 31, 2018

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or the fair values of its financial instruments. The significant market risks the Corporation is exposed to are: interest rate risk and foreign currency risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and accounts payable.

The interest rate risk is considered to be low on cash because of its short-term nature and low on accounts payable because they are typically paid when due.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

### 20. Measurement Uncertainty - Private bar

A certificate is issued to individuals seeking legal aid assistance. Each certificate issued authorizes legal services to be performed within the tariff guidelines based on the type of legal case. The estimated liability on work performed but not yet billed is \$2,200,000 (2017 - \$2,200,000). The estimation is based on an analysis of historical costs and time frames to complete similar cases. The estimated liability is included in accounts payable. It is offset by an associated accounts receivable from the Province of Manitoba, which is included in the Receivable from the Province of Manitoba balance. Additionally, management estimates a future liability related to work not yet performed on outstanding certificates as at March 31, 2018 of \$6,803,000 (2017 - \$6,442,000). This amount has not been recorded in the financial statements.

The estimated liability is subject to measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used. While management's best estimates have been used for reporting the private bar liability, it is possible that there will be a material difference between estimated amount and actual costs.

# Auditor's Report



#### AUDITOR GENERAL MANITOBA INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba To the Management Council of Legal Aid Manitoba

We have audited the Statement of Compensation Paid to Council Members and Employees and the Statement of Private Bar Fees and Disbursements of \$50,000 or more of Legal Aid Manitoba for the year ended March 31, 2018. The statements have been prepared by management in accordance with Sections 2 and 4 of The Public Sector Compensation Disclosure Act.

#### Management's Responsibility for the Statements

Management is responsible for the preparation of these statements in accordance with Sections 2 and 4 of The Public Sector Compensation Disclosure Act and for such internal control as management determines is necessary to enable the preparation of the statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, the financial information in the statements of public sector compensation of Legal Aid Manitoba for the year ended March 31, 2018 is prepared, in all material respects, in accordance with Section and 4 of The Public Sector Compensation Disclosure Act.

#### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the statements which describe the basis of accounting. The statements are prepared to assist the entity to meet the requirements of Sections 2 and 4 of Public Sector Compensation Disclosure Act. As a result, the statements may not be suitable for another purpose.

office of the Inditor General

Office of the Auditor General July 11, 2018 Winnipeg, Manitoba

> 500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169 www.oag.mb.ca

# **Notes to Financial Statements**

### LEGAL AID MANITOBA

Note to Financial Information for the year ended March 31, 2018

#### 1. Basis of Accounting

#### a) <u>Private Bar Fees and Disbursements of \$50,000 or More</u>

The financial information discloses every person who received \$50,000 or more during the fiscal year ended March 31, 2018 for providing legal aid. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

#### b) Aggregate Compensation to Council Members

The financial information discloses the amount of the payments, in aggregate, to the Council Members during the fiscal year ended March 31, 2018. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

#### c) <u>Compensation of \$50,000 or More</u>

The financial information lists employees who received compensation of \$50,000 or more during the fiscal year ended March 31, 2018. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

# **Public Sector Compensation Statement**

LEGAL AID MANITOBA Statement of Private Bar Fees and Disbursements in Excess of \$50,000 For the Year Ended March 31, 2018 (Prepared in accordance with Section 4 of the <i>Public Sector Compensation Disclosure Act</i> )							
Name	Name Amount Name						
Advent, Kristofer	\$ 95,538.05	Goertzen, Kendra	\$ 100,555.90				
Akin-Akinbulumo, Abimbola	57,579.90	Gould, Matthew	151,797.35				
Amy, Ryan	81,443.17	Gowenlock, Karl	57,060.47				
Antila, Crystal	94,322.03	Greenberg, Benji	52,361.73				
Armstrong, Bill	119,468.17	Harrison, Robert	249,223.67				
Beasse, Nicole	61,335.04	Henley, Kathryn	72,395.17				
Beddome, Aaron	138,679.50	Hodge,Adam	86,337.44				
Bhangu, Mandeep	84,314.65	Johnson, Alexandra	125,272.25				
Bonney, Bruce	243,065.05	Jones, Kristen	82,037.20				
Boucher, Nolan	118,344.43	Jones, Zilla	142,353.49				
Bourcier, Todd	71,247.81	Joycey, David	190,989.01				
Braun, Aaron	153,003.18	Katsanos, Rita	84,957.73				
Bretecher, Jacqueline	219,825.38	Kavanagh, Tony	99,812.16				
Briscoe, Curtis	423,494.36	Keesic, Steven	81,485.79				
Bueti, Katherine	163,229.54	Khan, Bashir	233,802.93				
Buisse, Leandre	62,765.38	Kinahan, Zachary	108,911.49				
Carroll, Margaret	165,665.87	Kostiuk, Jeremy	54,636.32				
Cellitti, Antonio	119,805.71	LaBossiere, Lisa	52,555.19				
Champagne, Gisele	111,267.70	Laham Szutiak, Michelle	64,506.86				
Claros, Armado	285,515.42	Mahoney, Carley	51,572.14				
Coggan, Derek	285,481.97	Manning, Daniel	67,125.75				
Cook, Michael	151,008.26	Mariash, Theodore	184,185.98				
Corona, John	213,740.21	Marks, William	204,396.35				
Cramer, Phillip	96,926.38	Martin-White, Wendy	268,773.43				
Dawson, Roy	90,326.58	Mayer, Douglas	52,181.79				
Dorion, Desiree	106,704.72	McCoy, Chris	65,190.30				
Dyck, Michael	125,962.51	McKay, Cameron	308,330.25				
Ehrmantraut, Serena	62,381.73	McKelvey-Gunson, Andrew	155,778.44				
English, Chantal	92,133.73	McNamara, Sarah	96,117.76				
Fogg, Kristen	71,240.58	Minuk, Kevin	67,164.36				
Gamby, Christopher	57,655.91	Mokriy, Don	250,322.74				
Gladstone, Brett	558,147.69	Munce, Matthew	206,733.30				
Glazer, Martin	65,627.45	Murdoch, Sarah	71,370.57				
Goeres, Ursula	124,070.60	Newman, Scott	110,978.25				

Name	Amount	Name	Amount
Olson, Candace	\$ 92,614.58	Shaikh, Ali	\$ 102,393.27
Omonuwa, Odaro	74,673.52	Sigurdson, Chris	88,397.35
Ostapiw, Jody	181,288.66	Simmonds, Saul	161,116.78
Phillips, Cory	234,596.00	Sims, Norm	67,162.12
Phillips, David	235,625.01	Sinder, Barry	181,861.98
Puranen, Serena	108,531.59	Singh, Inderjit	60,688.22
Purvis, Darcy	88,083.38	Skinner, John	268,224.48
Raffey, Matthew	111,261.42	Smith, Pamela	210,636.78
Rai, Surinder	280,569.33	Smith, Rachel	157,714.40
Ramsay, John	321,359.28	Soldier, Stacey	56,045.77
Rees, Tom	126,089.49	Steigerwald, Alex	75,416.05
Robinson, Laura	84,511.90	Synyshyn, Andrew	145,844.06
Rogala, Joshua	56,241.15	UnRuh, Janel	58,399.11
Roitenberg, Evan	65,359.60	Van Dongen, Lori	191,127.78
Ross, Monica	60,593.00	Walker, Tara	170,949.97
Sawchuk, Darren	81,069.03	Webb, Karen	66,992.71
Schaan, Chad	80,411.96	Wishnowski, Eric	63,069.06
Schwartz, Mat	55,951.07	Wood, James	63,390.30
Segal, Shimon	59,146.19	Zaman, Saheel	317,085.48
Senkbeil, Stacy	51,496.63	Zurbuchen, Marc	50,638.51

The payments reflected in this statement are on a cash basis.

LEGAL AID MANITOBA Statement of Compensation Paid to Council Members and Employees For the Year Ended March 31, 2018 (Prepared in accordance with Section 2 of the <i>Public Sector Compensation Disclosure Act</i> )								
Paid to Council Members:		\$ the Chair	48,904					
Amounts paid to employees of \$50,000 or more:								
Name	Position	Amount	Name	Position	Amount			
Anderson, L.	Attorney 3	\$ 135,088	Clifford-Johnson, T.	Admin Officer 3	\$ 71,347			
Aniceto, L.	Attorney 3	126,851	Colquhoun, L.	Attorney 3	7, 9			
Balneaves, S.	Info Technologist 4	91,932	Cottam. G.	Attorney 2	125,682			
Bergeron, D.	Admin Officer I	56,041	Dilay, K.	Attorney I	78,027			
Bracken, S.	Attorney 3	137,898	Dowle, K.	Attorney 3	142,671			
Bychuk, J.	Admin Officer I	59,395	Drewniak, B.	Admin Officer 2	64,901			
Caldwell, S.	Clerk 5	61,148	Dutton, C.	Clerk 2	53,765			
Cheng, W.	Financial Officer 4	77,957	Dwarka, R.	Financial Officer 7	103,662			
Clifford, G.	Sr Legal Officer 4	170,341	Fawcett, R.	Attorney 3	143,032			

Name	Position	Amount	Name	Position	Amount
Fenske, A.	Attorney 3	\$ 131,948	Patena, W.	Accounting Clerk 2	\$ 52,263
Ferens, M.	Attorney 2	130,940	Pauls, C.	Attorney 3	149,101
Gammon, B.	Sr Legal Officer 3	161,692	Plenert, H.	Admin Officer I	56,266
Gilson, D.	Admin Officer 3	69,952	Raposo, S.	Sr Legal Officer 3	161,692
Hanslip, M.	Attorney 2	122,480	Regunay, S.	Admin Officer I	51,226
Harris, S.	Admin Officer I	52,505	Robbins, J.	Attorney 3	124,000
Hawrysh, G.	Attorney 3	163,619	Robinson, G.	Attorney 3	154,177
Henderson, D.	Attorney 2	126,851	Rutherford, J.	Attorney I	85,150
Hlady, C.	Admin Officer I	57,210	Sandulak, T.	Attorney I	57,299
Horst, A.	Attorney 3	148,726	Sansregret, A.	Attorney 4	153,228
Hwozdulych, B.	Attorney 2	126,851	Santos, M.	Attorney 3	152,428
Jack, S.	Attorney I	78,424	Settee, L.	Admin Officer I	57,210
Jemmett, M.	Attorney I	63,620	Settee, S.	Admin Officer 2	63,619
Kennedy, C.	Attorney 3	45,85	Sherman, C.	Attorney 3	152,351
Kingsley, P.	Sr Legal Officer 3	164,660	Sieklicki, A.	Attorney I	80,549
Kolida, W.	Admin Officer I	52,113	Sieklicki, P.	Attorney 2	108,664
Koturbash, T.	Attorney 3	149,768	Simpson, P.	Info Technologist 2	78,473
Langford, K.	Admin Officer I	53,716	Sneesby, K.	Attorney 3	151,434
Libman, A.	Attorney 3	45,85	Stewart, W.	Attorney 3	81,908
Liu, W.	Info Technologist 3	84,637	Strang, K.	Attorney 2	128,734
Loney, A.	Attorney 3	45,85	Sutherland, R.	Attorney 3	110,157
Lovegrove, C.	Attorney 4	155,812	Swait, M.	Planning Prog An 2	73,082
Lundrigan, D.	Admin Officer I	60,715	Tailleur, L.	Attorney 3	45,85
MacAulay, G.	Attorney 3	45,85	Tait, C.	Attorney 2	126,851
Maloney, M.	Admin Officer I	57,210	Tasche, H.	Attorney 2	115,240
McDonald, T.	Attorney 3	155,781	Tonge, P.	Attorney 3	139,421
McLean, K.	Attorney I	80,858	Unger, J.	Admin Officer 3	69,952
McNaught, I.	Attorney 2	115,710	Valcourt, G.	Info Technologist 4	91,932
McRobbie, C.	Clerk 5	54,681	Van Schie, S.	Attorney 3	45,85
Meade, E.	Admin Officer I	56,041	Walker, M.	Attorney 3	149,101
Mendelson, L.	Attorney I	87,431	Weisensel, S.	Attorney I	78,603
Mitchell, M.	Attorney 2	110,948	Whidden, S.	Attorney I	53,070
Muchnik, A.	Admin Officer 2	64,506	Wiebe, C.	Info Technologist 2	78,473
Munce, A.	Attorney I	81,284	Williams, M.	Admin Officer 2	64,901
Nygaard, D.	Attorney 2	131,560	Williams, B.	Attorney 4	153,137
Paler, S.	Attorney 3	45,85	Woodman, R.	Attorney 3	45,85
Paluk, M.	Attorney 3	149,101	Zacharias, G.	Admin Secretary 4	52,077
Pastora Sala, J.	Attorney I	85,233			

# **Directory of Legal Aid Offices**

#### **Administration Office**

4th Floor - 287 Broadway Winnipeg MB R3C 0R9 Ph: 204.985.8500 Toll-free: 1.800.261.2960 Fax: 204.944.8582

#### **Agassiz CLC**

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#### **Child Protection Law Office**

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#### **Criminal Duty Counsel Office**

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#### **Phoenix CLC**

500 - 175 Carlton Street Winnipeg MB R3C 3H9 Ph: 204.985.5222 Toll-free: 1.855.777.3759 Fax: 204.942.2101

#### **Public Interest Law Centre**

200 - 393 Portage Avenue Winnipeg MB R3B 3H6 Ph: 204.985.8540 Toll-free: 1.800.261.2960 Fax: 204.985.8544

#### **Regency CLC**

300 - 287 Broadway Winnipeg MB R3C 0R9 Ph: 204.985.9440 Toll-free: 1.855.777.3756 Fax: 204.947.2976

#### **Riel CLC**

410 - 330 Portage Avenue Winnipeg MB R3C 0C4 Ph: 204.985.8555 Toll-free: 1.855.777.3758 Fax: 204.774.7504

#### **Riverwood CLC**

200 - 175 Hargrave Street Winnipeg MB R3C 3R8 Ph: 204.985.9810 Toll-free: 1.855.777.3757 Fax: 204.985.8554

#### **University of Manitoba CLC**

Faculty of Law 101 Robson Hall University of Manitoba Winnipeg MB R3T 2N2 Ph: 204.985.5206 Fax: 204.985.8551

#### **Willow CLC**

102 - 433 Main Street Winnipeg MB R3C 1B3 Ph: 204.985.9732 Toll-free: 1.855.777.3760 Fax: 204.942.7362

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#### **Amisk CLC**

138 1st Avenue SW, Unit A Dauphin MB R7N 1S2 Ph: 204.622.7000 Toll-free: 1.800.810.6977 Fax: 204.622.7029

#### Northlands CLC

Box 2429, 236 Edwards Ave The Pas MB R9A 1M2 Ph: 204.627.4820 Toll-free: 1.800.268.9790 Fax: 204.627.4838

### **Thompson CLC**

3 Station Road Thompson MB R8N 0N3 Ph: 204.677.1211 Toll-free: 1.800.665.0656 Fax: 204.677.1220

#### Westman CLC

236 - 11th Street Brandon MB R7A 4J6 Ph: 204.729.3484 Toll-free: 1.800.876.7326 Fax: 204.726.1732





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