

# Legal Aid Ontario's budget deficit

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At Legal Aid Ontario (LAO), we have limited resources to deliver on our mandate of providing low-income Ontario residents with access to justice. We are working hard to implement our balanced budget plan so we can continue to deliver on our highest priority of serving as many clients as possible.

## Why did Deloitte perform an independent review of LAO's budget?

The Ministry of the Attorney General requested an independent review of LAO's projected budget deficit for fiscal year 2016/17 to understand the financial impact of the corresponding Balanced Budget Plan we announced in December 2016.

The objectives of the review were to:

1. assess our forecasting methodology regarding financial and legal eligibility
2. review our internal governance and decision-making procedure related to budget management
3. review our Balanced Budget Plan to confirm its feasibility.

The focus of the review was LAO's processes and projections about service.

## What were the results of the Deloitte review of LAO?

The review found no mismanagement on the part of LAO and provided valuable feedback on our forecasting practices. We welcomed the review's recommendations and are working to implement them over the next several months as part of our plan to balance the budget by 2019.

Deloitte also noted there are some serious pressures still facing LAO as a result of the unpredictable nature of our business. Deloitte recognizes we may have to make some difficult choices and recognizes we operate in a complex and continuously evolving environment, and must continue to deliver an important service to support the lowest income Ontarians.

You can read the full report at [www.attorneygeneral.jus.gov.on.ca/english/about/pubs/lao\\_review/](http://www.attorneygeneral.jus.gov.on.ca/english/about/pubs/lao_review/).

## Why is LAO in a budget deficit for fiscal year 2016/17?

LAO is under significant financial pressure in all areas of legal aid services – criminal, family, refugee and immigration. Several things have contributed to the current budget deficit. One of the biggest is the unpredictable and fast-growing service demand for our refugee and immigration program. This is related to numerous factors outside of LAO's control including global instability, civil wars and the availability of asylum elsewhere.

## Can LAO find money from within its organization?

The duty to provide support to as many clients as possible drives the work we do. We want to see more low-income Ontarians have access to justice. LAO runs a lean organization.

- Our administration costs are currently about 10 per cent; this is a best practice in government agencies, and one we take very seriously.
- In 2016 alone, LAO helped more than 840,000 low income Ontario residents with a criminal, family or refugee matter through a mix of staff lawyers and private bar lawyers; serving as many clients as we do means we need a solid foundation of service centres and staff resources across the province.
- People work at LAO because they care about access to justice.

- LAO has many lawyers in its organization providing direct client service, among other things; as such, it is not surprising that we have staff on the Ontario public sector salary disclosure list, or 'sunshine list'.
- The majority (226 out of 303) of our staff on the list are in the lowest band (\$100,000 to \$120,000).
- Of the 303 staff on the list, the majority (254 of 303) are lawyers.
- 16 people on the list make over \$160,000.

## What is Legal Aid Ontario doing about its budget deficit?

LAO has a plan to achieve a balanced budget by 2019 and we are on track to do this. The plan's goals include:

- Within Legal Aid Ontario
  - freezing salaries at 2016/17 levels
  - not filling staff vacancies, where possible, while ensuring there is minimal impact to client service
- Implementing recommendations from the [Deloitte review](#)
- Addressing the serious pressures we are still facing, specifically in the area of immigration and refugee services
  - LAO is considering options to contain the costs of the immigration and refugee program
  - historically, our refugee and immigration program has cost the organization approximately \$20M, however, in 2017/18, we are forecasting it will cost \$33.6M
  - without additional funding to meet increased demand for refugee and immigration legal aid services, LAO will need to take steps to ensure that it operates within its means

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