Meeting of the Board of Directors on June 24, 2011 9:00 a.m. to 12:30 p.m.

Public Proceedings of the Board

Board Members Present:
John McCamus (Chair); Nancy Cooper; Michelle Haigh; John Liston (by teleconference); James McNee; Derry Millar; Tim Murphy; James Yakimovich; Robert W. Ward, (CEO/Ex Officio)

Staff:
Sue McCaffrey; David Field; David McKillop; Stephanie Mealing; Michelle Séguin,

Regrets:
Aly Alibhai

Opening Items

1. Meeting Agenda
   The agenda was approved.

2. Conflict of Interest
   No conflict of interest was identified.

3. Minutes of Meetings
   Minutes of April 14, 2011 Board Meeting
   Minutes of April 15, 2011 Board Meeting
   Minutes of May 30, 2011 Board Teleconference Meeting
   Minutes of June 2, 2011 Board Meeting

   MOTION: A motion was made and carried that the Board adopt the minutes of the Board meetings held April 14, April 15, May 30, and June 2, 2011.

4. Chair’s Report
   ➢ The Chair reported as follows:
     Expense Disclosure
     The Chair reported on his expenses, January to April, 2011.
     Board Retreat
     The Chair reviewed suggestions for the 2011 Retreat and Strategic
Planning Session:
- Identify and recommend books on governance issues for discussion.
- Identify three challenges facing Board members and focus the retreat on these items.

The Board discussed the history and possible future of LAO’s management of provincial government protocol cases.

MOTION: A motion was made and carried that the Board receive the Chair’s Report.

5. President and CEO’s Report (receive)

The President and CEO presented the second segment of the President’s Report, and highlighted the following:

- **Update on ACLCO Developments**
  
  The President updated the Board on activities since the May 30, 2011 Board teleconference meeting. He reported that the facilitators retained to analyze and make recommendations on the LAO/ACLCO relationship have completed their interviews and have briefed the President on their preliminary findings. The facilitators have made the following recommendations:
  - That the ACLCO withdraw its demand letter;
  - That LAO flow some compensation funding to clinics, consistent with the Board’s principles;
  - That the parties engage in a visioning process to include LAO Board members, MAG representatives, and other community agencies to develop some ideas on the future of the clinic system;
  - That the parties find a way to professionalize the interaction between LAO and ACLCO and help improve clinics’ ability to modernize.

  He noted that the timing schedule and sequencing are being developed.

  Board member Derry Millar reported on his meeting with the Executive Director of the ACLCO.

  The President noted that the issue at hand is economies of scale and that the plan is essentially to move clinics forward to mainstream administration baselines. He expressed concern about the association’s lobbying methods and its behaviour towards LAO as clinic funder and overseer. He noted that poverty law is an important component in the legal aid system and it must be preserved and enhanced, and that clinic funding must be administered efficiently and effectively. The President reported that should the ACLCO agree to the facilitators’ proposals, the process will commence immediately.

MOTION: A motion was made and carried that the Board, receive the second segment of the President and CEO’s Report.
Committee Reports

6. Minutes of Audit and Finance Committee Meetings
   Amendment to Minutes of Audit & Finance Committee meeting of March 30, 2011 (approve)
   The Vice-President and General Counsel advised that at its meeting on March 30, 2011, the Audit and Finance Committee approved a motion to upgrade the network equipment at Atrium on Bay, however the Motion was incomplete. The Motion that was recommended by staff was for the Committee to name the contractor and authorize the President and CEO to sign the contract.

   MOTION: A motion was made and carried that the Committee approve an amendment to the Motion in agenda Item #5 in the Minutes of the Audit and Finance Committee meeting of March 30, 2011 to read as follows:
   “The Committee approves the following recommendations to the Board:
   • That LAO award the contract for network equipment to LanWorks 1, and further,
   • That the Board authorize the President and CEO to sign a contract with LanWorks 1.” MOTION CARRIED

   Minutes of June 2, 2011 (adopt)
   MOTION: On a motion was made and carried that the Board adopt the Minutes of the Audit and Finance Committee meeting held June 2, 2011.

7. Financial Statements (receive)
   Audited LAO Financial Statements for the Year Ended March 31, 2011
   The Vice-President and CAO presented the Financial Statements and Audit Report indicating an unqualified (clean) audit for 2010-11. The Chair reported that the Auditor General attended the Audit and Finance Committee on June 2, 2011, and was very complimentary in his comments made in the absence of staff. The Auditor General noted that LAO compares favourably among the best OPS agencies.

   Audited LAO Employee Pension Plan Financial Statements for the Year Ended December 31, 2010
   The Vice-President and CAO presented the Audited LAO Pension Plan Financial Statements for the year ended December 31, 2010.

   MOTION: A motion was made and carried that the Board receive the Audited LAO Financial Statements for the Year Ended March 31, 2011 and the Audited LAO Employee Pension Plan Financial Statements for the Year Ended December 31, 2010.

Board Reports

8. 2011/12 Performance Contract for the President & CEO (approve)
The President and CEO presented the 2011/12 Performance Contract for the President and CEO. He noted that contract commitments are designed to cascade down the accountability chain to inform other work. He invited Board members to suggest additions or amendments today as well as at any time during the term of the contract. He highlighted the development of a plan to address the provincial Low-Income Cut-Off (LICO) eligibility standard as the eligibility standard for legal aid. He noted that many of the initiatives are a continuation of previously-approved multi-year projects.

MOTION: A motion was made and carried that the Board approve the commitments outlined in the President and CEO’s 2011/12 performance contract, with the addition of the commitment requested concerning Risk Management and Mitigation.

9. Clinic Management Discussion Paper (receive)
   – The President and CEO presented a report on modernization of poverty law services delivery in Ontario. He noted that this is an internal report that sets out some suggested themes for improvements in the governance of clinics, and he invited the Board’s direction and advice on these issues. He noted that these ideas are intended to inform the development of a Consultation Paper on Clinic Modernization. He advised that the proposed poverty law strategy will include a framework of transparency, accountability and adherence to public service policies and principles and will ensure value to taxpayers.
   – The Vice-President and CAO advised that a full consultation process is planned. She highlighted the proposed simplification of clinic funding applications.
   – The Vice-President and General Counsel advised that the current clinic service model was established 40 years ago and does not meet the needs of today’s clients. She noted that different factors are converging to indicate that there needs to be forward movement to a different future of poverty law services.
   – The President and CEO advised that the key messages will be recast incorporating the Board’s suggestions and a discussion paper will be brought back to the Board for input and approval of next steps.
   – Board members agreed, however, that program standards should be consistent throughout the organization and that LAO should not lose sight of the fact that the efficiencies and administrative savings must be realized, and client service maintained.
   – The President and CEO advised that staff is looking into what initiatives can be accomplished immediately, what is uncertain, and what will take a longer time to accomplish.

MOTION: A motion was made and carried that the Board direct LAO staff to continue with the administrative savings initiative while developing a discussion paper for a Visioning Exercise incorporating the Board’s direction.
10. Memorandum of Understanding (MOU) Between MAG and LAO (approve)

The President and CEO advised that all agencies are required to enter into an MOU with their respective Ministries. He noted that the standardized approach of a provincial agency MOU does not mesh with LAO’s legislation pertaining to its independence and its role in the justice system. He invited Board members to direct staff with respect to how LAO should approach a new MOU. The Vice-President and General Counsel presented the Report on Preparing for Next Review of LAO-MAG MOU. She noted the importance of LAO’s independence because legal aid clients are often on the “other side” of an issue for which the Ministry has responsibility and that LAO needs specific provisions tailored to its unique role in the administration of justice. She noted that a discussion paper is being developed to analyze areas of difficulty and recommend solutions. She reviewed the key principles:

- Paramountcy of the Legal Aid Services Act (LASA)
- LAO’s unique position in the justice sector
- LAO’s statutory accountability
- Mutuality in the LAO-MAG relationship
- The need for clarity
- Respect for the roles and responsibilities contained in the MOU and in LASA

She noted the operational requirement to inform MAG now that LAO intends to review the LAO-MAG MOU. The Committee discussed the use of the standard template MOU, but with some modification where necessary. The President noted that the new MOU will speak to LAO being accountable and independent. The Committee discussed the process for reaching agreement on a new MOU.

MOTION: A motion was made and carried that the Board approve the proposed approach to preparing for the review of the MOU.

11. Business Plan, 2011/12 Final (approve)

The Vice-President, Strategic Planning and Compliance presented LAO’s 2011/12 Business Plan. He noted that the overall Business Plan direction was approved by the Audit and Finance Committee on March 30, 2011 and that the final Business Plan is presented today for Board approval.

MOTION: A motion was made and carried that the Board approve LAO’s 2011/12 Business Plan, subject to the editorial amendments by the Chair and President and CEO arising from the Board discussion.

MOTION: A motion was made and carried to adjourn the meeting.