

Appendix C
MNP Recommendations and LAO Status Updates

	Risk Theme	LAO Response & Actions	MNP Risk Rating	Current Risk Rating
1	Portal System Controls	<p>For Block Fees – Completed</p> <ul style="list-style-type: none"> • About 80% of criminal accounts are block fee accounts – Block Fees are fixed fees based on the outcome achieved, as a result, the tariff does not apply • Dockets are optional attachments for Block Fee accounts, but dockets continue to be mandatory if requested by LAO <p>For Other Certificates – remaining 20% - Partially Complete</p> <ul style="list-style-type: none"> • Dockets are mandatory attachments for portal tariff accounts • Error Prevention Project Phase I – program changes are in process including: improved business logic, pop-up messages, improved help text and other messaging in the portal to reduce error and improve accuracy of account submission • Future phases for error prevention and improved systems controls in the planning stage <p>Partially completed:</p> <ul style="list-style-type: none"> • Lawyer Service and Payment Department (LSP) transformation Initiative included an IT Working Group to develop new billing and portal initiatives. A full review of the portal was conducted and key error prevention strategies were identified. Phase I is currently in development. • LAO has developed various queries to identify and monitor billing irregularities • LAO implemented targeted examinations – the selection of accounts based on likelihood of risk. Risk factors include: accounts with risk indicators, recommendations based on a solicitor’s past billings, and accounts whose outcomes were not substantiated with ICON. • Project to implement data analytics underway. • Established Compliance Committee, chaired by CEO • Established LSP Compliance Committee (includes LSP, Finance, Investigations, Audit & Compliance, Panel Management and Compliance). • Established regular meetings with LSP and the Lawyer Service Centre (LSC) • Ongoing coordination of training of all new portal and billing initiatives. • Inappropriate Billing data analytics is being implemented • LSP Transformation Initiative included an IT Working Group to lead technology changes for billing and portal projects. IT and LSP have successfully implemented several projects and are developing others for fall and winter implementation. 	Red	Yellow

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		<ul style="list-style-type: none"> Data analytics tool near completion. 		
2	<i>Monitoring Function</i>	<p>Completed</p> <ul style="list-style-type: none"> In 2010 the Compliance Division was formed made up of Audit and Compliance Unit (ACU), Investigations and Internal Audit To ensure their objectivity and independent reporting they report to the VP of Compliance, now reports to General Counsel & VP, whose mandate comes from the Board, and to the Audit and Finance Committee of the Board Established Compliance Committee, chaired by CEO Established the LSP Compliance Committee (includes LSP, Finance, Investigations, Audit & Compliance, Panel Management and Compliance). <p>The following initiatives have enhanced LAO's monitoring:</p> <ul style="list-style-type: none"> LAO has obtained access to court information (ICON) to compare court activities to those identified on accounts submitted by lawyers. A LSP Transformation Initiative was implemented to lead LSP through reorganization and business process review. Four working groups were created: Information Management & IT, Quality Service & Communication, Policies, Procedures & Processes and HR & Training Representatives from all key groups are involved on the Steering Committee and on the working groups. The Transformation Initiative has resulted in various initiatives and projects being implemented. LSP reorganized to create three regional teams with a Lawyer Manager overseeing each team. Each regional team has greater interaction with the regional business units for increased accountability. Identified new skills competency, including paralegal license, for 4 new Lawyer Payment Specialist positions Job descriptions for all positions were re-written in 2009 based on an expanded profile that significantly increased educational and technical competency requirements such as data analytic skills and knowledge of the tariff. Since 2010 the unit is completely re-staffed and since 2011 has a new manager. Investigations completed competency profile for Investigators to ensure requisite skills and knowledge 	Red	Green

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		<ul style="list-style-type: none"> The Investigation Unit are either certified or in the process of becoming certified investigators. 		
3	Post Payment Examination	<p>Completed</p> <ul style="list-style-type: none"> In 2010 the Compliance Division was formed made up of Audit and Compliance Unit (ACU) (previously call Post Payment Examination (PPE)), Investigations and Internal Audit to ensure their objectivity and independent reporting. They report to the General Counsel & VP, whose mandate comes from the Board, and to the Audit and Finance Committee of the Board New competencies established for function Additional resources added to the function Job descriptions for all positions were re-written in 2009 based on an expanded profile that significantly increased educational and technical competency requirements such as data analytic skills and knowledge of the tariff. Since 2010 the unit is completely re-staffed and since 2011 has a new manager. Since 2010 the Division's strategic direction has been established through its business plan The Division developed performance measures in April 2012 and uses these to report on its performance to the Board Organizational risks are identified through Compliance Division's risk management processes established in 2010 and enhanced significantly in 2011 through education, executive level and front-line risk reporting and ethics exercises Key Performance Indicators have been identified, and are being tracked for each analyst. Baselines for the team are still being established. Established the LSP Compliance Committee (includes LSP, Finance, Investigations, Audit & Compliance, Panel Management and Compliance). <p>Substantially Completed</p> <p>The following improvements to the PPE (now ACU) function have been made:</p> <ul style="list-style-type: none"> Key Performance Indicators have been identified, and are being tracked for each analyst. Baselines for the team are still being established. Implemented targeted examinations – the selection of accounts based on likelihood of risk. Risk factors include: accounts with risk indicators, recommendations based on a solicitor's past billings, 	Orange	Green

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		<p>and accounts whose outcomes were not substantiated with ICON.</p> <ul style="list-style-type: none"> • Project to implement data analytics that will more quickly identify “hot spots” is underway 		
4	Investigations Group	<p>Substantial Improvements</p> <ul style="list-style-type: none"> • LAO has developed various queries to identify and monitor billing irregularities • Irregular Billing data analytics is being implemented • Resources added to this function <p>Substantially Completed</p> <ul style="list-style-type: none"> • Two investigators were hired in mid 2010 adding competencies and resources to the function • Data analytics tool in development • Data analysis competencies improved • Risk based approach implemented <p>To improve effectiveness:</p> <ul style="list-style-type: none"> • LAO implemented new case management systems for ACU and for Investigations <ul style="list-style-type: none"> • LAO has developed various queries to identify and monitor billing irregularities • Investigations now reports its performance based on recently developed performance measures • Established the LSP Compliance Committee (includes LSP, Finance, Investigations, Audit & Compliance, Panel Management and Compliance). • LAO has access to court information, ICON system • Investigations along with ACU and Internal Audit is now part of a Compliance Division formed in 2010, with dual reporting to the VP of Compliance and to the Audit and Finance Committee of the Board of Directors in order to better focus the efforts and strategic direction of the departments and to ensure their objectivity and independent reporting 	Orange	Green
5	Culture/ Organizational Structure	<p>Completed</p> <ul style="list-style-type: none"> • Since the MNP report was written, in 2009, organizational focus related to risk assessment, compliance, measurement and accountability has improved; • LAO completed “Public Service Conduct and Ethics” training and information sessions for all staff. Ethics Guide was introduced in spring 2011 	Orange	Green

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		<ul style="list-style-type: none"> • New Orientation training modules incorporate Public Service and Ethics training • LAO instituted business planning at all levels of staff and aligned business plan objectives and measures with individual performance goals in 2012 • Performance measures incorporated in business planning at a corporate and departmental level and as well as individual performance goals • Risk management best practices were introduced into LAO including: <ul style="list-style-type: none"> ○ Quarterly executive level risk reporting in 2009 ○ Implementation of a risk management framework in 2010, which outlines roles and responsibilities of staff, management and the Board ○ E-learning to educate staff on basic concepts and train managers on risk reporting ○ Bi-annual risk reporting began in 2011 • LAO established a Change Management Office and a Project Management Office within the Compliance Division to lead and oversee organizational change and implementation of corporate projects • In 2011 LAO conducted a change management survey (Modernization Town Hall) for staff 		
6	Stakeholder Management	<p>Ongoing</p> <ul style="list-style-type: none"> • Since the MNP report was written in 2009, LAO has made stakeholder relations a key function of one of the Vice Presidents • LAO has engaged its stakeholders in a number of consultations related to providing more effective and efficient services to clients <p>Substantially Completed</p> <ul style="list-style-type: none"> • LAO develops individual communications strategies for key messages and changes that include consultation, communication and training • LAO uses various electronic communication tools to relay messages regarding the portal and billings to support accuracy in billing: notices on the website, Better Billing Bulletin, Hot Bytes, e-mails and text messaging, webinars, online webcasts and portal announcements. • LAO introduce electronic document submission for lawyers to communicate with and receive communication from LSP and continues to build additional communication tools for ACU regarding random and targeted audits. • ACU and Investigation Units have ongoing conversations with lawyers about their billings and 	Yellow	Green

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		<p>request lawyers to repay if an error is found.</p> <p>Substantial Improvements</p> <ul style="list-style-type: none"> • Since 2009 when this report was written, LAO has improved communications with its stakeholders and has been clear about LAO objective to providing cost effective and efficient client services; • Enhanced focus on panel management; • LAO meets with stakeholders regularly through advisory committees; • LAO has engaged its stakeholders in a numerous consultations; • LAO develops individual communications strategies for key messages and changes that include consultation, communication and training • LAO uses various electronic communication tools to relay messages regarding the portal and billings to support accuracy in billing: notices on the website, Better Billing Bulletin, Hot Bytes, e-mails and text messaging, webinars, online webcasts and portal announcements. • LAO introduce electronic document submission for lawyers to communicate with and receive communication from LSP and continues to build additional communication tools for ACU regarding random and targeted audits/ 		
7	Communication Risk	<p>Substantial Improvements</p> <ul style="list-style-type: none"> • Since 2009 when this report was written, LAO has improved communications with its stakeholders and has been clear about LAO objective to providing cost effective and efficient client services; • LAO implemented its Modernization Strategy which has been communicated and actioned across the organization; • LAO’s business plan clearly articulates LAO’s objective and the initiatives that are being or will be undertaken to achieve LAO’s mandate and its objective; • There has been numerous organizational conversations about LAO’s Modernization Strategy and the principles which underlie it. <p>Substantial Completed</p> <ul style="list-style-type: none"> • LAO’s Modernization Strategy and the annual business plans guide the major initiatives undertaken or to be undertaken by the organization; • Both of these are communicated through the Vice President and Managers to the organization • The Communication Department is involved in every major initiative of the organization 	Orange	Green

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		<ul style="list-style-type: none"> • Communications strategies are developed for every major initiative considering the audience (internal and external), the medium to use to easily access the audience, and the key messages to impact • A Change Management function has been established and is involved in every major initiatives; • Governance, Risk and Compliance program has been implemented 		
8	Risk Management	<p>Completed</p> <ul style="list-style-type: none"> • In 2010 the Compliance Division was formed made up of ACU, Investigations and Internal Audit • To ensure their objectivity and independent reporting they report to the VP of Compliance, whose mandate comes from the Board, and to the Audit and Finance Committee of the Board • Established Compliance Committee, chaired by CEO • Risk management best practices were introduced into LAO including: <ul style="list-style-type: none"> ○ Quarterly executive level risk reporting in 2009 ○ Implementation of a risk management framework in 2010, which outlines roles and responsibilities of staff, management and the Board ○ E-learning to educate staff on basic concepts and train managers on risk reporting ○ Bi-annual risk reporting began in 2011 • Ethics Guide introduced 2011 • Ethics E-learning introduced 2011 • Ethics Hotline introduced 2011 	Red	Green

Immediate Actions

Immediate Action identify by MNP	LAO Status Update
1. Validate the Initial Current State Assessment, through discussions with LAO Senior Management, provincial stakeholders, and external legal professionals, as well as develop a process to obtain quantifiable and measurable data that may be used to monitor the performance of the billing program.	Completed
2. Through the use of both automated warning messages on the portal and communications directly with the lawyers, it is recommended that notice be sent to lawyers that LAO is beginning a number of initiatives to more closely monitor portal billing and abuse on the system	<p>Partially Completed</p> <ul style="list-style-type: none"> • Error Prevention Project Phase I in development • Future phases for error prevention and improved systems controls in the planning stage • Improvements to the PPE (now Audit and Compliance Unit (ACU)) function completed and

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	<p>communicated</p> <ul style="list-style-type: none"> Increased communication to service providers including consultation, training, and web based communications.
3. It is seen as highly desirable that LAO demand and enforce the requirement for lawyers' billing on the portal to submit their detailed accounts in all cases and that LAO develop a process to quickly deal with those lawyers who do not comply	Completed
4. Portal System queries and exception reporting should be developed to help identify those areas most prone to abuse, and the specific lawyers who are billing inappropriately.	Completed and ongoing <ul style="list-style-type: none"> Reporting and queries developed Reporting is a required business requirement for all new initiatives related to the portal and included in the IT functional design ACU is identifying reporting requirements as part of the functional design ACU and Investigations continue to develop queries and reporting tools
5. Automated input controls and edit checks should be also added to the portal.	Partially Completed <ul style="list-style-type: none"> Implemented block fees for criminal accounts Error Prevention Project Phase I in development Future phases for error prevention and improved systems controls in the planning stage ACU and Investigations developing data analytics and new query tools.
6. LAO should conduct the planning, and begin implementation, of an Enhanced Monitoring Function initiative with an immediate high priority on an organizational design assessment and re-alignment of the monitoring groups.	Completed
7. As part of a renewed corporate communication strategy, it is recommended that LAO being immediately by focusing on internal messaging and change management	Substantially Completed <ul style="list-style-type: none"> LAO's Modernization Strategy and the annual business plans guide the major initiatives undertaken or to be undertaken by the organization; Both of these are communicated through the Vice President and Managers to the organization The Communication Department is involved in every major initiative of the organization Communications strategies are developed for every major initiative considering the audience (internal and external), the medium to use to easily access the audience, and the key messages to impact A Change Management function has been established and is involved in every major initiatives; Governance, Risk and Compliance program has been implemented

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8. A staffing skills analysis and resource review of PPE and Investigations should be completed.	Completed
9. Obtain concurrence for, and begin developing a Governance, Risk and Compliance Program	Completed